

## The Executive

### Minutes of the meeting held on 8 February 2017

Present: Councillor– Leese in the Chair

Councillors Andrews, Battle, Flanagan, N Murphy, S Murphy, S Newman, B Priest and Rahman

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

#### **Exe/17/023 Minutes**

##### **Decision**

To approve the minutes of the meeting held on 11 January 2017 as a correct record.

#### **Exe/17/024 City Centre Review Findings**

A joint report submitted by the Deputy Chief Executive (People, Policy and Reform) and the Head of City Centre Regeneration Team set out the findings and recommendations of a review of the performance of public service in the city centre.

The review had engaged with those involved in the delivery of public services in the city centre, as well as city centre users. It had sought to identify what was working well and what the key issues and gaps might be. The methodologies employed in the review had included

- information and data collected through participation in settings, observation of service delivery, field notes and unstructured interviews;
- engagement with key partners and front line service delivery staff through structured interviews to gather their views on the city centre and identify priorities, service standards and current performance; and
- an online survey targeted at stakeholder groups beyond those interviewed and aimed at maximising input on issues and service delivery in the city centre.

The findings of the review included an assessment of the strengths of the city centre including:

- The vibrant cultural offer of theatres, museums and the art gallery within the city centre. This was seen as a core strength, alongside the variety of shops and the food and drink on offer.
- Descriptions of the city centre as ‘friendly’ and having a positive ‘energy’ that was welcoming of diverse communities and individuals.
- The city’s architecture was praised by stakeholders, seeing the continual development of new buildings as an encouraging sign for the city’s economic viability and future growth.
- In general the transport infrastructure was seen positively, enabling people to explore the city easily. People highlighted the ease of which they can walk to

different locations within the city centre and the availability of the tram and free shuttle bus.

- The proliferation of independent retailers and licensees in the Northern Quarter and the efforts at greenery in this area were singled out for praise by stakeholders.
- Another area that was singled out for praise was Spinningfields.
- Front line staff reported that the Integrated Neighbourhood Management approach recently implemented has had a positive effect on information and intelligence sharing across agencies and improved working relationships.

Strong themes had also emerged which highlighted the interconnected nature of the issues affecting the look and feel of the city centre. Those had been grouped into four priority areas:

- Place issues: issues that affect the physical environment of the city centre, including: littering, alcohol and drug consumption, antisocial behaviour, charity collectors and business waste.
- Rough sleeping, homelessness and begging: all relating to individuals and the impact that they had on the city centre.
- Public Realm: issues relating to the publicly accessible areas of the city centre, looking at the space in its totality, as affected by the issues above and other issues such as events.
- Management and Governance: the leadership and coordination required to drive the delivery of improvements.

The proposals that had been developed from the review included:

- Improving the management and governance of the city centre.
- Increasing the visibility of public services in the city centre, with stakeholders suggesting that more visible guardians were needed.
- Increasing the connectivity between services, partners and external organisations.
- Establishing networks and governance arrangements around the management of the city centre that include key city centre stakeholders.
- Improving communications with consistent two-way communication with partners, stakeholders and the public.

The report described a number of initiatives and projects that were to address some of the issues facing the city centre. These included actions to improve street cleansing, an increase in the provision of enforcement staff 24 hours a day, action to effectively manage peddling and loud, amplified noise in the city centre, more work with the Homeless Charter Partnership to address rough sleeping, homelessness and begging, including an improved outreach and support offer, and the development of a 24 hour a day, seven days a week offer for those who need it addressing the current gap in evening provision.

To provide leadership and governance for this work it was proposed that the Council recruit a Manager of City Centre Public Services to provide strong city centre management, leadership and coordination. Linked to that would be the creation of a cross-sector City Centre Accountability Board, initially chaired by the Leader of the Council. That Board would help develop the strong partnership working that would be needed to ensure that these proposals were successful.

The financial implications of the proposed implementation plan for the City Centre review were put at £4.6m for activity starting in 2017/18. The source of those resources was explained in the report and the budget implications had been included in the budget proposal that were also being considered at this meeting.

At the meeting it was emphasised that the initiatives coming out of this review had been developed to help solve and alleviate the issues facing the city centre without displacing those issues into neighbouring areas.

The report and the proposals were welcomed.

## **Decisions**

1. To authorise the Chief Executive to create a post of Manager of City Centre Public Services with the role description, salary, reporting arrangements and appointment process being subject to approval by the Personnel Committee.
2. To request the Chief Executive to establish a City Centre Accountability Board comprising appropriate Members, senior representatives of GMP and other public services and chairs of Business Improvement Districts, with the detailed membership being subject to consultation with the Leader of the Council.
3. To note that the Chief Executive and the Leader of the Council will engage with city centre stakeholders, including CityCo, about the establishment of effective stakeholder partnership arrangements for the future.

## **Exe/17/025 Overarching Budget Report 2016/17-2019/20 - Summary of the Updated Financial Position**

A report submitted by the Chief Executive and the City Treasurer set out the changes that had been made in the suite of budget reports that were before this meeting, compared to those considered at the previous meeting in January.

The report clarified that many of the reports remained largely unchanged from January. The Medium Term Financial Strategy had been updated to take into account the final council tax and business rates position and some other minor adjustments. The Capital Strategy had been updated to reflect the latest 2016/17 forecast position and its impact on the anticipated profile of spend in future years.

The Council's share of the estimated Council Tax Surplus for 2016/17 had now been declared. This had resulted in an increase in the Council's share of the surplus from £4.097m to £5.940m, an increase of £1.843m. That had been included in the Medium Term Financial Strategy for 2017/18, allocated to these budget pressures:

- additional Dedicated Schools Grant pressure £500k – this was also reflected in the Children's Services budget report;
- Waste Contingency £500k - to reflect risks associated with the assumed savings within the GM Waste Levy;

- Commissioning Team Costs £200k – this changes also being included in the Corporate Core Budget report;
- £190K for the costs of business rates revaluations on Council Buildings; and
- The balance of £453k to the general reserve to reduce the call on the general fund reserve in 2017/18 to £509k.

The overall proposals now recommended creating a £4.5m reserve, predominately created from the 2016/17 Business Rates surplus, to fund the City Centre Review.

The report also explained the virement of budget allocations between the GM Waste Levy and the GM Transport Levy.

### Decision

To note the report.

### Exe/17/026 Budget 2017/20: A Strategic Response

The latest and final version of the report was presented by the Chief Executive, the City Treasurer and the City Solicitor. Earlier versions of this report had been considered in October 2016 and January 2017 (Minutes Exe/16/117 and Exe/17/003 respectively). The report again set out the implications for the City Council of the Four Year Final Local Government Settlement for 2016/17 and the Provisional Local Government Finance Settlement 2017/18. The budget gap to be filled in the following three years was now forecast as being:

	2017/18	2018/19	2019/20
Budget Gap	£14.503m	£23.087m	£31.757m
In Year Savings required	£14.503m	£8.584m	£8.670m

### Decisions

1. To note the impact on the City as a result of the provisional Local Government Finance Settlement as it affects Manchester.
2. To agree to consider the Revenue Budget Reports 2017-2020 and Capital Strategy 2017-2022 reports that follow within the context of the overarching framework of this report.

### Exe/17/027 Medium Term Financial Strategy and Revenue Budget 2016/17 to 2019/20

The report of the Chief Executive and City Treasurer set out the revenue budget proposals for the Council for 2017/18 to 2019/20, based on the anticipated budget outturn position for 2016/17. This report presented an updated and revised financial strategy to that which had considered at the previous meeting (Minute Exe/17/004). The overall initial budget position was now:

