

Manchester City Council Report for Resolution

Report to: Executive – 11 January 2017
Neighbourhoods and Environment Scrutiny Committee – 31
January 2017
Economy Scrutiny Committee – 1 February 2017
Communities and Equalities Scrutiny Committee – 1 February
2017
Resources and Governance Scrutiny Committee – 2 February
2017

Subject: Growth and Neighbourhoods Budget and Business Planning:
2017-2020

Report of: Deputy Chief Executive, Growth and Neighbourhoods

Purpose of the Report

This report provides a high level overview of the priorities to be delivered in Growth and Neighbourhoods throughout 2017-2020 alongside the Directorate's saving proposals. Accompanying delivery plans which set out the performance, financial, risk management and workforce monitoring framework are in development and will be prepared for the scrutiny committees in late January / early February.

The report sets the savings the directorate proposes to make in the context of its objectives. The delivery plans will provide a framework to be used throughout 2017-2020 to monitor performance towards objectives, workforce development, risk and financial outturn. Taken together, the five directorate reports and delivery plans will show how the directorates work together and with partners to progress towards the vision for Manchester set out in the Our Manchester Strategy.

The vision, objectives and key changes described in this report will be communicated to staff across the directorate to ensure that staff at all levels of the organisation understand how their role contributes towards the vision for the city.

Recommendations

The Executive is recommended to:

1. Note and endorse the draft budget proposals contained within this report, which are subject to consultation as part of the overall budget setting process; and
2. Note that final budget proposals will be considered by the Executive on 8 February for recommendation to Council

Scrutiny Committees are requested to comment on the draft Budget and Business Plan for Growth and Neighbourhoods.

Wards Affected: All

Manchester Strategy Outcomes	Summary of the Contribution to the Strategy
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	Providing the leadership and focus for the sustainable growth and transformation of the City's neighbourhoods
A highly skilled city: world class and home grown talent sustaining the city's economic success	Raising skill levels of Manchester residents and ensuring they are connected to education and employment opportunities across the City.
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	Creating places where residents actively demonstrate the principles of Our Manchester through participation and take responsibility for themselves and their community whilst encouraging others to do the same, supported by strong and active community groups.
A liveable and low carbon city: a destination of choice to live, visit, work	Creating places where people want to live with good quality housing of different tenures; clean, green, safe, healthy and inclusive neighbourhoods; a good social, economic, cultural offer and environmental infrastructure.
A connected city: world class infrastructure and connectivity to drive growth	Ensuring residents, neighbourhoods, businesses and goods connect to local, national and international markets. Through working with partners both internally and externally maximise the impact of the provision of new and enhanced physical and digital infrastructure.

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

- Equal Opportunities
- Risk Management
- Legal Considerations

Financial Consequences for the Capital and Revenue Budgets

The proposals set out in this report form part of the draft revenue budget submitted to the Executive on 11 January 2017.

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Background documents (available for public inspection):

None

1.0 About the Growth and Neighbourhoods Directorate

- 1.1 Manchester is growing rapidly with a population which is increasingly more diverse, younger and working. Whilst the city and its residents have seen many changes for the better in recent years, Manchester is still facing some of the same challenges it was a decade ago not least the poor health of Mancunians. The Growth and Neighbourhoods Directorate has a pivotal role to play in securing the social, physical and economic future of the city. Residents told us last year that we need to get the basics right as well as aspiring for a city amongst the best in the world. Creating places where people want to live which are clean, safe and green, which are healthy and inclusive and have an excellent sporting, economic and cultural offer will be key to delivering the Our Manchester vision. Creating the right conditions for residents to participate and take responsibility for themselves and their community whilst encouraging others to do the same will be a central feature of the Directorate's work in this coming period working in partnership with key stakeholders both within the Council and beyond such as housing providers, the Police, voluntary and community sector organisations and health. This will involve building on the successes and strengths which already exist in communities and families.
- 1.2 Ensuring services are joined up in neighbourhoods is ever more critical as public sector resources are further diminished. Working collaboratively with partners to embed an integrated public service offer within neighbourhoods will be a core priority for the Directorate over the next three years to make best use of combined resources (for example through our public estate) to deliver the best possible outcomes which meet local needs. There are currently four early adopters of this work across the City – in Benchill, Harpurhey, the city centre and in student areas - which are testing the approach across a range of issues and demographics. This way of working is fully aligned to Our Manchester which puts people, rather than processes, at the centre of everything we do.
- 1.3 The City's economy continues to grow and develop and the Directorate has a vital role to play in ensuring that Manchester has a work and skills system which meets the growth needs of all businesses and enables residents from all backgrounds to obtain the skills and attributes that employers require. It is crucial that the system equips young people with the knowledge and skills to succeed at work; that residents who are not working are supported and sustained in the labour market; and that businesses have access to a highly skilled workforce capable of meeting the needs of the City's core and growth sectors. Ensuring employers are engaged in shaping and contributing to skills development of both their existing and future workforce and embedding work as an outcome across the City's reform programmes, in particular as they relate to health, will be priorities in the coming years.
- 1.4 The Directorate also provides vital support to Strategic Development in driving economic growth through the planning process. The response to stakeholders, essential in providing the platform for growth, has demonstrated a confidence in the market and enabled the delivery of transformational projects and major

schemes. Manchester has an enviable reputation of steering complicated and controversial development schemes through complex regulatory processes which involve engagement with a wide range of stakeholders. There can be no doubt this has been one of the factors which has facilitated growth in the City and has distinguished Manchester from our competitors over the last decade and this is set to continue.

