

## 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  
Resources and Governance Scrutiny Committee – 2 February  
2017

**Subject:** Strategic Development Budget and Business Planning: 2017-  
2020

**Report of:** Strategic Director, Development

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### Purpose of the Report

This report provides a high level overview of the priorities to be delivered in Strategic Development 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 show how the directorates will 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 Strategic Development.

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**Wards Affected:** All

| <b>Manchester Strategy Outcomes</b>   | <b>Summary of the Contribution to the Strategy</b>   |
|---|--|
| A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities | Providing leadership to support, promote and drive the role and continuing growth of the city centre as a major regional, national and international economic driver; as the main focus for employment growth through a strengthening and diversification of its economic base and through the efficient use of land.  |
| A highly skilled city: world class and home grown talent sustaining the city's economic success                   | Supporting the delivery of a Schools Capital Programme which will provide new and expanded high quality primary and secondary school facilities for a growing population through the identification of suitable sites which can support our wider transformation proposals for neighbourhoods in the city.   |
| A progressive and equitable city: making a positive contribution by unlocking the potential of our communities    | Creating places where residents and partners actively demonstrate the principles of Our Manchester.  |
| A liveable and low carbon city: a destination of choice to live, visit, work                                      | Actively manage the impact of a growing population and economy to minimise the city's carbon emissions through planning and working with partners across the City to move towards becoming a zero carbon city by 2050.   |
| A connected city: world class infrastructure and connectivity to drive growth                                     | Contribution 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 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 Strategic Development Directorate**

- 1.1 The Directorate has a pivotal role in securing new commercial development, attracting inward investment and securing employment growth, along with providing leadership to the Council's Housing function and delivering the City Council's Residential Growth Strategy which seeks to underpin the city's economic growth trajectory. The management of the City Council's land and property assets to promote growth is closely aligned with the management of the City Council's operational and investment estates.
- 1.2 Services within the Directorate make a significant contribution to the delivery of the Our Manchester Strategy in respect of a number of priority outcomes. The Strategy proposes to create a City:
- With a competitive, dynamic and sustainable economy;
  - With distinctive strengths in science, advanced manufacturing, culture, creative and digital business, cultivating and encouraging new ideas;
  - With highly skilled, enterprising and industrious people;
  - That is connected, internationally and within the UK;
  - That plays its full part in limiting the impacts of climate change;
  - Where residents from all backgrounds feel safe, can aspire, succeed and live well; and
  - That is clean, attractive, culturally rich, outward looking and welcoming.
- 1.3 The challenge for the future is to drive transformation of the city, to define Manchester as an attractive place to live and further improve the quality of life for all residents and increase their overall social and economic prospects, and enable them to participate fully in the life of the city. Within this context the Directorate will seek:
- to support, promote and drive the role and continuing growth of the city centre as a major regional, national and international economic driver; as the main focus for employment growth through a strengthening and diversification of its economic base and through the efficient use of land;
  - to support investment in transport infrastructure which will lay the foundations to capture new commercial and residential growth opportunities over the next ten to fifteen years;
  - to provide an expanded, diverse, high quality housing offer that is attractive to and helps retain economically active residents in the city, ensuring that the growth is in sustainable locations supported by local services and the public transport infrastructure;
  - To support the delivery of a Schools Capital Programme which will provide new and expanded high quality primary and secondary school facilities for a growing population through the identification of suitable sites which can support our wider transformation proposals for neighbourhoods in the city;
  - to underpin the transformation of the city's district centres with appropriate retail, amenities and public service offer; and
  - to promote investment to secure an internationally competitive cultural and sporting offer and sustaining core lifestyle assets such as parks, leisure facilities and libraries within the City.