<b>Table 1 Initial Budget Position</b>	<b>2016/17 £'000</b>	<b>2017/18 £'000</b>	<b>2018/19 £'000</b>	<b>2019/20 £'000</b>
<b>Resources Available</b>				
Revenue Support Grant	113,768	0	0	0
Business Rates income	156,030	309,747	319,711	331,086
Business Rates top up	7,575	600	(21,738)	(44,977)
Public Health funding	54,596	0	0	0
<i>Baseline Funding Level</i>	331,969	310,347	297,973	286,109
(Reduced) Business Rates income	(4,643)	(11,952)	(5,189)	(3,154)
Business Rates grants	6,609	19,160	19,778	20,463
Council Tax	136,617	143,507	150,272	157,140
Other non-ringfenced grants	23,532	22,960	27,780	37,157
Dividends and use of reserves	31,337	44,471	44,471	44,471
Use of other reserves	3,095	1,548	1,313	0
<b>Total Resources Available</b>	<b>528,516</b>	<b>530,041</b>	<b>536,398</b>	<b>542,186</b>
<b>Resources Required</b>				
<i>Corporate Costs:</i>				
Levies/Charges	68,222	70,406	74,054	75,044
Contingency	1,400	2,400	2,400	2,400
Capital financing	44,067	44,582	44,882	45,082
Transfer to reserves	7,915	7,400	3,050	3,409
<i>Sub Total Corporate Costs</i>	<i>121,604</i>	<i>124,788</i>	<i>124,386</i>	<i>125,935</i>
<i>Directorate Costs:</i>				
Additional allowances and other pension costs	10,736	10,336	10,236	10,236
Insurance costs	2,004	2,004	2,004	2,004
Directorate budgets	384,623	380,200	377,706	377,706
Directorate costs not yet allocated	9,549	5,849	5,849	5,849
Unfunded pressures and growth	0	10,365	18,315	21,374
Inflationary pressures and budgets to be allocated	0	11,002	20,989	30,839
<i>Total Directorate Costs</i>	<i>406,912</i>	<i>419,756</i>	<i>435,099</i>	<i>448,008</i>
<b>Total Resources Required</b>	<b>528,516</b>	<b>544,544</b>	<b>559,485</b>	<b>573,943</b>
<b>Budget Gap</b>	<b>0</b>	<b>14,503</b>	<b>23,087</b>	<b>31,757</b>
<b>In Year Savings required</b>	<b>0</b>	<b>14,503</b>	<b>8,584</b>	<b>8,670</b>

This continued to be based on a 4.99% increase on the rate of Council Tax for 2017/08, being the 1.99% for general expenditure allowed without a referendum and the additional 3% allowed for social care expenditure. The assumptions in the total resources available from the Council Tax were:

- the general precept rate increase of 1.99% would raise an additional £2.664m;
- the Adult Social Care increase of £3% would raise an additional £4.017m;
- improving the Council Tax Collection rate by 1% would raise an additional £1.208m; and
- the increase to the base used for budget setting would raise an additional £3.984m.

As authorities within Greater Manchester were going to take part in the pilot of 100% retention of business rates from 2017/18 the figures in Table 1 included 99% of estimated business rates, with the other 1% being transferred to the GM Fire and Rescue Authority. Aligned with the 100% retention of business rates was the ending of public health funding from the government. The report also explained the changes to the various Business Rates grants provided by the government, and the increase in those grants that would be affected by the start of the pilot of the retention of all business rates income.

The other grants the Council was expected to receive, and that were included in the budget were:

<b>Table 2 Other Non-Ringfenced Grants</b>	<b>2016/17 £'000</b>	<b>2017/18 £'000</b>	<b>2018/19 £'000</b>	<b>2019/20 £'000</b>
Better Care Fund (Improved)	0	3,266	14,762	24,374
New Homes Bonus	13,128	9,587	7,329	7,032
New Homes Bonus Adjustment Grant	373	402	0	0
Adult Social Care Support Grant	0	2,678	0	0
Education Services Grant	5,000	2,598	1,260	1,322
Housing Benefit Admin Subsidy	3,359	3,000	3,000	3,000
Universal Credit Funding	0	314	314	314
Council Tax Support Admin Subsidy	953	953	953	953
Special Educational Needs and Disability Implementation	383	0	0	0
Council Tax New Burdens Funding	174	0	0	0
Care Act Grants	162	162	162	162
<b>Total Non-Ringfenced Grants</b>	<b>23,532</b>	<b>22,960</b>	<b>27,780</b>	<b>37,157</b>

The report explained the basis for significant changes in these grant figures.

For dividends and the use of reserves, for 2017/18 the total dividend income that would be used to support the revenue budget was to be £44.071m. This included the additional £8.374m airport dividend announced in August and November 2016. A further £6.76m of the airport dividend that previously had been used to support the capital fund was now to be used to support the revenue budget. There was also £0.4m expected for other dividends including NCP and Piccadilly Triangle. The total for reserves used to support the revenue budget was to be £2.509m in 2017/18. Of this, £2m was the planned use of reserves set out in the 2016/17 budget strategy to support the budget position and £0.509m was to be from the use of the general fund reserve.

The resources required by the Council included corporate costs and departmental costs. The corporate costs included levy payments to GM authorities and other bodies. These were to be:

<b>Table 3 Levies</b>	<b>2016/17 £'000</b>	<b>2017/18 £'000</b>	<b>2018/19 £'000</b>	<b>2019/20 £'000</b>
Transport Levy	36,039	19,985	37,643	37,743
GM Waste Disposal Authority	32,495	49,433	35,173	31,913

<b>Table 3 Levies</b>	<b>2016/17 £'000</b>	<b>2017/18 £'000</b>	<b>2018/19 £'000</b>	<b>2019/20 £'000</b>
Environment Agency	196	196	196	196
Probation (Residual Debt)	22	22	22	22
Magistrates Court (Residual Debt)	9	9	9	9
Port Health Authority	71	71	71	71
<b>Total Levies</b>	<b>68,832</b>	<b>69,716</b>	<b>73,114</b>	<b>69,954</b>
Use of Parking Reserve	(610)	(610)	(610)	(610)
<b>Net Cost of Levies</b>	<b>68,222</b>	<b>69,106</b>	<b>72,504</b>	<b>69,344</b>

Although included within the table of levies and charges above, the GM Waste Disposal Levy was to be administered by the Growth and Neighbourhoods directorate and so would be added to the cash limits of the budget of that directorate. The significant changes in the amount of levies to be paid were explained in the report. Some of the cost of the levies was to be off-set by the use of £0.61m of the Parking Reserve surplus.

The capital financing requirements were needed to support the costs of borrowing. The report explained that the policy on the amount of funding the Council had to set aside to repay debt had been revised in January 2017 (Minute CC/17/14) to reduce the amount set aside for debt funded by supported credit approvals from 4% to 2%. This change would reduce the capital financial requirements by £7.9m in 2016/17, with the savings dropping to £6.9m in 2019/20. The money released in 2016/17 was to be utilised to fund the revenue costs of the Town Hall project. Thereafter, £5m of this saving was to be used to support the revenue budget with the balance supporting the Town Hall, reducing to £4.5m in 2019/20.

The report described in detail the budget pressures across the Council's directorate budgets, including the origin of the additional costs for former staff and teachers' pension costs, insurance costs, pay increases and the minimum wage, general prices inflation, and increasing social care costs. In December 2016 we had expressed our concerns about the increasing cost of providing proper and adequate social care to the people of Manchester, and the failure of the government to provide the necessary resources for this (Minute Exe/16/148). Provision had been made in the 2017/18 budget of £11.002m to cover inflationary budgets and pressures, and a further £10.365m for growth pressures. For both of these we supported the proposal that the authority be delegated to the City Treasurer to allocate these totals to specific areas of spending.

The individual directorate budget reports being presented to this meeting each set out and detailed the savings proposals that were being put forward. Taken together, these reports described the source of the £31.757m of proposals which were being included in the budget proposals, and being in addition to the £5.2m full year effect of 2016/17 savings already included in the base budget position. The proposals for each directorate, and the indicative impact of the savings on staffing numbers, were:

<b>Table 4 Directorate Savings Proposals</b>	<b>2017/18 £,000</b>	<b>2018/19 £,000</b>	<b>2019/20 £,000</b>	<b>FTE Impact</b>
Adults	5,000	8,000	12,000	0
Children's	1,221	1,441	1,621	19

<b>Table 4</b> <b>Directorate Savings Proposals</b>	<b>2017/18</b> <b>£,000</b>	<b>2018/19</b> <b>£,000</b>	<b>2019/20</b> <b>£,000</b>	<b>FTE</b> <b>Impact</b>
Corporate Core	5,481	8,406	10,566	54
Growth and Neighbourhoods	1,490	2,710	7,220	3
Strategic Development	350	350	350	1
<b>Total Savings</b>	<b>13,542</b>	<b>20,907</b>	<b>31,757</b>	<b>77</b>

When those savings were incorporated into the directorate budgets the cash limits proposed for each directorate were:

<b>Table 5</b> <b>Departmental Cash Limits</b>	<b>2016/17</b> <b>£'000</b>	<b>2017/18</b> <b>£'000</b>	<b>2018/19</b> <b>£'000</b>	<b>2019/20</b> <b>£'000</b>
Children's	102,593	100,516	100,296	100,116
Adults	158,666	152,601	147,787	143,787
Corporate Core	76,045	72,363	68,788	66,628
Growth & Neighbourhoods	41,399	40,341	39,341	38,981
Strategic Development	5,920	5,137	5,137	5,137
<b>Total</b>	<b>384,623</b>	<b>370,958</b>	<b>361,349</b>	<b>354,649</b>

For the Growth and Neighbourhoods directorate, the GM Waste Disposal Levy totals (Table 3 above) would also be added to the cash limit each year of the budget.