- 1.5 Population growth will particularly impact on cleanliness and waste management which is already a very significant proportion of the Directorate's entire net budget - around two thirds including the waste collection and street cleansing service alongside the waste disposal levy. This proportion is set to increase further due to the impact of both population growth and the forecast increases in the disposal levy over the next 5 years. Service changes involving new bins to incentivise waste minimisation and increased recycling and changing the behaviour of residents who do not recycle and continue to flytip through education and enforcement are key components of the waste and recycling strategy for Manchester. However, it is clear that there will also need to be a focus in the coming year on reviewing the existing waste disposal arrangements at GM level to facilitate more substantial reductions to the very significant Council resource spent on disposal.
- 1.6 In a climate of reduced resources and less staff, it is essential that in order to protect services, the directorate's commercial strategy is robust and has the ability to maximise the use of assets across the City for the benefit of neighbourhoods and to increase income to offset revenue savings. Attention will continue to be focussed on the generation of income from the current asset base ensuring that income opportunities continue to be maximised. This year, this work has led to a reduction in support required for Heaton Park and ambitious plans to further develop the Park with new and improved attractions through the reinvestment of some of the additional income generated. Work to broaden this across the wider Parks offer is now underway. Reviewing both contractual arrangements and management of contracts such as catering and for events is also underway to ensure best value for money is obtained. An annual review of fees and charges will be undertaken across all of The Neighbourhoods Service to ensure a consistent and holistic approach.
- 1.7 The movement of Business Units into the Neighbourhoods Service provides further opportunities to ensure that the use of assets across the City is maximised and that a cohesive and integrated approach is taken to the use of key spaces within the city for events and markets and full consideration is taken of the wider impact on Neighbourhoods. The integration of Business Units also require a review to be undertaken of the current delivery models to ensure that these provide the most efficient solution and can stand comparison to comparators in both the public and private sector. This will build on the work previously undertaken in Business Units.
- 1.8 The continuing impact of devolution across Greater Manchester will also play a key role in shaping the strategy of the Directorate in the future to ensure that the opportunities presented are maximised for the City and its residents.

Budget Consultation

- 1.9 Since the Budget Options were published in October, the Council has invited residents and stakeholders to tell us what they think about which options should be part of the final budget.
- 1.10 The draft budget proposals contain a number of improvements and efficiencies which were supported by the majority of those who responded to the consultation. This includes the options for savings from more efficient use of energy in Leisure Centres, the way we commission leisure services and increasing income by investing in bereavement services. The city's new recycling strategy is working and residents have told us that they want to recycle even more. The draft proposals therefore include into efficiency savings from recycling but this will not impact on the new strategy which, with the support of all residents, will continue to increase recycling rates.
- 1.11 The option to review Wythenshawe Market will be taken forward so that this is no longer subsidised by the Council. There will also be a reduction in our grounds maintenance service. The majority of respondents agreed with these options.
- 1.12 The options to reduce events spending will not be part of the draft proposals and changes have been made to the savings option to reduce spending on festive lights and Santa.
- 1.13 People told us how much they value compliance and enforcement services and these options will not be taken forward, nor will options to reduce front line teams that look after the environment in neighbourhoods is also not part of the draft proposals.

2.0 Growth and Neighbourhoods - Vision

- 2.1 The new Manchester Strategy, Our Manchester, sets out a vision for 2025 of Manchester as a world class City which is:
- Thriving and Sustainable City– with great jobs and the businesses to create them
 - Highly Skilled – full of talent both home grown and from around the world
 - Progressive and equitable – a fair city where everyone has an equal chance to contribute and to benefit
 - Liveable and low carbon – a great place to live with a good quality of life: a clean, green and safe city.
 - Connected - both physically, with world class transport, and digitally, with brilliant broadband.
- 2.2 An overarching strategic objective is to ensure that the directorate's activity is aligned to the Our Manchester Strategy and that the Our Manchester approach is embedded throughout the directorate. The Our Manchester Strategy provides the overarching framework and priorities for action by the Council and partners from all sectors over the next 10 years. These priorities

are known as the 64 'We Wills' and in order to be able to achieve these high-level goals there must be a radical change in the way that the council and other organisations across the city operate. This radical change is the Our Manchester approach.

