
**Manchester City Council
Report for Resolution**

Report to: Health Scrutiny Committee – 7 November 2017

Subject: Budget Refresh 2018 – 2020

Report of: Executive Director for Strategic Commissioning and Director of Adult Social Services (DASS) and City Treasurer

Summary

This report sets out a proposed budget refresh process for 2018-20, including proposals for scrutiny of Directorate Budget and Business Plans.

Recommendations

The Committee is recommended to comment on the budget refresh process and confirm which Directorate Budget and Business Plans it wishes to consider at its meeting in the late January/early February cycle.

Wards Affected: All

Contact Officers:

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Background documents (available for public inspection):

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the contact officers above.

- Capital Programme (Budget 2017/18 – 2021/22) – Council 3 March 2017
- Treasury Management Strategy Statement and Borrowing Limits and Annual Investment Strategy 2017/18 – Council 3 March 2017
- Council Tax Resolution for 2017/18 – Council 3 March 2017

1 Introduction

- 1.1 In March 2017, the Council set a three year budget 2017/18 - 2019/20, which aligned the Our Manchester Strategy with the Council's Medium Term Financial Plan to ensure the resources available to the Council for the next three years were aligned to its priorities.
- 1.2 Our Manchester is not only the long-term strategy for the city; it is also at the core of how that strategy is delivered. The principles that underpin the strategy have been developed to fundamentally change the way that services are delivered across the city and a shift in the relationship between the Council and the people of Manchester. Following extensive consultation, the three year budget set the framework for the Council's planning process for the future and how it will continue to work with residents, stakeholders and partners.
- 1.3 Although a three year budget was set in March, the Council's budget and business plans are kept under continuous review to ensure the Council can respond to new and emerging challenges and opportunities at local, sub-regional, national and international level – for example Ofsted inspection, CQC review, changes to the Waste Levy, Brexit, the Industrial Strategy as well as internal policies and strategies such as the People Strategy. From a financial perspective, the resources available to deliver the Council's priorities are subject to change, whether from central government or generated locally. There are unavoidable cost pressures arising throughout the budget period, such as those relating to demand and price changes in Adult Social Care and Children's Services. In addition, the delivery of the locality plan requires alignment with the financial and service planning arrangements with Manchester Health & Care Commissioning.
- 1.4 Consequently, it is necessary to review and update the budget and business plans together as part of a budget refresh process so that new challenges and issues are addressed appropriately through the business and delivery plan processes, and resources available and pressures are dealt with corporately in a way that aligns to the Our Manchester Strategy.

2. Scrutiny and the Budget Refresh process

- 2.1 Scrutiny Committees played a full and active role in the development of the three year budget. This included scrutinising and reviewing the budget options at different stages of the process and making recommendations to the Executive, as well as commenting on draft Directorate Budget and Business Plans.
- 2.2 Budget update reports will be presented to Resource and Governance Scrutiny Committee on 7 December, and to the Executive on 14 December outlining key headlines and announcements from the Autumn Budget which will be announced on 22 November, including any early indications of the implications for the City Council.
- 2.3 The Local Government Finance Settlement is due in early December. As this

is year two of the four year finance settlement then major changes are not anticipated. However this depends on what is announced as part of the Autumn Budget. The work to set the Council's council tax and business rates base will also be underway and there will be much greater clarity on the councils overall financial position at this point. Alongside this Directorates are refreshing their budget and business plans to reflect progress during 2017/18. It should be noted that any changes to the planned medium term financial plan budget proposals required may require consultation depending on the nature of any such proposals and their impact. There remains a statutory requirement to consult business rate payers each year as part of the budget setting process.

- 2.4 It is proposed that these refreshed plans are considered by Scrutiny Committees at their meetings during the end of January/early February cycle. Recommendations from Scrutiny will be considered by the Executive at its meeting on 7 February, at which it will agree final budget proposals in advance of the Resources and Governance Scrutiny Committee's Budget meeting on 19 February and Budget Council on 2 March 2018.
- 2.5 During the last cycle, this Committee scrutinised the following directorate budget and business plans. The Committee is asked to confirm whether it wishes to consider the refreshed version of these plans for the 2018-2020 budget refresh process:
- Directorate Budget and Business Plan Report and Delivery Plan – Adults
 - Locality Plan
- 2.6 The table below details the proposed budget refresh timetable in full.

Date	Milestone
7-9 November	Budget refresh process paper to be considered by scrutiny committees, including the selection of business plans that will be considered in the late January/early February cycle
22 November	Autumn Budget
7 December and 14 December	Update on key headlines / announcements from 22 November Autumn Budget to Resource and Governance Scrutiny Committee and Executive
December date tbc	Anticipated publication of local government finance settlement
30 January - 2 February	Refreshed Directorate Budget and Business plans to be considered by Scrutiny Committees prior to Budget Executive on 7 February
7 February	Budget Executive
19 February	Resources and Governance Budget Scrutiny Committee
2 March	Budget Council