Therefore the overall balanced budget proposals were:

<b>Table 6</b> <b>Balanced Budget Proposals</b>	<b>2016 / 17</b> <b>£'000</b>	<b>2017 / 18</b> <b>£'000</b>	<b>2018 / 19</b> <b>£'000</b>	<b>2019 / 20</b> <b>£'000</b>
<b>Resources Available</b>				
Revenue Support Grant	113,768	0	0	0
Business Rates Baseline	156,030	309,747	319,711	331,086
Business Rates top up	7,575	600	(21,738)	(44,977)
Public Health funding	54,596	0	0	0
<i>Baseline Funding Level</i>	<i>331,969</i>	<i>310,347</i>	<i>297,973</i>	<i>286,109</i>
(Reduced) Business Rates income	(4,643)	(11,952)	(5,189)	(3,154)
Business Rates grants	6,609	19,160	19,778	20,463
Council Tax	136,617	146,507	153,272	160,140
Other non-ringfenced grants	23,532	22,960	27,780	37,157
Dividends and use of reserves	31,337	44,471	44,471	44,471
Use of other reserves	3,095	2,509	3,493	0
<b>Total Resources Available</b>	<b>528,516</b>	<b>534,002</b>	<b>541,578</b>	<b>545,186</b>
<b>Resources Required</b>				
<i>Corporate Costs:</i>				
Levies/Charges	68,222	69,106	72,504	69,344
Contingency	1,400	2,400	2,400	2,400
Capital Financing	44,067	44,582	44,882	45,082
Transfer to Reserves	7,915	7,400	3,050	3,409
<i>Sub Total Corporate Costs</i>	<i>121,604</i>	<i>123,488</i>	<i>122,836</i>	<i>120,235</i>
<i>Directorate Costs:</i>				
Additional allowances and other pension costs	10,736	10,336	10,236	10,236



<b>Table 6 Balanced Budget Proposals</b>	<b>2016 / 17 £'000</b>	<b>2017 / 18 £'000</b>	<b>2018 / 19 £'000</b>	<b>2019 / 20 £'000</b>
Insurance costs	2,004	2,004	2,004	2,004
Directorate budgets	384,623	370,958	361,349	354,649
Directorate Costs not yet allocated	9,549	5,849	5,849	5,849
Unfunded pressures and growth items	0	10,365	18,315	21,374
Inflationary pressures and budgets to be allocated	0	11,002	20,989	30,839
<i>Total Directorate Costs</i>	<i>406,912</i>	<i>410,514</i>	<i>418,742</i>	<i>424,951</i>
<b>Total Resources Required</b>	<b>528,516</b>	<b>534,002</b>	<b>541,578</b>	<b>545,186</b>
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

The report explained the statutory requirement to place income generated from on-street parking and bus lane enforcement into separate reserves. These reserves could only be used to fund certain types of highway and environmental improvements, and provided there was no requirement for the Council to provide additional off street parking or for financial support to existing off street parking. The expected balance on these reserves at the 1 April 2017 was £6.105m. It was estimated that £6.496m would be added to these reserves during 2017/18 and £7.104m used.

The report explained that the Council holds a number of reserves, all of which, aside from the General Fund Reserve, had been set aside to meet specific future expenditure or risks. A fundamental review of all the reserves held had been carried out as part of the budget setting process. The reserves include:

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

The report set out the planned use of reserves in 2016/17 to 2019/20 to support revenue expenditure.

<b>Table 7 Planned use of Reserves</b>	<b>2017/18 £'000</b>	<b>2018/19 £'000</b>	<b>2019/20 £'000</b>
<b>Statutory Reserves:</b>			
Bus Lane and Parking reserves	7,104	7,104	7,104
Other Statutory Reserves	219	90	90
<b>Balances Held for PFI's:</b>			
Street Lighting Private Finance Initiative	181	0	0

<b>Table 7 Planned use of Reserves</b>	<b>2017/18 £'000</b>	<b>2018/19 £'000</b>	<b>2019/20 £'000</b>
<b>Small Specific Reserves:</b>	196	51	51
<b>Reserves to smooth risk / assurance:</b>			
Airport Dividend Reserve	29,161	29,161	29,161
Adult Social Care	2,000	0	0
Other Reserves held to smooth risk / assurance	979	550	550
<b>Reserves to support capital schemes:</b>			
Capital Fund	7,046	3,038	6,238
Other reserves held to support capital schemes	3,732	3,639	2,889
<b>Reserves to support growth and reform:</b>			
Clean City Reserve	2,628	0	0
Children's and Families Investment Reserve	7,367	1,981	1,320
Town Hall	4,828	2,789	2,516
City Centre Reserve	2,500	1,000	1,000
Our Manchester	668	2,524	2,422
Other Reserves to support growth and reform	1,890	0	0
<b>Grants and Contributions used to meet commitments over more than one year</b>	3,982	1,763	1,666
<b>General Fund</b>	509	0	0
	<b>74,990</b>	<b>53,690</b>	<b>55,007</b>

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

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

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

Prudential Indicators for 2017/18 and indicative indicators for 2018/19 and 2019/20 were presented in an appendix to the report, and we approved those.

## Decisions

1. To note the report and the anticipated financial position for the Authority for the period 2017/18 to 2019/20.
2. To note that a summary of the changes from the Medium Term Financial Strategy reported in January will be presented alongside this report.
3. To note that the financial position has been based on the Provisional Local Government Finance Settlement issued on 15 December 2016.
4. To note that there has been a review of how the resources available are utilised to support the financial position to best effect, including use of reserves and dividends, consideration of the updated Council Tax and Business Rates position, the financing of capital investment and the availability and application of grants.
5. To agree to consider the detailed reports from individual Strategic Directors (the Directorate Reports) and the proposals for service and expenditure changes, in reaching decisions in relation to the final budget for 2017/18 to 2019/20.
5. To note that formal budget consultation commenced on 3 January and will continue until 10 February.
6. To note that the Capital Strategy 2017/18 -2021/22 had also been presented to this meeting.
7. To note the City Treasurer's review of the robustness of the estimates and the adequacy of the reserves.
8. To recommend the following to the Council for the 2017/18 budgets:
  - (a) an increase in the basic amount of Council Tax (i.e. the City's element of council tax) by 4.99% (including 3% for adult social care);
  - (b) the contingency sum of £3.3m;
  - (c) the inflationary pressures and budgets to be allocated sum of £11.002m; and delegate the authority to set the final allocations to the City Treasurer in consultation with the Executive Member for Finance and Human Resources;
  - (d) the pressures and growth bids of £10.365m and delegate the authority to set the final allocations to the City Treasurer in consultation with the Executive Member for Finance and Human Resources as detailed in the report;
  - (e) corporate budget requirements to cover the cost of levies / charges of £69.106m, capital financing costs of £44.582m, additional allowances and other pension costs of £10.336m and insurance costs of £2.004m;

- (f) the estimated utilisation of £7.104m of the surplus from the on street parking and bus lane enforcement reserves after determining that any surplus from these reserves is not required to provide additional off street parking in the authority; and
  - (g) the position on reserves as identified in the report and in the appendix to these minutes subject to the final call on reserves after any changes are required to account for final levies etc.
9. To delegate authority to the City Treasurer and Chief Executive to agree the use of the Children and Families Investment Reserve, City Centre Review Reserve and Our Manchester Reserve.
  10. To approve the Directorate cash limits as set out in table 5 above.
  11. To delegate authority to the City Treasurer and Chief Executive in consultation with the Executive Member for Finance and Human Resources and the Leader of the Council to draft the recommended budget resolution for budget setting Council in accordance with the legal requirements outlined in this report and to take into account the decisions of the Executive and any final changes and other technical adjustments.
  12. To approve the Prudential Indicators for 2017/18 and the indicative indicators for 2018/19 and 2019/20 as presented in Appendix 2 of the report, subject to any final adjustments that may be made arising from the recommendations above and changes to the Capital Programme.
  13. To note that there is a requirement on the authority to provide an itemised Council tax bill which, on the face of the bill, informs tax payers of that part of any increase in council tax which is being used to fund adult social care; and to provide specific information about the purpose of the council tax increase in the information supplied with demand notices.
  14. To note there is a requirement on the City Treasurer to provide information to the Secretary of State for Communities and Local Government demonstrating that an amount equivalent to the additional council tax has been allocated to the funding of adult social care.

### **Exe/17/028 Capital Programme (Budget 2017/18 to 2021/22)**

Consideration was given to the report submitted by the City Treasurer. This was an updated version of the Capital Budget report that had been considered and endorsed at the meeting in January (Minute Exe/17/005). The report presented the final version of capital budget proposals before their submission to the Council for approval.