- 2.3 The Our Manchester approach is a redefined role for the Council and public services as a whole. It puts people at the centre of everything we do, recognising that people are more important than processes, procedures or organisational boundaries, and changing the way that the council works to reflect this. It is about listening, then learning, then responding. It is about creating the capacity, interest, enthusiasm and expertise for individuals and communities to do things for themselves. Finally it is about working together more, by building long term relationships and having honest conversations which give a say and role to both those who need services and those who provide them.
- 2.4 The Growth and Neighbourhoods Directorate role in delivering this vision involves providing the leadership and focus for the sustainable growth and transformation of the City's neighbourhoods. This means getting the basics right - working with partners and in neighbourhoods - so that the City is clean, safe and green, and communities take pride in and ownership of their area and lives. The directorate supports the economic growth priorities of the city by ensuring that residents who are not working and furthest away from the labour market are equipped with the right skills to be able to access jobs as well as having a more highly skilled workforce capable of meeting the needs of new and growing sectors. The directorate also plays a significant role in driving the delivery of the city's growth priorities through the planning process.

3.0 Growth and Neighbourhoods – Objectives

- 3.1 The objectives for the Growth and Neighbourhoods Directorate are rooted in the Our Manchester approach. By focusing on the key areas described below the Directorate will play a critical role in supporting the vision for the city for 2025.

A Thriving and Sustainable City– with great jobs and the businesses to create them

- Maintain and build confidence in Manchester's reputation as a destination City through the opportunities presented by its diverse cultural, sporting and leisure offer, together with its civic functions as a focus for residents and visitors and
- Ensure that business start-up and growth services deliver a quality offer for the City's businesses and facilitate more of the City's residents to start a business or pursue self-employment.

A Highly Skilled city– full of talent both home grown and from around the world

It is important that the City has a work and skills system, which meets the growth needs of all businesses and enables residents from all backgrounds to

obtain the skills and attributes that employers require. To achieve this there is a need to:

- Ensure that employers at a citywide and neighbourhood level are engaged in shaping and contributing to skills development of both their existing and future workforce, including increasing the number of apprenticeship opportunities;
- Maximise employment opportunities for Manchester residents, leveraging, in particular, where the City Council has a strategic development, planning, procurement or commissioning role;
- Simplify the skills offer and pathways for residents from all backgrounds to lead to sustainable jobs and careers progression, working with Colleges and training providers to provide quality post-16 education and training with an accessible learning offer for all and clear routes to centres of excellence providing higher level and technical skills linked to the City's growth sectors and
- Improved careers advice based on real labour market information and continued work with schools and colleges to ensure that there are a range of positive pathways that provide young people with the skills and attributes needed to successfully compete in the labour market.

A Progressive and Equitable City– a fair city where everyone has an equal chance to contribute and to benefit

- Support businesses to grow and re-invest in Manchester as their City of choice through local recruitment and contributing to social and environmental outcomes;
- Create the right conditions for residents to actively demonstrate the principles of Our Manchester through participation and taking responsibility for themselves and their community whilst encouraging others to do the same, supported by strong and active community groups;
- Embed work as an outcome across the City's reform programmes and continue to work with Working Well and the health system more broadly to support more people with underlying health conditions into sustainable and quality work;
- Encourage businesses to pay the Manchester Living Wage and provide good quality and healthy work and
- Refresh the City's approach to Family Poverty, using an intelligence led and "Our Manchester" approach to focus on families and neighbourhoods, most heavily impacted by ongoing welfare reform.

**A Liveable and Low Carbon City – a great place to live with a good quality of life: a clean, green and safe city and
A Connected City- both physically, with world class transport, and digitally, with brilliant broadband.**

- Create places where people want to live with good quality housing of different tenures; clean, green, safe, healthy and inclusive neighbourhoods; a good social, economic, cultural offer and environmental infrastructure;

- Support local businesses and residents to maintain and develop thriving district centres with appropriate retail, amenities and public service offer;
- Contribute to population and economic growth by providing an expanded, diverse, high quality housing offer that is attractive, affordable and helps retain economically active residents in the City, ensuring that the growth is in sustainable locations supported by local services, an attractive neighbourhood and the public transport infrastructure;
- Increase recycling rates, reduce waste and reduce litter and fly-tipping through improved use of technology and enforcement alongside business and resident engagement and action;
- Reducing CO2 emissions through a combination of local action, including delivery of the Green and Blue Infrastructure Strategy, Parks Strategy and the Tree Action Plan, and influencing national policy on energy and transport and
- Work collaboratively with partners to embed an integrated public service offer to make best use of combined resources (e.g. through our public estate) to deliver the best possible outcomes which meet local needs. Build on existing good practice to ensure effective and easy transition pathways for users between universal and targeted services delivered in neighbourhoods in models such as early help hubs.