- 1.4 Over the next three year's the following areas of activity will frame the Directorate's core priorities.
- 1.5 Delivering a wide range of complex commercial and residential led mixed use developments within the city centre which are currently being progressed, these include amongst others:
- St Johns with Allied London including "Factory";
  - St Michaels with the Jacksons Row Development Partnership;
  - First Street with ASK / Patrizia UK;
  - NOMA with the Co-op/Hermes;
  - Northern Quarter with Ician;
  - Piccadilly Basin with Town Centre Securities;
  - Manchester Central with ASK / Patrizia;
  - Mayfield with U&I;
  - Circle Square with Bruntwood;
  - Oxford Road Station with Bruntwood; and
  - Great Jackson Street with Renaker.
- 1.6 In addition to the above schemes there are new initiatives being shaped as part of planning for the city centre's future growth, these include the Piccadilly Station environs to accommodate High Speed 2 (HS2) and Northern Powerhouse Rail.
- 1.7 Extending eastwards and northwards out of the City Centre two major regeneration opportunities are now being progressed:
- The Eastern Gateway including: Ancoats; New Islington; Holt Town and the Lower Medlock Valley out to the Etihad Campus provides the city with the capacity to create a number of significant new residential led mixed use neighbourhoods. The Campus itself is a major commercial development opportunity which will help define and frame the nature of the development profile along the corridor between the Etihad Stadium, Holt Town and New Islington. Our Partnership with the Abu Dhabi United Group (ADUG) is central to driving these opportunities forward.
  - The Northern Gateway stretching northwards from NOMA into the Irk Valley and from New Cross northwards to Collyhurst. Similar to the Eastern Gateway this area provides the city with the capacity to create a number of significant new residential led mixed use neighbourhoods. At present we are currently in the market to secure an investor partner who, like ADUG can play a central role in driving forward the transformation and growth of this part of the city.
- 1.8 Outside of the City Centre and the Northern and Eastern Gateways commercial led mixed use development opportunities will focus on a limited number of locations where we will have a direct land ownership interest: Central Park; the Airport City Enterprise Zone; Siemens; Wythenshawe Town Centre; and Harpurhey District Centre / Moston Lane. Growth and expansion

of the three City Council owned digital assets (The Sharp Project, The Space Project and One Central Park) will continue to be supported. Residential led / mixed use development opportunities will focus on managing existing development agreements and partnerships such as the three Housing PFI schemes; the transformation of the West Gorton estate; and the transformation of the Ben Street area.

- 1.9 Other commercial and residential development opportunities will arise where we have no direct land interest – in these instances we will revert to enabling such opportunities where they support our city ambitions. In the short term this would include working with MMU and the Manchester College on the disposal of their surplus estate plus working with Greater Manchester Pension Fund on the development of key assets such as Chorlton District Centre.
- 1.10 In addition to supporting the commercial and residential growth activities set out above the Directorate also has responsibility for managing the City Council's Investment Estate. The Investment portfolio comprises around 4,300 separate interests. The majority of these are peppercorn and income producing ground lease interests but the Council also manages a number of commercial and retail premises and managed buildings. These assets play a key role in helping transform the city as a key driver of the growth and place making agenda whilst at the same time playing an important role in the generation of rental income and capital receipts. The most valuable asset in the Council's estate is Manchester Airport, where the Council has a 58% share of income from the T1 and T2 leases and 100% interest in a separate lease with the Manchester Airport Group. The investment estate generates budgeted net income of £14.457m per annum derived primarily from rents but also includes fees for the release of restrictive covenants and easements, licences for the short term use of land and property, and interest on investments.
- 1.11 The management of the City Council's Operational Estate and the delivery of FM services is now aligned with our workforce and IT strategies in order to ensure the efficient use of that asset base in a manner that underpins the delivery of our and other public services. The development of the five year Operational Estates Plan is key to this approach.

### **Budget Consultation**

- 1.12 Since the Budget Options were published in October, the Council has invited residents and stakeholders to tell us what they think about which options they think should be part of the final budget. Of the Budget Options published by the Council in October, £0.4m were within Strategic Development. These have now been reduced to £0.35m.
- 1.13 94% of people who responded to the Strategic Development options told us that they supported changes to the way Council buildings are managed and this option forms part of our proposals – this was one of the most supported options in the consultation. The option to reduce staffing of this part of the Council has been scaled back. This is in line with what people told us – less

than half of those who responded to this option supported it - because of the strategic priorities of investing in growth post Brexit, securing the development of key sites for economic development and ensuring that neighbourhoods have the right mix of housing to attract and retain people with the skills needed by business.

## **2.0 Strategic Development – Vision**

2.1 The Strategic Development Directorate seeks to drive effective place making, creating the necessary conditions needed to promote strong growth in commercial, residential, retail and leisure related development in the city, stimulating new employment, new homes and broadening the City Council's tax base.