If agreed, then the proposals contained in the report would create a capital programme of £493.1m in 2017/18, £489.9m in 2018/19, £179.5m in 2019/20, £126.4m in 2020/21 and £288.0m in 2021/22. That programme would require £1,025.1m of prudential borrowing over the five year period, with £792.0m of that

being required for Manchester City Council projects and £233.1m required for projects carried out on behalf of Greater Manchester. Provision to finance those borrowings had been made in the revenue budget above.

The projects and schemes being put forward for consideration as part of the capital programme had each been assessed for “strategic fit”: the project’s contribution to support the Council’s priorities around growth, reform and place. Projects had been assigned one of three classifications:

- Priority – the proposal was a good strategic fit and deemed to be deliverable, the project would form part of the capital budget and move forward subject to certain conditions being met;
- In Principle Agreement – the scheme met the criteria for strategic fit and/or economic value but further work was required to detail the financial implications therefore the funding for the scheme may be reserved as part of the capital budget; and
- In Abeyance – further work was required.

The assessment of the new schemes from 2017/18 were

Priority:

- Abraham Moss Leisure Centre
- Asset Management Programme
- Schools Basic Need
- Carbon Reduction
- City Wide Strategic Acquisitions
- Civic Quarter Heat Network
- Completion of Cycle City Scheme
- Gorton Health Hub
- Highways Investment Model
- Library 2020
- Northwards Housing
- Residential Development & Regeneration – West Gorton
- Private Sector Housing
- Retained Housing

In Principle:

- Town Hall Refurbishment
- Sustaining Key Initiatives
- Northern Gateway
- Eastern Gateway
- Bridge Maintenance
- Estates Transformation
- ICT Investment Plan
- Parks Investment Programme
- School Maintenance

In Abeyance:

- Special Educational Needs (pending Government funding announcement)

Based on those assessments the overall capital programme had been developed and was:

<b>Manchester City Council Programme</b>	<b>2017/18 budget £m</b>	<b>2018/19 budget £m</b>	<b>2019/20 budget £m</b>	<b>2020/21 budget £m</b>	<b>2021/22 budget £m</b>
Highways	38.3	33.2	25.7	22.5	16.4
Growth and Neighbourhoods	63.2	34.5	16.6	1.7	
Strategic Development	136.7	139.4	80.7	60.8	234.5
Housing - General Fund	29.0	27.2	20.2	9.9	6.2
Housing - HRA	42.1	39.8	18.1	19.5	18.9
Children's Services (Schools)	58.8	56.9	3.0	3.0	3.0
ICT	13.1	18.6	10.4	9.0	9.0
Adults and Children's Services	4.1	15.0	4.8	-	-
<b>MCC Total</b>	<b>385.3</b>	<b>364.6</b>	<b>179.5</b>	<b>126.4</b>	<b>288.0</b>

<b>Projects carried out on behalf of Greater Manchester</b>	<b>2017/18 budget £m</b>	<b>2018/19 budget £m</b>	<b>2019/20 budget £m</b>	<b>2020/21 budget £m</b>	<b>2021/22 budget £m</b>
	107.8	125.3	-	-	-
<b>Total</b>	<b>493.1</b>	<b>489.9</b>	<b>179.5</b>	<b>126.4</b>	<b>288.0</b>

The report examined in more detailed some of the projects within each of the budget lines within the overall programme.

Emphasis was give to the proposal for a Highways Maintenance Investment Programme of £100.0m, utilising £19.1m of expected Planned Highways Maintenance grant funding received from Government alongside £80.9m of City Council resource. This programme would seek to implement longer term preventative maintenance measures which would result in the Council's highways assets being improved and reducing maintenance costs. Such highways improvements had been expressed as a priority during the public consultation on the budget. That £100m investment in the repair of the highways was part of the overall £163.2m being proposed for the highways capital programme.

We endorsed the proposed programme and commend it to the Council.

It was explained in the report that the Directors of The Manchester Mortgage Corporation Limited are considering the payment of an Interim Dividend to Manchester City Council as sole shareholder of the Limited Company. The company currently had £6m in its reserve account. If the Corporation was to pay the full sum of £6m to the Council, then the company would require an indemnity for the past, present and alternate Directors and company secretaries whether or not they are current employees of the Council. This was necessary to ensure that the company was able to pay the full amount of £6m to the Council. We agreed to that proposal.

It was also explained that the Council had nominated and appointed a number of Council officers on the boards of companies, trusts and other local bodies as Council representatives. A number of those Council officers were now transferring to or had already transferred to the employment of the Greater Manchester Combined

Authority. The report requested, and we agreed, that an indemnity be provided for those past, present and alternate Directors and company secretaries who had previously been employed by the Council and who were now or who were to be employees of the Greater Manchester Combined Authority.

### **Decisions**

1. To commend the report to the Council.
2. To delegate authority to the City Treasurer in consultation with the Executive Member for Finance and Human Resources to make alterations to the schedules for the capital programme 2017/18 to 2021/22 prior to their submission to Council for approval, subject to no changes being made to the overall estimated total cost of each individual project.
3. To note the intention of the payment of an interim dividend to Manchester City Council from the Manchester Mortgage Corporation Limited ("the Company"), and approve the provision of an indemnity for those past, present and alternate Directors and company secretaries of the Company who are or were Council Officers whether or not they are current employees of the Council.
4. To approve the provision of an indemnity for those past, present and alternate Directors and company secretaries of the Company who have previously been employed by the Council and who are now or will be employees of the Greater Manchester Combined Authority.

### **Exe/17/029 Children's Services and Education and Skills Budget and Business Planning: 2017 - 2020**

The Director of Children's Services and Director of Education and Skills presented the final proposals for the directorate's budget for 2017/18 and forecast budgets for the following two financial years. This was an update on the budget proposals that had been considered at the January meeting (Minute Exe/17/006). The report set out the detailed breakdown and allocation of the directorate's cash limited budget of £100.516m for 2017/18. It also explained the source of the directorate's contribution of £1.221m of savings for 2017/18, and the planned efficiencies and improvements that would help to achieve those savings.

### **Decision**

To approve the final proposals in this report and that these are included in the budget to Council.

### **Exe/17/030 Adult Social Care Budget and Business Planning: 2017 - 2020**

The Strategic Director Adult Social Services and the Joint Director Health and Social Care Integration presented the final proposals for the directorate's budget for 2017/18 and forecast budgets for the following two financial years. This was an

update on the budget proposals that had been considered at the January meeting (Minute Exe/17/007). The report set out the detailed breakdown and allocation of the directorate's cash limited budget of £152.601m for 2017/18. It also explained the source of the directorate's contribution of £5.0m of savings for 2017/18, and the planned expected financial benefits and savings from the use of the pooled health and social care resources that would help to achieve those savings.

At the meeting reference was made to a petition that was being organised to petition the government about the effects of the cuts being made to services in Manchester, and a desire expressed that if such a petition does begin that the Council could be asked to endorse it.

## **Decision**

To approve the final proposals in this report and that these are included in the budget to Council.

### **Exe/17/031 Locality Plan – A Healthier Manchester**

The Council and its partners were currently in the first year of implementing the Locality Plan for Manchester– “A Healthier Manchester”. The plan was being developed as part of the devolution agreement with the Government for Greater Manchester to take charge of health and social care spending and decision making. The Plan detailed the transformation of health care services in the City as part of the Greater Manchester strategy – “Taking Charge of our Health and Social Care”. The development and implementation of the Manchester Plan had been overseen by the Health and Wellbeing Board on behalf of the Council and the other health and care partners in the city (Minute HWB/16/18 and Minute HWB/17/2).

A report submitted by the Chief Executive provided a comprehensive update on progress towards implementing the Locality Plan. The report also sought approval of the Council's contribution to the next stages of implementation through the deployment of Council staff and resources into the Single Commissioning Function and integrated services, to be delivered through a Local Care Organisation.

The report also explained the next steps to develop a Single Hospital Service for the City and sought the endorsement of a proposal to create a single acute provider organisation for the city, and the proposed phasing for that change-over from the existing three hospital trusts.

The next 12 months were to see significant progress in the re-shaping of the health and care services and economy in Manchester and in particular:

- the establishment of the Single Commissioning Function from April 2017;
- the procurement of a Local Care Organisation to deliver integrated out of hospital services within the community;
- the first stage merger of the Central Manchester and University Hospital South Manchester Trusts;
- the mobilisation of a clear plan for the delivery of high quality services from the North Manchester General Hospital site; and



- the delivery of mental health services by Greater Manchester West.

The report detailed each of the major changes that were to be brought about and the mechanisms and processes necessary to change the existing mixture of commissioners and providers into those set out in the Locality Plan. It also described the governance arrangements that would apply to the various organisations to be brought into existence.