Enablers

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

- Enable the workforce to be more resilient, effective, creative, ambitious and innovative through embedding Our Manchester and developing a culture of trust, honesty and empowerment. Plan for the future workforce, review structures, roles and skills needed for the future organisation and embed the required career pathways and succession plans;
- Work with partners and other Council Directorates to make best use of the City's total collective public and community assets to support estates transformation and deliver modern efficient services;
- Prioritise and maximise opportunities to collaborate with partners across Greater Manchester to identify new ways of working to increase income generation, investment, develop new funding models and to optimise use of resources. Invest in 'skills for growth' and innovation to support the development of this work;
- Work collaboratively with our partners to embed an integrated public service offer which reduces demand on targeted services. Utilise the role of universal services in preventing residents from developing additional needs (such as reducing the risk of diabetes, heart attack or stroke through regular exercise) and also supporting those transitioning out of targeted support into mainstream activity, building independence and access to employment;
- Increase productivity amongst staff within the directorate through adopting leaner support systems and processes (ICT, HROD, Finance) which enable efficient working. Develop new skills and behaviours required to deliver quality services more efficiently;

- Continue to build relationships, using an Our Manchester approach, through communicating and engaging effectively with all staff, Elected Members and residents ensuring that they are aware of the vision for the City and their role in its successful delivery; and
- Be mindful of significant changes beyond the Directorate's control such as the referendum to leave the European Union and the impact this may have on partners and residents. Develop robust plans to mitigate the risk of economic uncertainty building on potential areas of growth through the devolution agreement.

4.0 Revenue Budget Strategy

- 4.1 For 2016/17 Growth and Neighbourhoods has net budget of £72.944m and gross budget of £136.148m with 1,373.5 FTEs as set out in the table below.

Growth and Neighbourhoods	2016/17 Gross Budget	2016/17 Net Budget	2016/17 Budgeted Posts (FTE)
	£,000	£,000	
NEIGHBOURHOODS SERVICE			
Commissioning & Delivery	69,255	55,623	236.50
Community Safety & Compliance	9,654	7,001	179.00
Libraries, Galleries & Culture	12,410	8,628	266.50
Area Teams	2,407	2,407	51.00
Business Units	24,139	(3,728)	474.60
Neighbourhoods Services Sub Total	117,865	69,931	1,207.60
Work & Skills	2,002	1,689	22.00
Other Neighbourhoods	2,193	999	4.50
Planning, Building Control & Licensing	6,391	(461)	124.40
Directorate Support	7,697	786	15.00
Total	136,148	72,944	1,373.50

*As of December 2016. Reflects Funded Posts.

- 4.2 Included in the 2016/17 budget strategy, there were savings of £0.659m with a full year effect in 2017/18 and 2018/19. The table below shows how these savings were broken down.

Service Area	Amount of Saving Proposal			
	2017/18 £,000	2018/19 £,000	2019/20 £,000	Total £,000
Cultural Offer	100	30	0	130
New operating	157	0	0	157
Compliance and	11	0	0	11
Parks, Leisure and	50	0	0	50
Waste	11	0	0	11
Commercial	250	0	0	250
Mediation	50	0	0	50
Grand Total	629	30	0	659

- 4.3 The three year budget strategy for 2017/18 to 2019/20 supports the strategic objectives for Growth and Neighbourhoods with proposals for capital investment, revenue growth and savings requirements. Appendices 1 and 2 provide the proposed budget for 2017/18 to 2019/20. The Directorate has identified the following priorities which have provided the framework for developing the medium term financial strategy:
- Embed the principles of Our Manchester into the way services are delivered within neighbourhoods.
 - Maximise the opportunities that Devolution provides for the City in terms of growth, skills and place.
 - Work with partners (Greater Manchester Police, (GMP), Registered Providers (RPs) and Children & Families to develop future, more integrated models for delivery at a neighbourhood level which can deliver savings.
 - Deliver improvements in waste, recycling and street cleansing through the effective delivery of the new waste and street cleansing contract.
 - Continue to encourage behaviour change to increase recycling.
 - Work with Greater Manchester Waste Disposal Authority (GMWDA) to determine a longer term strategy to reduce the impact of the Waste Levy.
 - Provide a strong, evidenced and coherent strategy, policy and planning framework for the future of the city.
 - For operational and non-operational services that are delivered directly, explore options to determine models of delivery that are cost effective whilst providing a good quality service.
 - Maximise income opportunities, through realising the most from our assets as well as reviewing current fees and charges as well as opportunities for charging for other services.
 - Ensure the right skills and capacity is maintained and developed to enable the City to deliver against its Growth, Place and Skills agenda.
 - Explore appropriate opportunities for collaboration across GM, ensuring they continue to provide the right outcomes for the City.

New Savings Proposals 2017/20

- 4.4 New savings proposals totalling **£7.220m** have been identified. The schedule of savings proposals is provided in Appendix 3.
- 4.5 The savings are divided between efficiency savings of **£6.910m** and service reductions of **£310k**. In line with budget priorities set out above the Directorate has sought to maximise budget reduction proposals from efficiencies and service improvement, some of which need to be supported by capital and ICT investment. Whilst the service reduction savings run counter to the Directorate's priorities, it is necessary to bring forward the service reductions proposals given the Council's budget position. These proposals are described in more detail below for each service area of the Directorate.
- 4.6 The total is summarised in the table below and the proposals are set out in the following report and the accompanying savings schedule in Appendix 3.