## **3.0 Strategic Development – Objectives**

3.1 The new Manchester Strategy, Our Manchester, sets out a vision for 2025 of Manchester as a world class City which is:

- A 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.

3.2 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.

3.3 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.

- 3.4 The Strategic Development Directorate serves the entire population of Manchester: some 560,000 Mancunians, its 20,000 businesses, communities and 994,000 overseas visitors. We have a pivotal role in securing the social, physical and economic future of the City and responsibility for driving residential and economic growth. This includes the development of opportunities to raise skill levels and creation of employment opportunities; the delivery of residential, commercial and cultural development; as well as ensuring that the City is clean and green, well maintained and safe and that residents take pride in their surroundings. Cultural and sporting excellence is at the heart of the growth agenda and will continue to be a major regeneration catalyst, maintaining Manchester's international profile through examples such as Manchester International Festival and of course football, whilst at the same time bringing significant community benefits to our residents.
- 3.5 Resident and partner engagement and empowerment will underpin this work and will be a critical part of delivering the sustainable behavioural change Our Manchester requires to effectively support neighbourhoods and manage future services.
- 3.6 Together with the other Directorates of the Council, Strategic Development will deliver the shared vision and objectives set out in Our Manchester. The specific objectives for Strategic Development are:-

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

- The continuing growth of the city centre as a major regional, national and international economic driver; ensuring growth through efficient use of land for development opportunities, such as: the Airport City Enterprise Zone; the Siemens Princess Road Campus; the Eastern Gateway and the Etihad Campus; St John's Quarter; and Mayfield;
- Uphold Manchester's attractiveness as an international investment opportunity to build on the Capital Strategy and innovative models of co-investment in the City's future;
- Maintain and build confidence in Manchester's reputation as a destination City through the growth and improvement of its retail provision, the opportunities presented by its diverse cultural, sporting and leisure offer, together with its civic functions as a focus for residents and visitors;
- 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 such as High Speed Rail (HS2 and HS3), bus de-regulation, and new walking and cycling infrastructure and
- Work with partners to actively manage the impact of a growing population and economy to minimise the city's carbon emissions through planning and working with partners across the City to move towards becoming a zero carbon city by 2050. Adapt our service provision to mitigate the impact of the changing climate.



### **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. Whilst Growth and Neighbourhoods will take the lead, Strategic Development will support this work and recognise that to achieve this there is a need to:

- Maximise employment opportunities for Manchester residents, leveraging, in particular, where the City Council has a strategic development, planning, procurement or commissioning role 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 Progressive and Equitable City– a fair city where everyone has an equal chance to contribute and to benefit**

- Utilise the city centre developments coupled with strengthening and diversifying the economic base to drive employment growth. Support businesses to grow and re-invest in Manchester as their City of choice through local recruitment and contributing to social and environmental outcomes.

### **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; inclusive neighbourhoods; a good social, economic, cultural offer and environmental infrastructure;
- 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;
- Reducing CO2 emissions through a combination of local action and influencing national policy on energy and transport; this will include Our Capital Strategy and the development of new policy frameworks in areas such as Green and Blue Infrastructure, Residential Design and, at a Greater Manchester level, the GM Transport Strategy 2040, which will drive forward our local actions and
- Support local businesses and residents to maintain and develop thriving district centres with appropriate retail, amenities and public service offer.

### **Enablers**

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

- 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.
- 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.
- 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.
- Be mindful of significant changes beyond our control such as the referendum to leave the European Union and the impact this may have on our partners and residents. Develop robust plans to mitigate the risk of economic uncertainty building on potential areas of growth through the devolution agreement.