## Decisions

1. To endorse the next phases of implementation of the Locality Plan, as set out in the report, as a clear and robust response to the requirements of the Our Manchester Strategy to transform health outcomes for Manchester people and the platform for achieving financial sustainability.
2. To approve in principle that the Council enter into partnership arrangements under Section 75 of the NHS Act 2006 with the City's merged CCGs to form the Single Commissioning Function, subject to the terms of the partnership agreement being submitted to a future meeting of the Executive for approval.
3. To approve commissioners undertaking a procurement exercise to appoint a single provider of integrated health and social care in Manchester, with the intention that there will be a single contract that will include all out of hospital health services, including primary care, adult social care, community health and mental health services.
4. To note that the organisations that form the Manchester Provider Board, which include the Council as a provider of adult social care, will bid for the single contract on the basis of an equal partnership between the principal provider organisations in the form of a Local Care Organisation (LCO). Subject to the outcome of the procurement process, in the event that the bid prepared by Manchester Provider Board is successful, further reports will be submitted on the terms of an Alliance Agreement, and the formation of the LCO.
5. To note that Council staff will need to be deployed to both the Single Commissioning Function and the LCO, with roles being backfilled, subject to the approval of Personnel Committee where appropriate.
6. To note that a report was submitted to the Personnel Committee in January concerning changes to the Director of Adult Social Services (DASS) and Deputy DASS roles and the recruitment of a Strategic Commissioner with DASS responsibilities (Minute PE/17/04).
7. To endorse the creation of a single acute provider organisation and the proposed phasing set out in this report as a key part of the move to a single unified health and care system for the City and a central part of the GM strategy for health and social care devolution and that the benefits of the Single Hospital Service (SHS) and of the Locality Plan as a whole be commended to NHS Improvement and the Competition and Markets Authority to support their consideration of the SHS.

8. To note the progress on the transfer of the City's mental health services to a new provider and that mental health will be fully integrated into the new service models being developed.
9. To note the emerging vision for the future delivery of services from the North Manchester General Hospital.

### **Exe/17/032 Locality Plan – Financial Report – Closing the Funding Gap 2017/21, Update: Three Year Budget Strategy 2017-20**

At the previous meeting we had considered an earlier version of the report that was now submitted again by the Joint Director Health and Social Care Integration City Treasurer, Chief Finance Officer, Manchester Clinical Commissioning Groups (Minute Exe/17/008). The report identified the predicted funding shortfall in the provision of health and social care in the city. The report again proposed the approach to be taken across health and social care organisations in Manchester to improve health and social care outcomes for residents, by radically transforming the health and social care system, and in the process aim to close the 'do nothing' funding gap of £134m that was predicted to exist by 2021. Whilst the strategy being developed was perceived to close the gap, the failure of the Local Government Finance Settlement to recognise the growing pressures on social care and the impact of the NHS settlement and tariff changes had meant that the level of progress to closing the gap would not be as envisaged and without additional funding for social care, will not be achieved. Work was underway to bridge the remaining gap in order that a final balanced budget for the Council and Clinical Commissioning Groups could be presented. The sources of savings to close the funding gap included efficiencies arising from an improved finance system, investments in service transformation, workforce and organisational developments, rationalisation of the estates of the partners, and the deployment of new and integrated information technology.

#### **Decision**

To approve the final proposals in this report and that these are included in the budget to Council.

### **Exe/17/033 Single Commissioning Organisation**

As a part of implementing the Locality Plan the three Manchester Health and Care Commissioning groups (CCGs) and Manchester City Council had agreed in principle to the establishment of a single commissioning organisation for the city by April 1st 2017. A report submitted by the Strategic Director of Adult Social Care sought endorsement of the merger of the three Manchester CCGs and approval for the development of a partnership agreement with Manchester City Council and the new single CCG, so bringing together into a single organisation the most significant elements of the health, social care, and public health commissioning in the city. This new organisation was to be called Manchester Health and Care Commissioning

(MHCC). The report explained that the merger had been approved by NHS England subject to a number of conditions, which should all be met in good time.

The intention was to delegate some of the Council's commissioning functions to the new organisation. The report explained that the Council was able to delegate those functions that it is allowed to do so by virtue of the National Health Service Act 2006 ('the NHS Act'), the Care Act 2014 ('the Care Act') and Regulations. Those powers allowed for the likes of: the use of pooled budgets; the use of lead commissioning; and the creation and operation of integrated provision. The functions that could be delegated included:

- Social services and community care
- Sports and leisure
- Housing
- Mental health
- Residential care services for people with learning difficulties
- Youth services
- Numerous responsibilities under the Children Act 1989
- Functions under the Education Acts
- Deprivation of liberty functions under the Mental Capacity Act 2005
- Provision of healthy start vitamins
- Numerous other functions, including those relating to waste collection and disposal, environmental health services, and highways and passenger transport functions

Under the Care Act local authorities were generally able to delegate all of their Care Act functions with a few exceptions as set out in Section 79 of the Act. The functions the Council was not able to delegate being:

- A duty on the Council to exercise its functions under the Care Act "with a view to ensuring the integration of care and support provision with health provision and health-related provision".
- A duty on the Council to co-operate generally with "each of its relevant partners" and to co-operate "in specific cases".
- The Council's "power to charge for meeting needs under sections 18 to 20 of the Care Act".
- A duty on the Council in relation to Safeguarding adults at risk of abuse and neglect, which includes the duty to "make enquiries" where the Council has "reason to suspect" that an adult "(a) has needs for care and support (whether or not the authority is meeting any of those needs), (b) is experiencing, or is at risk of, abuse or neglect, and (c) as a result of those needs is unable to protect himself or herself against the abuse or neglect or the risk of it".
- The duty of the Council to establish a "Safeguarding Adults Board".

The report set out the governance arrangements and structures to be put in place for the MHCC and the commissioning strategy that the organisation was predicted to adopt. A Forward-Plan setting out the key strategic objectives and activities for the MHCC was also included in the report, as were the key strategic risks.

We noted that the Health Scrutiny Committee had also considered and noted the report at a recent meeting (Minute HSC/17/11).

## Decisions

1. To note the merger and establishment of the single Manchester Clinical Commissioning Group.
2. To agree to enter into a partnership agreement with the Manchester Clinical Commissioning Group and NHS England (if required) to establish single commissioning for health and social care for the City of Manchester.
3. To agree to delegate to the Clinical Commissioning Group those adult social care and public health commissioning functions as set out in the report that are capable of delegation by way of a partnership agreement with the Manchester Clinical Commissioning Group when established and authorise the Clinical Commissioning Group to enable those commissioning functions to be carried out by the Manchester Health and Care Commissioning Board.
4. To delegate authority to the Director of Adult Social Services (DASS), Director of Public Health, City Solicitor and City Treasurer in consultation with the Executive Member for Adult Services to agree the terms of the partnership agreement.

### **Exe/17/034 Locality Plan – Local Care Organisations**

A report submitted by the Chief Executive provided an update on progress towards developing a Local Care Organisation (LCO) within the City that was to provide integrated out of hospital health and social care in the city.

The report outlined the key results of an engagement exercise undertaken on a draft 'LCO Prospectus'. It also set out the proposed means of identifying a single LCO contract holder and the regulatory context relating to that approach. The statutory responsibility to commission these services rested with the three Manchester CCGs and Manchester City Council (the commissioners) who were to come together under the MHCC joint arrangement described above.

The report explained that senior officers from the Council and lay members and senior executive officers from the CCGs had been meeting as a Provider Selection Procurement Board (PSPB) in order to agree the design of the provider selection process, as well as being a source of technical advice across procurement and legal matters. The proposed terms of reference and membership of the PSPB going forward into the selection and procurement of the Local Care Organisation were set out in an appendix to the report. The role of the Board was to be:

- oversee the delivery of the provider selection process for the LCO;
- ensure risks associated with the provider selection process are identified and monitor delivery of agreed mitigating actions;
- provide assurances that the programme is structured and capacity identified to robustly develop proposals for endorsement by the Provider Selection Programme Board; and

- assure the CCG Boards and City Council Executive that the procurement process is legally compliant, robust, transparent, free of conflicts of interests and delivers the required outcomes for the Manchester health and care commissioners.

For the LCO, a single contract holder was to be sought for the full scope of services. There would not be 'lots' from which potential providers could select in isolation. This would not mean that providers would be unable to collaborate to respond. Potential providers could either submit bids as a single legal entity, or as a group of entities, acting as a consortium. Where a consortium bid was received there would have to be a single lead provider that was capable of holding the single contract.