Savings Proposals 2017-20	2017/18 £'000	2018/19 £'000	2019/20 £'000	Total £'000	FTE Impact
Improvement and efficiency	1,340	1,060	4,510	6,910	0
Service reductions	150	160	0	310	3.0
Total	1,490	1,220	4,510	7,220	3.0

Waste Disposal Levy

- 4.7 The 2016/17 budget for the Waste Disposal Levy is £32.495m. The budget provision within the cashlimit budget rises by £5.118m (15.8%) to £37.613m by 2019/20. From this figure the proposals set out below total £5.7m from savings over the next three years which would result in a budget of £31.913m by 2019/20.
- 4.8 The introduction part way through this year of new 140-litre household grey bins, replacing 240-litre black bins, to encourage increased recycling and reduce the amount of leftover waste which has to be taken away will deliver a saving of **£1.3m** in 2017/18 on top of savings already planned to be realised in 2016/17. A further **£900k** could be saved in 2019/20 if the level of waste going into the grey bins can be reduced and recycling levels increase in line with those of neighbouring authorities which have made similar bin changes.
- 4.9 Savings of **£250k** in 2018/19 and **£250k** in 2019/20 can be achieved from interventions in the apartment sector and savings from disposal and collection arrangements with other organisations. Overall costs of disposal will continue to increase due to factors within the PFI contract that are beyond the direct control of the Directorate. However, further initiatives around waste reduction have been put forward to mitigate these increases. The proposals will limit residual waste collections to apartment blocks so they are aligned with the service offered to other households within the City, saving a projected £500k. over two years.
- 4.10 The Greater Manchester Waste Disposal Authority is reviewing its arrangements for waste disposal to reflect the increasing trends around recycling along with driving through efficiencies in the PFI contract. The savings assume that changes can be implemented by the GMWDA by 2019/20 and will have a net **£3m** benefit for Manchester.
- 4.11 All members of the GMWDA have agreed a moratorium on future service changes that impact on the distribution of the levy until such time as the PFI agreement has been reviewed and the Inter Authority Agreement (which allocates the costs between authorities) has been revised. This means any changes beyond the introduction of smaller residual bins, such as the frequency of collections, cannot be considered at this time.
- 4.12 Savings of **£100k** will also be realised from efficiencies in other disposal and collection arrangements, where the Council currently has obligations, in conjunction with other organisations.

The Neighbourhoods Service

- 4.13 The Neighbourhoods Service incorporates a wide range of specific service functions, including:-
- Parks, Leisure and Events
 - Libraries, Galleries and Culture
 - Business Units including Bereavement Services, Fleet, Manchester Fayre, Markets, Pest Control
 - Compliance and Community Safety
 - Grounds Maintenance
 - Waste, Recycling and Street Cleansing
 - Neighbourhood Teams
- 4.14 Savings proposals have been put forward from these areas based on efficiencies that it is believed can be generated or from reductions in the level of service offered to residents and communities.
- 4.15 In 2016/17 the net budget for the service, excluding the Waste Levy, is £37.436m with 1,207.6 budgeted FTEs. Since 2010, neighbourhood-based teams have seen reductions of £28.6m and over 580 staff which has inevitably had a negative impact on the capacity to deliver services such as enforcement, parks, libraries, community safety, street cleansing and grounds maintenance within neighbourhoods. The integration of Neighbourhood delivery, Neighbourhood regeneration and community and cultural services enabled further efficiencies of £894k in 2015-17 as part of the design of the new Neighbourhoods Service which significantly reduced management costs and ward co-ordination activities. As part of the 2015-17 budget process, members recognised that in the previous budget rounds, service reductions had had a very significant and disproportionate impact on service delivery in some areas and they agreed to put additional resource of £1.690m into enforcement, parks, street cleansing and waste in order to tackle the issues which had emerged in neighbourhoods as a result.
- 4.16 The budget conversation demonstrated that a large majority of themes that matter most to residents are contained within the Neighbourhoods Service. However, the Neighbourhoods Service makes up a significant proportion of the budget for the directorate. Recognising the budget position, a series of proposals have been included for 2017-20 which include efficiency savings of **£1.110m** and further savings from services reductions of **£310k**. The approach has not been to take a blanket reduction across all areas, but instead to determine where savings can be made within each area.

Efficiencies

Parks, leisure and events

- 4.17 The budget conversation told us that this is an area that is most valued by residents. During the next budget period, a new longer term contract will be established for the management of the Council's Community Sport and Leisure facilities as part of a long term strategy for these assets. Given the

growth projections made by the incumbent operator over the term of the existing contract, it is reasonable to assume that the contract fee and therefore the net cost of the service will reduce further. A conservative estimate is that the annual cost of the service beyond 2018 will be in line with projections for the final year of the current contract. This assumes that no closures or modifications are made to existing facilities. A saving of **£500k** in 2018/19 plus further saving of **£150k** in 2019/20 is now expected to be realised.