#### 4 Revenue Budget Strategy

4.1 The Strategic Development Directorate for 2016/17 has a gross budget of £30.324m, net budget of £6.120m and 304 FTEs. The current breakdown of the budget and workforce for the Directorate is as follows:-

| Service Area          | 2016/17<br>Gross<br>Budget | 2016/17 Net<br>Budget | 2016/17<br>Budgeted<br>Posts (FTE) |
|-----------------------|----------------------------|-----------------------|------------------------------------|
|                       | £,000                      | £,000                 |                                    |
| Operational Property  | 21,733                     | 18,068                | 224.0                              |
| Investment Estate     | 4,271                      | (14,457)              | 26.0                               |
| Sharp, Space & OCP    | 919                        | 4                     | 3.0                                |
| Strategic Development | 2,219                      | 1,624                 | 30.0                               |
| Strategic Housing     | 1,182                      | 881                   | 21.0                               |
| <b>Total</b>          | <b>30,324</b>              | <b>6,120</b>          | <b>304.0</b>                       |

\*As of December 2016. Reflects Funded Posts.

- 4.2 As part of the 2016/17 budget strategy, there were savings of £433k agreed. These had a full year effect in 2017/18 and further detail is shown in the table below.

| Service Area      | Amount of Saving Proposal |          |          |            |
|-------------------|---------------------------|----------|----------|------------|
|                   | 2017/18                   | 2018/19  | 2019/20  | Total      |
|                   | £,000                     | £,000    | £,000    | £,000      |
| Strategic Housing | 23                        | 0        | 0        | 23         |
| Property          | 410                       | 0        | 0        | 410        |
| <b>Total</b>      | <b>433</b>                | <b>0</b> | <b>0</b> | <b>433</b> |

- 4.3 The three year budget strategy for 2017/18 to 2019/20 supports the strategic objectives for Strategic Development 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 savings proposals:
- To embed the principles of Our Manchester into the way services are delivered within our neighbourhoods;
  - To secure the delivery of the Planning Frameworks which have been developed across the city centre and in a limited number of areas outside of the city centre that capture very significant commercial and residential growth outcomes;
  - To deliver the City Council's Residential Growth Strategy;
  - To support work with partners to develop more integrated models for service delivery which can deliver savings through the provision of an integrated estate opportunities;
  - To provide a strong, evidenced and coherent strategy, policy and planning framework for the future development and growth 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 opportunities for charging for 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;
  - Maximise the opportunities that Devolution provides for the City in terms of growth, skills and place; and
  - Review our internal processes to improve productivity and capacity.
- 4.4 A report to Personnel Committee on 11<sup>th</sup> January 2017 brings forward proposals for a revised set of senior management arrangements within the Strategic Development Directorate. The estimated additional cost of the proposed structure taking into account the impact of the review of senior officers' pay is up to £350k per annum to be met from the Housing Regeneration Reserve over the next five years.

- 4.5 The Strategic Development function has a net budget of £1.624m and 30 FTEs that lead the commercial, cultural and residential growth activities and has responsibility for managing the whole of the Council's investment estate. It is proposed realise financial savings of **£100k** from staffing budgets from the Strategic Development function.
- 4.6 The Strategic Housing 2016/17 net budget is £881k which directly funds 21 FTEs with a further 26.4 FTEs funded from the Housing Revenue Account. The Housing Revenue Account budget in 2016/17 is £96m funded from rents (£62m), private finance initiative funding (£24m), reserves (£8m) and other income (£2m). Following the Government's budget announcement in the summer of 2015, the 2017/18 rental income is reduced by 1%. This is the second year of a recurring reduction and will be subject to further 1% reductions in the following two years (2018/19 – 2019/20). Properties managed as part of a PFI management contract have been exempted from the requirement to reduce rents for the four year period. In order to maintain the HRA overall position in the short term, savings have been identified to mitigate the reduced rental income, a further review will conclude by summer 2017 to determine savings proposals for 2018/19 onwards. The savings for 2017/18 will include:
- A reduction to the Northwards management fee
  - Re-procurement of repairs and maintenance contract saving
  - A reduction in Council's charge for HRA services
  - Bad debt provision reduced over the life of the business plan

### **New Savings Proposals 2017-20**

- 4.7 Savings of £350k proposed from service improvements and efficiencies and service reductions. The table below summarises the savings and schedule at Appendix 3 provides further details on each of the savings options.

| Strategic Development              | Amount of Saving Options |          |           |            |
|------------------------------------|--------------------------|----------|-----------|------------|
|                                    | 2017/18                  | 2018/19  | 2019/20 + | Total      |
|                                    | £,000                    | £,000    | £,000     | £,000      |
| Improvement and efficiency         | 250                      | 0        | 0         | 250        |
| Service Reductions                 | 100                      | 0        | 0         | 100        |
| <b>Total Strategic Development</b> | <b>350</b>               | <b>0</b> | <b>0</b>  | <b>350</b> |