The proposed procurement process was described in the report and it was the intention to present further reports on the progress being made as the process advanced, starting with the identification of possible provider organisations or consortia that had expressed an interest in the contract.

The report described the key risks arising from the proposals in the report and outlined the measures put in place to mitigate those risks.

## Decisions

1. To note the progress with regards to the commissioners' plans to procure and award a single contract for a new LCO to provide a substantial proportion of out of hospital care in the city.
2. To approve the membership and terms of reference of the Provider Selection Programme Board including appointment of the Deputy Leader of the Council, Councillor Sue Murphy, and appropriate officers as set out in Appendix 1 of the report as Members of the Board.
3. To delegate to the Director of Public Health in consultation with the Deputy Leader of the Council, authority to decide on the launch of the procurement process, working alongside senior MCC colleagues and CCG representatives on the Provider Selection Programme Board,
4. To note that a further report will be submitted once it is known whether there are one or more capable providers and before moving to the next stage of the process.

## **Exe/17/035 Growth & Neighbourhoods Budget and Business Planning: 2017 - 2020**

The Deputy Chief Executive (Growth and Neighbourhoods) presented the final proposals for the directorate's budget for 2017/18 and forecast budgets for the following two financial years. This was an update on the budget proposals that had been considered at the January meeting (Minute Exe/17/009). The report set out the detailed breakdown and allocation of the directorate's cash limited budget of £40.341m for 2017/18, plus the GM Waste Disposal Levy. It also explained the

source of the directorate's contribution of £1.49m of savings for 2017/18, and the improvements, efficiencies and services reductions that would bring about those savings.

At the meeting it was emphasised that the proposals included that funding for the voluntary and community sector organisations in Manchester be persevered in the budget, despite the very difficult financial position that the government cuts had put the Council in. It was also explained that the first budget savings for the directorate that had been put forward in October 2016 (Minute Exe/16/123) had included proposal to cease the maintenance of 23 bowling greens across the city and that discussions on that proposal were still on-going with the users of the bowling greens.

### **Decision**

To approve the final proposals in this report and that these are included in the budget to Council.

### **Exe/17/036 Strategic Development Budget and Business Planning: 2017 - 2020**

The Strategic Director (Development) presented the final proposals for the directorate's budget for 2017/18 and forecast budgets for the following two financial years. This was an update on the budget proposals that had been considered at the January meeting (Minute Exe/17/010). The report set out the detailed breakdown and allocation of the directorate's cash limited budget of £5.137m for 2017/18. It also explained the source of the directorate's contribution of £0.35m of savings for 2017/18.

### **Decision**

To approve the final proposals in this report and that these are included in the budget to Council.

### **Exe/17/037 Corporate Core Budget and Business Planning: 2017- 2020**

The Deputy Chief Executive (People, Policy, Reform), the City Treasurer, the City Solicitor and the Chief Information Officer jointly presented the final proposals for the directorate's budget for 2017/18 and forecast budgets for the following two financial years. This was an update on the budget proposals that had been considered at the January meeting (Minute Exe/17/011). The report set out the detailed breakdown and allocation of the directorate's cash limited budget of £72.363m for 2017/18. It also explained the source of the directorate's contribution of £5.481m of savings for 2017/18, and the planned efficiencies and service improvements that would achieve those savings.

### **Decision**

To approve the final proposals in this report and that these are included in the budget to Council.

**Exe/17/038 Housing Revenue Account 2017/18 to 2019/20 (For Information)**

The report that had been considered and approved at the previous meeting (Minute Exe/17/014) was presented again for information as part of the suite of budget papers.

**Exe/17/039 Schools Budget and Dedicated Schools Grant (For Information)**

The report that had been considered and approved at the previous meeting (Minute Exe/17/013) was presented again for information as part of the suite of budget papers.

**Exe/17/040 Treasury Management Strategy Statement, Borrowing Limits and Annual Investment Strategy 2017/18**

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

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

The proposed strategy for 2017/18 was based upon the views of Treasury officers on interest rates, informed by leading market forecasts. The Strategy covered:

- Treasury Limits and Prudential Indicators
- Impact of 2012 HRA reform
- Current Portfolio Position
- Borrowing Requirements
- Treasury Limits and Prudential Indicators for 2017/18 to 2019/20
- Prospects for Interest Rates
- Borrowing Strategy
- Annual Investment Strategy
- Minimum Revenue Provision Strategy
- Treasury Management Policy Statement
- Treasury Management Scheme of Delegation
- The Treasury Management Role of the Section 151 Officer
- Economic Background - Capita Treasury Solutions
- Prospects for Interest Rates

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

**Decisions**

1. To commend the report to the Council.

2. To delegate authority to the City Treasurer, in consultation with the Executive Member for Finance, to approve changes to the borrowing figures as a result of changes to the Council's Capital or Revenue budget, and to submit any such changes to the Council.

### **Exe/17/041 Princess Parkway / Princess Road Safety Review (Phase 1)**

Princess Parkway / Princess Road (A5103) is a key arterial route that provides a link from the M60 the M56 motorways into the centre of Manchester. It predominantly serves the west and south of the region including North Wales and Cheshire. The road is approximately 6km in length from the M56 motorway to the city centre.

In February 2016 the Neighbourhoods Scrutiny Committee had considered a report on possible road safety remedial measures on A5103 Princess Road/Princess Parkway along with outline costs and timescales for implementation of those measures (Minute NSC/16/11). That report had explained the road safety concerns that had resulted in consideration being given for the reduction in the road's speed limit. A report now submitted by the Director of Highways set out the outcome of public consultation that had been undertaken between 11th August to 23rd September 2016 relating to the proposed speed limit reduction from 40mph to 30mph along the entire length of Princess Parkway/Princess Road.

Over 3,000 responses to the consultation had been received with 54% of respondents in favour of the speed reduction, 45% against the reduction and 1% not expressing a view. It was explained that it was not possible to break down the responses down into those from residents living near the road and those from commuters only using the road to travel into the city from outside Manchester.

The report set out again the accident statistics that had led to the identification of a range of road-safety measures, including the reduction in the speed limit. It described the Council's powers to make an experimental traffic order under powers conferred by virtue of the Road Traffic Regulation Act 1984.

The meeting was addressed by Councillor Leech, who advocated the introduction of a permanent change to the speed limit instead of an experimental traffic order, explaining his concerns that an experimental reduction might be inconclusive.

It was explained why an experimental order was being sought at this time. One issue was the risk of an unintended consequence of the change in the speed limit displacing traffic off the road onto other routes into and out of the city, perhaps making those routes more dangerous. Therefore the experimental period would allow monitoring of and the detection of the changes in overall road safety brought about by the speed limit change, as well as changes in journey times.

### **Decisions**

1. Note the findings of the report



2. Agree with the proposals to implement the speed reduction order using an experimental order which will allow a period of 12 months evaluation before a final decision is made whether to make the provisions of the experimental traffic order permanent or not.
3. Instruct the City Solicitor to advertise an experimental traffic Regulation order to reduce the speed limit on Princess Parkway/Princess Road, from 40mph to 30mph, for all motorists, for a period of up to 12 months, after which it will decide whether the provisions of the experimental order shall become permanent or not.

### **Exe/17/042 Global Revenue Budget Monitoring 2016/17**

A report was submitted to provide a summary of the position of the 2016/17 revenue budget at the end of December 2016. The report gave details of the projected variances to budgets, the position of the Housing Revenue Account, Council Tax and business rate collection, revised prudential borrowing indicators, and the state of the Council's contingency funds. Projecting forward from the position at the end of October 2016, it was forecast that by the year-end in March 2017 the revenue budget would be under-spent by £1.644m overall.

The report also explained that notification had been received in relation to a specific external grant, the use of which was not confirmed as part of the 2016/17 budget setting process. It was proposed that the £188,000 from the Homes and Communities Agency be used for the removal of a road and underground services at Northampton Road. The removal of the road would create one large development site which was currently bisected by the road. Using this grant to carry out the works before marketing the site would result in a greater land value being achieved, resulting in a larger capital receipt or ground rent. We supported this proposal.

The report also put forward requests for funding from the waste contingency. These were a virement of £899k to Growth and Neighbourhoods to support non-levy waste disposal for schools (£480k), additional disposal costs (£219k) and waste levy (£200k) due to organic disposal. We supported that proposal.

The report also explained that the City treasurer had agreed to the release of some of the allocation for budget pressures and growth that had been established in the 2016/17 revenue budget.

### **Decisions**

1. To note the report.
2. To approve the proposed use of additional grant of £188,000 as set out above.
3. To approve the use of waste contingency as set out above.
4. To note the allocation of funds to budget pressures as detailed in section 14 of the report.