- 4.18 Through the review of services in considering the new contract, it has become apparent that there is also some duplication in the current arrangements for the community leisure contract in respect of the client functions which exist across the leisure portfolio between the Council and the Wythenshawe Forum Trust and the Eastland's Trust. There is an opportunity to review these functions to make efficiency savings of up to **£100k** over 2018/19 and 2019/20. This would be dependent on the cooperation of the Trusts as this option would ultimately result in the organisations working more closely and sharing resources for Audit, Finance, HR, Community Engagement and Marketing.
- 4.19 Within the Leisure Estate, work is currently underway to examine the potential for savings by installing a new Combined Heat and Power plant at the Manchester Aquatics Centre, Northcity and Wythenshawe Forum. This is being developed jointly with colleagues from Corporate Property and will form part of a wider piece of work to reduce the carbon impact of the Council's buildings. In addition, work is also underway to examine the savings potential from the installation of Photovoltaic Panels at key leisure sites. These are being developed on a spend to save basis with the savings being generated within the sport and leisure budget. It is expected that these energy efficiencies will realise **£50k** savings in 2018/19 and further **£50k** in 2019/20.
- 4.20 Greater Manchester Combined Authority (GMCA), the NHS in Greater Manchester (this includes the Greater Manchester Health and Social Care Partnership - the body overseeing devolution) and Sport England have recently signed a commitment to help people make sport and physical activity a part of daily life to help reduce stress, ill health, absenteeism and help prevent loneliness. This will present an opportunity for a more strategic conversation at a GM level about aligning resources and reducing inefficiency potentially through the co-commissioning of leisure services.
- 4.21 The context for this approach is that currently GM councils' Sport and Leisure service provision is administered by various operators. There are limited examples of resource pooling and there is a significant opportunity to make savings by encouraging them to work more collaboratively. Work is currently underway with Sport England to explore what opportunities there are for resource pooling and developing more efficient arrangements. This work will inform the Council's procurement approach for the community leisure contract for 2018. It is estimated this could realise savings of **£50k** in 2018/19 and further **£50k** in 2019/20.

- 4.22 Capital investment agreed for extensive refurbishment works at Moss Side Leisure Centre of £8m was estimated to deliver recurrent revenue savings of £200k which has not yet been reflected in the 2017-20 budget until timescales are fixed for realisation of these savings. Capital investment of £8m was also agreed for refurbishment at Abraham Moss Leisure Centre, expected to deliver £200k of revenue savings. However following feasibility work, due to the structure of the building, refurbishment works cannot go ahead and a further capital bid of £7.9m for a complete rebuild has been made as part of the 2017-2022 capital strategy.

Business Units

- 4.23 Business Units is comprised of a number of services, including bereavement services, school catering, fleet, pest control and markets. These services operate on a commercial basis, and the income exceeds the costs of the services to make a net contribution towards the overall Council costs. Opportunities for savings therefore lie in the ability to increase income.
- 4.24 It is proposed that Bereavement Services could increase income by £60k per annum over the three year period. This will be achieved by continuing to increase the numbers of burials and cremation that are undertaken. However, this is subject to a £20k investment in year 1 in order to implement practice recommended by the Institute of Cemetery and Crematoria. Growth in income of £60k in 2017/18, 2018/19 and 2019/20 is estimated a total net saving **£160k** over a three year period.

Service Reductions

Parks, leisure and events

- 4.25 The budget conversation told us that sport and leisure facilities are places that individuals and families in Manchester most visit and enjoy. As such, service reductions will be kept to a minimum in this service area. The primary proposal is the delivery of **£60k** of savings from a review of the Council's Christmas offer including the Festive Lights programme, Santa and Christmas Markets which will focus on the potential for generating more income and sponsorship.

Business Units

- 4.26 Markets – The Council currently provides a subsidy of **c£150k** to markets, the vast majority of which is subsidising Wythenshawe Market. The £150k is proposed as a saving for 2017/18. Work has begun to review the viability of the various elements that comprise Wythenshawe Market to determine the impact of removing Council subsidy including consideration being given to the benefits of capital investment to determine if this could improve viability and enable it to break even.

Grounds Maintenance

4.27 The Grounds Maintenance team currently maintain a wide range of parks and open spaces, which includes 23 bowling greens across the City. There are 962 members of the clubs which use the bowling greens. The number of members and use of the greens has seen a continued decline leading to significantly increased costs per user. However, the activity is also seen as a contributor to the public health agenda, promoting activity and social inclusion, particularly for older people. In addition, both green spaces and leisure facilities are cited in the results of the budget conversation as services that are most important to residents. The fact remains though there is a cost of £175k to maintain the greens which cannot be sustained into the future. In partnership with the current users of the service, it is proposed that a saving of **£100k** (circa 3 FTE) could be made from a consolidation of the number of greens alongside more cost effective arrangements for maintenance of those that remain.

Technological Support to Implement Changes

4.28 The importance of technology, systems and data should not be underestimated if the City Council is to achieve the aspirations of growth, reform and health and social care integration from a Council and GM perspective. How the authority structures, governs and utilises data will be pivotal to the successful delivery of these agendas. Further investment will be required in how technology and the systems of the Council and partner organisations are utilised to deliver further savings and efficiencies. This will require a continuation of the ICT transformation journey.