#### Improvement and efficiency

- 4.8 The Operational Estate and Facilities Management 2016/17 net budget is £18.068m with 224 FTEs. The approach to the effective management of the operational estate is to provide a cohesive programme of work to ensure it is fit for purpose, well maintained and provides optimum utilisation for both the Council and partner organisations. This will be achieved through:
- The development and adoption of a five year Estates Strategy

- A five year Carbon Reduction Plan as an integral component of the Estates Strategy.
  - An annual estates Asset Management Programme (AMP) which will be defined by stock condition data
- 4.9 The five year Estates Strategy will seek to rationalise those operational property assets that no longer support community or service delivery and to transform those assets that can better support service delivery by ensuring they can be utilised to capacity and provide the necessary facilities for service delivery teams and our partners. The rationalisation and transformation programme as well as the future estates AMP will be informed by stock condition data in order to ensure that the Council effectively prioritises its resources and spend where there is the greatest need in respect of the operational estate. This will require a full appraisal aligned to the Council's future accommodation needs, workforce and ICT strategies and the emerging collaboration and integration opportunities with partners, particularly the integration of health and social care and the development of integrated neighbourhood teams. The outcome of this will enable further savings to be secured from the operational estate and they will be set out within the forthcoming operational estate plan.
- 4.10 The programme of activity will support the efficient delivery of facilities management (FM) through the standardisation of plant and equipment and the provision of a well maintained estate; eventually reducing the demand for reactive repairs and maintenance. The future of FM delivery model requirements will be reviewed with a range of options considered to determine the most appropriate FM service for the Council. The Carbon Reduction Plan will focus on a programme of sustainable technologies to reduce carbon emissions and secure revenue savings where possible and seek to install technologies that will generate electricity and reduce our dependency on the grid as well as securing carbon savings.
- 4.11 At this stage it is proposed that savings of **£250k** in 2017/18 can be realised from the refurbishment of the former Hulme Library and the disposal of the Claremont Resource Centre. It is envisaged that further rationalisation opportunities will be identified once the stock condition survey has been completed and analysed and the operational estate plan finalised.

### **Technological Support to Implement Changes**

- 4.12 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.

- 4.13 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.
- 4.14 Key priorities will include:
- Introducing new technology to support the estates rationalisation and transformation program. This will include working with the Corporate Core to better utilise technology to streamline business processes and improve the experience of people interacting with and working within the Council.
  - Providing a new online application to support selective licensing
  - Working with the Strategic Housing service to promote digital channel shift and automisation of back office processes

### **Investment Proposals, Budget Growth & Pressures**

- 4.15 The Council continually considers ways to effectively manage the estate through regular reviews of rents, leases, service charges etc and minimising the incidence of vacant properties, to maximise income and capital receipts in the context of the city's priorities. However the Strategic Development budget is projected to overspend in 2016/17 by c£700k as a result of a reduction in income from the investment estate and spending pressures within the operational estate. The pressures on the operational estate will be managed as part of the five year operational estates strategy described above. The income from the investment estate will remain volatile over the 2017-20 budget period. To manage the financial risk there will be a need to consider the opportunity for use of reserves to smooth the impact between financial years.
- 4.16 The existing capital programme to 2016/17 to 2019/20 includes approval for investment to support priorities in Corporate property, Private Sector Housing Programme, Public Sector Housing Programme through the HRA and Development programmes
- 4.17 The 2017-2022 five year capital strategy includes proposals for further investment to support the strategic objectives and priorities for the Directorate. 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**

- 4.18 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.