### Exe/17/043 Capital Programme Monitoring 2016/17

The City Treasurer's report informed us of the revised capital budget 2016/17 to 2018/19 taking account of agreed and proposed additions to the programme, profiling changes, and the latest estimates of forecast spend and resources for the 2016/17 capital programme. The report explained the major variations to the forecast, and any impact that variations had on the three-year Capital Programme. Total expenditure to date was £135.19m, including spending on behalf of Greater Manchester. The latest forecast for capital spending in 2016/17 was £271.9m, including £56.6m forecast for spending on behalf of the Greater Manchester capital programme.

Appended to the report was a schedule of projects within the overall capital programme where the allocations needed to be revised and funding allocations vired between projects. The appendix showed the virement needed for each scheme and each project. We agreed to recommend to the Council the proposed virements greater than £500,000, as set out below in Table 1. Those virements of less than £500,000 we approved as set out below in Table 2.

<b>Table 1 - Capital transfers over £0.5m recommended to Council</b>	<b>(£'000)</b>
Northwards Housing Programme	1,089
<b>ICT Infrastructure &amp; Mobile Working Programme</b>	
Infrastructure & Mobile Working	1,502
Mosaic	-519
Windows 7 Migration	-983
Corporate Digital Telephony	-529
Infrastructure Funding Unallocated	835

<b>Table 2 - Proposed Capital transfers under £0.5m</b>	<b>(£'000)</b>
<b>Highway Programme</b>	
Bus Priority Package - Rochdale Road	-2
Bus Priority Package - Oxford Road	-5
Bus Priority Package - Princess Street/Brook Street	42
Bus Priority - Complementary Measures	82
Bus Priority - Unallocated	-117
<b>Leisure &amp; Sports Facilities</b>	
Hough End Leisure Centre	-120
Levenshulme Leisure Centre	-15
Belle Vue Sports Village	135
<b>Northwards - External Work</b>	
New Lightbowne Estate Halliford Road reroofing and ECW	-37
External cyclical works phase 3a	215
Multi storey blocks replacement of roof top fans and air valves	-4
Harpurhey Lathbury & 200 Estates external cyclical works ph 3b	-269
Moston Mill estate (excl timber framed) external cyclical works ph 3b	-49
Harpurhey Shiredale Estate externals	-34
Moston Miners Low Rise externals	21
Cheetham Smedley Rd externals	-5
Newton Heath Limestone Drive externals	-143
Moston Bannatyne/Lightbowne Rd/St Georges Drive externals	-25

<b>Table 2 - Proposed Capital transfers under £0.5m</b>	(£'000)
Harpurhey - Monsall various externals	-400
Delivery Costs	175
<b>Northwards - Internal Work</b>	
Lift replacement / refurbishment programme	-40
NEDO 13/14 Air source heat pump/solar thermal Ph1&2	55
Various - Boiler replacements (excluding 2/4 blocks)	-1
2 & 4 blocks heating replacement with Ground source heat pumps – ph 1	-309
Boiler replacements	-156
Air Source Heat Pump Trial phase 3 (NEDO project)	-62
Multi-storey lift replacement	9
Retirement blocks lift programme	-4
Boiler Replacement at Cheetham Hill Local Services Office	51
Delivery Costs	-102
Homeless Accommodation	
Delivery Costs	25
<b>Childrens Services Programme</b>	
Moston Fields - Increase capacity	-7
Cheetham Academy	-53
Northridge	2
Cavendish Community - Increase capacity	-117
Stanley Grove - contribution to PFI	157
Rodney House conversion	4
Plymouth Grove SEN	-4
St Margarets C of E	441
Basic need - Estimated 2016/17 allocation	-423
Universal Infant Free School Meals (UIFSM) - Allocated	32
Universal Infant Free School Meals (UIFSM) - Unallocated	-32
<b>Schools Maintenance</b>	
Birchfields Boiler Replacement	15
Moston Lane - re-roof	-153
Moston Fields (NMHSG) - Drainage	-6
Lily Lane - new boiler	1
Schools Capital Maintenance -unallocated	143
<b>ICT Capital Programme</b>	
ICT Business Transformation - Unallocated	122
PSN Compliance	-10
Hybrid Mail	-50
Desktop Refresh	-52
One System Upgrade	-10
CRM - Phase 2	-63
Information Strategy Project	-185
Applications Funding Unallocated	248
Data Centre Provisioning	-306

## Decisions

- To recommend that the Council approve the in-year budget transfers over £0.5m between capital schemes as set out in Table 1 of the minute above.

2. To agree that the capital budget be amended to reflect movement in the programme, attributable to approved budget increases and updates to spending profiles.
3. To approve the in-year budget transfers below £0.5m between capital schemes to maximise use of funding resources available to the City Council as set out in Table 2 of the minute above.
4. To note that capital resources will be maximised and managed to ensure the capital programme 2016/17 remains fully funded and that no resources are lost.
5. To note that approval of movements and transfers to the full capital programme, including projects on behalf of Greater Manchester, will reflect a revised total capital programme budget of £271.2m and a latest full year forecast of £271.9m. Expenditure to date is £135.1m.
6. To note that approval of movements and transfers to the Manchester City Council capital programme will reflect a revised capital programme budget of £214.6m and a latest full year forecast of £215.3m. Expenditure to date is £93.8m.
7. For projects carried out on behalf of Greater Manchester, to agree that the capital budget be amended to reflect movement in the programme that is attributable to approved budget increases and updates to spending profiles.
8. For projects carried out on behalf of Greater Manchester, to note that approval of movements and transfers to the Greater Manchester capital programme will reflect a revised capital programme budget of £56.6m against a latest full year forecast of £56.6m. Expenditure to date is £41.3m.

#### **Exe/17/044 Great Northern, Manchester Central & Castlefield Quay Strategic Regeneration Framework**

In July 2016 we had endorsed the principles set out in a draft Great Northern, Manchester Central and Castlefield Quay Strategic Regeneration Framework (SRF) and requested that the Chief Executive to undertake a public consultation exercise on the draft SRF (Minute Exe/16/093). The Chief Executive now submitted a report setting out the outcome of the consultation. The report explained that the draft framework had been revised to take into account the views expressed by consultees.

The consultation on the draft had been undertaken for six weeks and closed in December 2016. Consultation letters have been sent out to 1,543 local residents, businesses, and stakeholders informing them about the public consultation. In total 8 responses had been received: 5 from individual residents, 1 from a local business owner, 1 from Transport for Greater Manchester and 1 from Historic England.

The report set out the issues that had been raised by the consultees and how the draft SRF had been revised to take those issues into account where appropriate.

Having considered the outcome of the consultation, and the proposed responses to the issues that had been raised we agreed to endorse the revised Great Northern, Manchester Central and Castlefield Quay Strategic Regeneration Framework

## **Decisions**

1. To note the comments received on the Regeneration Framework and the response to these comments.
2. To agree the proposed amendments to the Strategic Regeneration Framework arising from the comments received.
3. To endorse the principles in the revised Great Northern, Manchester Central and Castlefield Quay Strategic Regeneration Framework and request that Planning and Highways Committee take the Framework into account as a material consideration when considering planning applications in the area.

## **Exe/17/045 Piccadilly Gardens**

In November 2016 we had considered draft proposal that had been developed by Legal & General and the Council for changes to the layout and design of Piccadilly Gardens and had requested that the Chief Executive undertake public consultation on those proposals (Minute Exe/16/141). The Chief Executive now submitted a report to inform us of the outcome of the consultation.

The report explained that the consultation had used a variety of media and approaches, including a three day exhibition event, dedicated website as well as social media and press media campaigns. There had been 33 pieces of print and broadcast press coverage relating to the proposal and to the public exhibition.

A total of 223 feedback forms had been completed in response to the consultation, 109 of which were completed at the exhibition sessions with the remaining 114 via the online feedback facilities. The report set out an analysis of the view expressed by the consultees

- 70% of respondents were either fully or broadly supportive of the creation of new covered public realm within the gardens, with 22% not supportive of this.
- 89% of respondents were either fully or broadly supportive of the creation of additional seating within the gardens, with 6% not supportive of this.
- 89% of respondents were either fully or broadly supportive of the proposed lighting enhancements within the gardens, with 3% not supportive of this.
- 59% of respondents were either fully or broadly in agreement that the new Pavilion buildings will be an improvement and help to create a better community environment at Piccadilly Gardens, with 29% not supportive of this.
- 63% of respondents were either fully or broadly supportive of improvements to the gardens being privately funded by Legal & General, with 22% not supportive of this.

- 54% of respondents were either fully or broadly in agreement that the proposals will be beneficial in reducing anti-social behaviour in the gardens, with 22% not supportive of this.
- When respondents were asked for their view on the collective proposals for Piccadilly Gardens, 63 % were either fully or broadly supportive, with 26% not supportive of the proposals.