4.29 ICT will work closely with the Directorate to identify ICT solutions that comply with the Information and ICT design principles and to develop robust business cases to support their development. The Capital Strategy sets out proposals for developing the next stage of investment in ICT.

4.30 Key priorities will include:

- Community Safety and Compliance – Stabilise the key application FLARE and then look to provide an improved mobile and reporting capability.
- Leisure, Events and Parks – investment to promote the service offer and customer experience including an integrated booking service.
- Galleries Transformation - The current ICT infrastructure requires modernisation in order to meet the requirements of a modern Gallery service.
- Grounds Maintenance – to act as an enabler to more efficient, effective and mobile ways of working.
- Integration of Reform - Work collaboratively with partners to embed an integrated public service offer (e.g. through joined up ICT applications). This work will be closely linked with the development of the Public Service Hubs and the one public estate.
- Working to rationalise the number of applications currently used by the Directorate

Investment Proposals, Budget Growth & Pressures

- 4.31 The budget position for the Directorate is relatively stable and savings for 2016/17 are on track for delivery. The city centre continues to play a significant role in the growth of the city. How it looks and feels has a direct impact on this continued success. There remain a number of challenges including the impact of unprecedented demand on public services due to increased levels of rough sleeping, anti-social behaviour and litter. A review of the current issues has been undertaken and has led to a number of recommendations. Resources of £3m have been set aside in a Corporate budget from non-recurrent business rates funding to support implementation.
- 4.32 Over the last few months, key stakeholders in the city including the Council have been exploring how an Our Manchester approach could be developed to enable delivery of the new 10-year Strategy for Manchester. A Delivery and Resourcing plan has now been developed which sets out our shared narrative and principles along with a set of actions to be implemented over the next 12 months. The new approach is likely to require some upfront investment to support the changes. This will be one-off and funded from reserves.
- 4.33 Financial risks for future years relate to waste collection and disposal due to the scale of the budget and reliance on the success of service change to deliver savings. The early indications are that the recycling rates are increasing but this positive impact will need to be kept under review to determine if savings are being delivered.
- 4.34 The budget proposals include growth for the Waste Levy of £5.118m over the three years based on the latest estimates provided by the Greater Manchester Waste Disposal Authority (GMWDA). The final charge will depend on Manchester's performance against its waste targets relative to other districts within the scheme. This is a high risk area and a contingency sum of £2m has been included within the Council's corporate contingency to cover any financial risk on waste. . It should be noted that the GM Waste Levy arrangements are under review.
- 4.35 The budget for the Leisure Services has been adjusted for a reduction of £239k in 2017/18 to remove the additional budget provided in earlier years for the smoothing of upfront payments in the leisure contract for 2014/15 to 2017/18.
- 4.36 The existing capital programme to 2016/17 to 2019/20 includes approval for investment for Growth and Neighbourhoods services for waste, leisure and sports facilities, parks improvement and libraries and information services. The 2017-2022 five year capital strategy includes bids for further investment in Libraries and Information Services Programme, leisure and sports facilities and the Parks Improvement Programme. An assessment of strategic fit, including contribution to support priorities around growth, reform and place will be undertaken before capital bids are submitted. All bids will be supported by a business case which determines quantitative economic, social and fiscal impact plus affordability, return on investment, risk and deliverability.

Impact on Residents Communities and Customers

- 4.37 Manchester has a diverse and rapidly changing population and it is important that the Council is able to manage its business priorities with due regard for the wide-ranging and complex priorities and needs of the City's residents. The business planning process helps the Council to consider and communicate how it will fulfil the requirements of the Public Sector Equality Duty in the development of its business priorities. The Council will continue to use its Equality Impact Assessment framework as an integral tool to ensure that all relevant services have due regard of the effect that their business proposals will have on protected groups within the City.
- 4.38 The Council is proud of its accreditation as an excellent authority against the Equality Framework for Local Government and is committed to maintaining this standard. Ensuring that Directorates' equality considerations and priorities are clearly articulated through the business planning process is a crucial part of achieving this commitment.

Workforce Impact.

- 4.39 The current FTE number for the Directorate is 1,373.5. Current proposals, if taken forward, will result in a net workforce reduction of an estimated 3 FTE over the three year budget period.
- 4.40 There are some proposals that refer to the exploration and implementation of new delivery models where impacts on the workforce could be realised if the decision is made to transfer staff to another organisation.
- 4.41 The Directorate will continue to invest in skills around leadership of place and supporting growth (with a particular focus on technical and specialist skills), recognising that these skills will continue to be required to support the reform agenda.