- 4.19 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**

- 4.20 The current FTE number for the Directorate is 304. Current proposals will result in a net workforce reduction of 1 FTE over the three year budget period.
- 4.21 The future of FM delivery model requirements will be reviewed. Depending on the option that is chosen, further impacts on the workforce could be realised if the decision is made to transfer staff to another delivery organisation.
- 4.23 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

| Service Area                  | 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) |
|                               | £,000         | £,000        |                      | £,000         | £,000        |                      | £,000         | £,000        |                      | £,000         | £,000        |                      |
| <b>Operational Property</b>   | 21,733        | 18,068       | 224                  | 21,117        | 17,408       | 224                  | 21,117        | 17,408       | 224                  | 21,117        | 17,408       | 224                  |
| <b>Investment Estate</b>      | 4,271         | (14,457)     | 26                   | 4,271         | (14,457)     | 26                   | 4,271         | (14,457)     | 26                   | 4,271         | (14,457)     | 26                   |
| <b>Sharp, Space &amp; OCP</b> | 919           | 4            | 3                    | 919           | 4            | 3                    | 919           | 4            | 3                    | 919           | 4            | 3                    |
| <b>Strategic Development</b>  | 2,219         | 1,624        | 30                   | 2,119         | 1,524        | 29                   | 2,119         | 1,524        | 29                   | 2,119         | 1,524        | 29                   |
| <b>Strategic Housing</b>      | 1,182         | 881          | 21                   | 1,182         | 858          | 21                   | 1,182         | 858          | 21                   | 1,182         | 858          | 21                   |
|                               |               |              |                      |               |              |                      |               |              |                      |               |              |                      |
| <b>Total</b>                  | <b>30,324</b> | <b>6,120</b> | <b>304</b>           | <b>29,608</b> | <b>5,337</b> | <b>303</b>           | <b>29,608</b> | <b>5,337</b> | <b>303</b>           | <b>29,608</b> | <b>5,337</b> | <b>303</b>           |



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

| Service Area                  | 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 |
|                               | £,000                    | £,000                           | £,000        | £,000              | £,000                           | £,000    | £,000              | £,000                           | £,000    | £,000              |
| <b>Operational Property</b>   | 18,068                   |                                 | (660)        | 17,408             |                                 |          | 17,408             |                                 |          | 17,408             |
| <b>Investment Estate</b>      | (14,457)                 |                                 |              | (14,457)           |                                 |          | (14,457)           |                                 |          | (14,457)           |
| <b>Sharp, Space &amp; OCP</b> | 4                        |                                 |              | 4                  |                                 |          | 4                  |                                 |          | 4                  |
| <b>Strategic Development</b>  | 1,624                    |                                 | (100)        | 1,524              |                                 |          | 1,524              |                                 |          | 1,524              |
| <b>Strategic Housing</b>      | 881                      |                                 | (23)         | 858                |                                 |          | 858                |                                 |          | 858                |
| <b>Total</b>                  | <b>6,120</b>             | <b>0</b>                        | <b>(783)</b> | <b>5,337</b>       | <b>0</b>                        | <b>0</b> | <b>5,337</b>       | <b>0</b>                        | <b>0</b> | <b>5,337</b>       |

### Appendix 3: Summary Budget Position and Savings Schedule

| Service Area                                 | Description of Saving   | RAG Deliverability | RAG Impact | Amount of Saving Proposals |         |         |       | FTE Impact (Indicative) |
|--|---|--------------------|------------|----------------------------|---------|---------|-------|-------------------------|
|  |   |                    |            | 2017/18                    | 2018/19 | 2019/20 | Total |                         |
|  |   |                    |            | £,000                      | £,000   | £,000   | £,000 |                         |
| <b>Efficiencies and Improvements</b>         |   |                    |            |                            |         |         |       |                         |
| Operational Estate and Facilities Management | Refurbishment of old Hulme Library and the disposal of Westwood St and Claremont Resource Centre. DWP would take out a lease for the whole of the ground floor plus service change. Repairs and Maintenance contract re-tenders | Amber              | Green      | 250                        |         |         | 250   | -                       |
| <b>Total Improvement and Efficiency</b>      |   |                    |            | 250                        | 0       | 0       | 250   | 0.0                     |
| <b>Service Reductions</b>                    |   |                    |            |                            |         |         |       |                         |
| Strategic Development                        | Staffing reductions   | Green              | Green      | 100                        |         |         | 100   | 1.0                     |
| <b>Total Service Reductions</b>              |   |                    |            | 100                        | 0       | 0       | 100   | 1.0                     |
| <b>Total Strategic Development</b>           |   |                    |            | 350                        | -       | -       | 350   | 1.0                     |