The report examined some of the more detailed issues that had been raised by some of the consultees including design, proposal for lighting, seating and amenities, future maintenance of the gardens, problems of anti-social behaviour, and to retail space and commercial activity set out within the proposals.

Given the general level of support for the scheme it was proposed, and we agreed, that implementation of the proposals should proceed, including the drawing up of any necessary agreements between the Council and Legal & General.

An agreement for lease and lease was to be put in place with Legal & General for the new Pavilion buildings mirroring the terms of the existing lease (subject to reasonable modification and changes to reflect the transaction). The agreement for lease was to contain obligations on the part of Legal & General to undertake certain works before the granting of the lease. Discussions were taking place regarding the Heads of Terms for the proposed agreement for lease, the lease and the delivery arrangements of the public realm works.

At the meeting the Chief Executive reported that a letter of representation had been received from Schroder Real Estate Investment Trust after the consultation had closed, which referred to the retention of the Pavilion. The Chief Executive explained that further discussions with them and other stakeholders were to continue, to address the retention of the Pavilion and any other issues.

## **Decisions**

1. To note the consultation comments and responses to the Legal and General proposals for public realm enhancements, and approve the further development of the outline proposals leading to the submission of a planning application.
2. To delegate authority to the Chief Executive and the Head of Development, Strategic Development, in consultation with the Leader and the Executive Member for Finance and Human Resources, to finalise the terms and conditions of:
  - a) an Agreement for the grant of a new lease of the Piccadilly Pavilion;
  - b) a new pavilion Lease;
  - c) an Agreement for the delivery of the proposed public realm works; and
  - d) all other associated documents.
3. To authorise the City Solicitor to conclude and enter into such agreements necessary to give effect to the above recommendations.

<b>Appendix Forecast use of Reserves in 2017/18</b>	<b>Opening Balance 01/04/17</b>	<i>Withdrawn</i>	<i>Additions</i>	<b>Closing Balance 31/03/2018</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Schools Reserve</b>	27,526	0	0	27,526
<b>General Fund Reserve</b>				
Statutory Reserves	10,344	(7,323)	6,641	9,662
Earmarked Reserves	160,283	(67,158)	67,405	160,530
General Fund Reserve	27,182	(509)	0	26,673
<b>Total General Fund</b>	<b>225,335</b>	<b>(74,990)</b>	<b>74,046</b>	<b>224,391</b>
<b>Housing Revenue Account Reserves:</b>				
Housing Revenue Account General Reserve	51,308	(15,000)	0	36,308
HRA PFI reserve	10,000	0	0	10,000
HRA Residual liabilities fund	24,000	0	0	24,000
Housing Insurance reserve	845	0	0	845
<b>Total HRA</b>	<b>86,153</b>	<b>(15,000)</b>	<b>0</b>	<b>71,153</b>
<b>Total Reserves</b>	<b>311,488</b>	<b>(89,990)</b>	<b>74,046</b>	<b>295,544</b>

<b>Schools Reserve</b>				
LMS Reserve	27,526	0	0	27,526
<b>Sub Total Schools</b>	<b>27,526</b>	<b>0</b>	<b>0</b>	<b>27,526</b>
<b>Statutory Reserves</b>				
Bus Lane Enforcement Reserve	2,713	(1,522)	1,427	2,618
On Street Parking	3,392	(5,582)	5,069	2,879
Ancoats Square Reserve	1,881	(78)	0	1,803
Cutting Room Square Ext Ancoats Reserve	1,038	(12)	0	1,026
New Smithfield Market	168	(70)	70	168
Great Northern Square Maint Fund	343	(13)	0	330
Education Endowments	17	0	0	17
Landlord Licensing Reserve	46	(46)	0	0
Art Fund Reserve	35	0	0	35
St Johns Gdns Contingency	711	0	75	786
<b>Sub Total Statutory</b>	<b>10,344</b>	<b>(7,323)</b>	<b>6,641</b>	<b>9,662</b>
<b>Earmarked Reserves</b>				
<b>Balances Held For PFI's</b>				
Street Lighting PFI	181	(181)	0	0
Temple PFI	648	0	8	656
Wright Robinson PFI Reserve	766	0	32	798
<b>Total held for PFI's</b>	<b>1,595</b>	<b>(181)</b>	<b>40</b>	<b>1,454</b>
<b>Small Specific Reserves</b>				
Housing Loans	122	0	10	132

<b>Appendix Forecast use of Reserves in 2017/18</b>	<b>Opening Balance 01/04/17</b>	<i>Withdrawn</i>	<i>Additions</i>	<b>Closing Balance 31/03/2018</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
NSM - Car Boot	253	(45)	55	263
Cemeteries Replacement	321	0	40	361
Primary School Catering Reserve	222	(50)	0	172
Catering R & M Insurance Account	166	0	0	166
CWAG Reserve	87	(6)	0	81
Investment Reserve from Surpluses	151	(95)	0	56
Graves And Memorials	97	0	0	97
Other Small Specific reserves	27	0	0	27
<b>Total Small Specific Reserves</b>	<b>1,446</b>	<b>(196)</b>	<b>105</b>	<b>1,355</b>
<b>Specific Risks or to Smooth Costs</b>				
Historic Abuse Claims Reserve	5,563	0	0	5,563
Planning Reserve	1,300	0	0	1,300
Transformation Reserve	8,723	0	0	8,723
Airport Dividend reserve	29,161	(29,161)	29,161	29,161
Pension Risk Fund - MWL	646	0	0	646
Inspirit Pension Reserve	14	0	0	14
Manchester International Festival	1,500	(500)	0	1,000
Insurance Fund	17,482	0	0	17,482
Children's Services Reserve	29	(29)	0	0
Land Charges Fees Reserve	400	(400)	0	0
Newton Heath Market Reserve	22	0	0	22
Compensation Reserve	93	0	0	93
New Islington Dowry Reserve	223	(50)	0	173
Adult Social Care	2,000	(2,000)	0	0
Business Rates Reserve	5,633	0	0	5,633
<b>Total Risk</b>	<b>72,789</b>	<b>(32,140)</b>	<b>29,161</b>	<b>69,810</b>
<b>To Fund Planned Capital Spend</b>				
Housing Regeneration reserve	13,900	(1,100)	0	12,800
Service Improvement Fund	103	(93)	0	10
Capital Fund Revenue Reserve	21,258	(7,046)	28,512	42,724
Eastlands Reserve	7,849	(2,539)	2,187	7,497
<b>Total to fund capital spend</b>	<b>43,110</b>	<b>(10,778)</b>	<b>30,699</b>	<b>63,031</b>
<b>To Support Growth and Reform</b>				
Soccerex Reserve	395	(395)	0	0
Town Hall Reserve	7,915	(4,828)	2,400	5,487
Troubled Families Reserve (Manchester Investment Fund)	1,334	(1,334)	0	0
Clean City	2,628	(2,628)	0	0
Children and Families Investment Reserve	7,856	(7,367)	1,500	1,989
NW Construction Hub Reserve	316	0	0	316
Transformation Challenge Award	161	(161)	0	0



<b>Appendix Forecast use of Reserves in 2017/18</b>	<b>Opening Balance 01/04/17</b>	<i>Withdrawn</i>	<i>Additions</i>	<b>Closing Balance 31/03/2018</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Our Manchester reserve	5,614	(668)	0	4,946
City Centre Review reserve	1,000	(2,500)	3,500	2,000
<b>Total</b>	<b>27,219</b>	<b>(19,881)</b>	<b>7,400</b>	<b>14,738</b>
English Partnership (HCA)	1,902	0	0	1,902
Public Health Grant	308	(308)	0	0
Other Grants and Contributions	2,536	0	0	2,536
Better Care	6,958	(2,902)	0	4,056
Contributions Other Local Authorities	354	0	0	354
Other Grants and Contributions Regeneration	307	0	0	307
DoLs Grant	182	(182)	0	0
DEFRA	64	(64)	0	0
LAC Remand	153	(153)	0	0
SEN Reform	469	(373)	0	96
CAB010 One Public Estate Reserve	150	0	0	150
Workforce Development and Learning	52	0	0	52
Asylum Seekers	668	0	0	668
Public Health Reserves (20 MPH Traffic Schemes)	21	0	0	21
<b>Total</b>	<b>14,124</b>	<b>(3,982)</b>	<b>0</b>	<b>10,142</b>
<b>Total Earmarked Reserves</b>	<b>160,283</b>	<b>(67,158)</b>	<b>67,405</b>	<b>160,530</b>
<b>Total General Fund Reserves</b>	<b>197,809</b>	<b>(74,990)</b>	<b>74,046</b>	<b>196,865</b>