Appendix 1: Proposed budget and full-time equivalent people for 2017/18 – 2019/20

Appendix 1												
Growth and Neighbourhoods	2016/17			2017/ 18			2018/ 19			2019/ 20		
	Gross Budget	Net Budget	Budgeted Posts (FTE)	Gross Budget	Net Budget	Budgeted Posts (FTE)	Gross Budget	Net Budget	Budgeted Posts (FTE)	Gross Budget	Net Budget	Budgeted Posts (FTE)
Service Area	£,000	£,000		£,000	£,000		£,000	£,000		£,000	£,000	
Neighbourhoods Service												
Commissioning & Delivery	69,255	55,623	236.50	68,809	54,927	236.50	70,566	56,684	233.50	67,006	53,124	233.5
Community Safety & Compliance	9,654	7,001	179.00	9,604	6,940	179.00	9,604	6,940	179.00	9,604	6,940	179.0
Libraries, Galleries & Culture	12,410	8,628	266.50	12,310	8,528	266.50	12,310	8,498	266.50	12,310	8,498	266.5
Area Teams	2,407	2,407	51.00	2,407	2,407	51.00	2,407	2,407	51.00	2,407	2,407	51.0
Business Units	24,139	(3,728)	474.60	23,989	(3,918)	474.60	23,989	(3,978)	474.60	23,989	(4,038)	474.6
Neighbourhood Services Total	117,865	69,931	1,207.60	117,119	68,884	1,207.60	118,876	70,551	1,204.60	115,316	66,931	1,204.6
Work & Skills	2,002	1,689	22.00	2,002	1,689	22.00	2,002	1,689	22.00	2,002	1,689	22.0
Other Neighbourhoods	2,193	999	4.50	2,193	999	4.50	2,193	999	4.50	2,193	999	4.5
Planning, Building Control & Licensing	6,391	(461)	124.40	6,391	(461)	124.40	6,391	(461)	124.40	6,391	(461)	124.4
Directorate Support	7,697	786	15.00	7,697	786	15.00	7,697	786	15.00	7,697	786	15.0
Total	136,148	72,944	1,373.50	135,402	71,897	1,373.50	137,159	73,564	1,370.50	133,599	69,944	1,370.5

Appendix 2: Proposed budget, savings, growth and other changes 2017/18 to 2019/20

Growth and Neighbourhoods	2016/17	2017/18			2018/19			2019/20		
	Net Budget 2016/17 £,000	Growth and other Budget Changes	Savings	Net Budget 2017/18	Growth and other Budget Changes	Savings	Net Budget 2018/19	Growth and other Budget Changes	Savings	Net Budget 2019/20
Service Area	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000
Neighbourhoods Service										
Commissioning & Delivery	55,623	1,072	(1,768)	54,927	2,917	(1,160)	56,684	890	(4,450)	53,124
Community Safety & Compliance	7,001		(61)	6,940			6,940			6,940
Libraries, Galleries & Culture	8,628		(100)	8,528		(30)	8,498			8,498
Area Teams	2,407			2,407			2,407			2,407
Business Units	(3,728)		(190)	(3,918)		(60)	(3,978)		(60)	(4,038)
	69,931	1,072	(2,119)	68,884	2,917	(1,250)	70,551	890	(4,510)	66,931
Work & Skills	1,689			1,689			1,689			1,689
Other Neighbourhoods	999			999			999			999
Planning, Building Control & Licensing	(461)			(461)			(461)			(461)
Directorate Support	786			786			786			786
Total	72,944	1,072	(2,119)	71,897	2,917	(1,250)	73,564	890	(4,510)	69,944

Appendix 3: Savings Schedule

Growth and Neighbourhoods - 2017/18 - 2019/20 savings proposals								
Service Area	Description of Saving	RAG Deliverability	RAG Impact	Amount of Saving Proposal				FTE Impact (Indicative)
				2017/18	2018/19	2019/20	Total	
				£,000	£,000	£,000	£,000	
Improvement and Efficiency								
Parks, Leisure and Events	Further reduce costs of indoor leisure through re-commissioning of contracts.	Amber	Amber		500	150	650	
	Energy improvements on leisure buildings - any savings will accrue to the leisure contract	Green	Green		50	50	100	
	Wythenshawe Forum Trust - efficiencies from sharing back office functions	Green	Green		50	50	100	
	Co-commissioning leisure services across Greater Manchester. This includes looking at ways in which 12 leisure operators across GM can collaborate more effectively	Amber	Amber		50	50	100	
Business Units	Increase bereavement services offer - pricing competitively with increase of £60k per year and £20k invested in year 1 to implement practice recommended by Institute of Cemetry and Crematoria	Green	Green	40	60	60	160	
Waste	Planned Service change	Green	Green	1,300	-	900	2,200	
	Other service changes - apartment blocks	Amber	Amber		250	250	500	
	Efficiencies in other disposal and collection arrangements	Green	Amber		100		100	
	Reviewing waste disposal costs	Red	Red			3,000	3,000	
Total Improvement and Efficiency				1,340	1,060	4,510	6,910	-
Service Reductions								
Parks, Leisure and Events	Revise of Council's Christmas/Festive offer	Green	Amber		60		60	
Business Units	Review of viability for Wythenshawe indoor and outdoor markets to remove subsidy	Amber	Red	150			150	
Grounds Maintenance	Bowling greens - consolidation of greens and more cost effective arrangements for maintenance	Amber	Amber		100		100	3.0
Total Service Reductions				150	160	-	310	3.0
Total Growth and Neighbourhoods				1,490	1,220	4,510	7,220	3.0