

**Manchester City Council
Report for Information**

Report to: Neighbourhoods and Environment Scrutiny Committee –
6 December 2016

Subject: Budget Process 2017-2020: Consideration of Options and
Further Information

Report of: Deputy Chief Executive (Growth and Neighbourhoods) and City
Treasurer

Summary

At the November meeting, Members considered the budget options for the areas within the remit of this Committee. Further detail was requested on a number of the options to inform the Committee's recommendations on those that they believe should be taken forward to the Executive on 14 December.

This report summarises the budget process and next steps. Subsequent appendices provide details of the savings options put forward by officers and further information regarding a number of budget options for which additional information was requested in November.

Recommendations

The Committee is asked to consider and make recommendations to Executive on the savings options put forward by officers and prioritise which options they believe should be taken forward to ensure the Council delivers a balanced budget across the three financial years 2017/18-2019/20.

Wards Affected: All

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Appendices:

Directorate Budget Reports and Savings Options

Appendix 1 Directorate Budget Report – Growth and Neighbourhoods

Further Information

Waste Budget Option (please see separate agenda item)

Appendix 2: Compliance and Enforcement Budget Option

Appendix 3: Grounds Maintenance Budget Option

Appendix 4: Neighbourhood Teams Budget Option

Appendix 5: Planning and Building Control Budget Option

Appendix 6: Growth and Neighbourhoods Business Plan/Delivery Plan

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.

Final Local Government Finance Settlement from DCLG, 8 February 2016 (all papers available on the DCLG website).

Autumn Statement, 23 November 2016 (<https://www.gov.uk/government/topical-events/autumn-statement-2016>)

1. Overview

- 1.1 At its meeting on 8 November, the Committee received details of the Council's anticipated financial position for the period 2017/18 to 2019/20, which outlined a potential budget gap ranging from £40m to £75m (as reported to Executive in October). The need for such a range was due to uncertainty around elements of available resources and the potential need to address further risks, pressures and priorities.
- 1.2 The Medium Term Financial Plan was prepared on the basis of the best estimate available in October which included a number of assumptions and it indicated a savings requirement of around £60m for the period 2017/18 to 2019/20 with the final position subject to confirmation of Government funding and overall revenues available to Council.
- 1.3 Also presented to the November meeting were a number of savings options put forward by officers to address the budget gap which totalled c£58m as well as the detailed feedback from the budget conversation which took place between July and September 2016.
- 1.4 The Autumn Statement was published on 23 November. Forecasts by the Office for Budget Responsibility (OBR) have worsened since the March budget. For public sector finances the projected Departmental Expenditure Limit (DEL) across the Spending Review Period 2016/17 to 2019/20 has reduced by £70.8bn from that stated in the March budget 2016¹. Whilst there were some announcements on investment in infrastructure, there was no further indication on levels of government department or local authority spend or announcements that impact on any of the budget assumptions the council has made. It also failed to set out any measures that would address the growing pressures being felt across the country on social care.

2 The Financial Position 2016/17 to 2019/20

- 2.1 The Government made an offer of a four-year settlement for the period 2016/17 to 2019/20 with the provisional figures being issued as part of the 2016/17 Finance Settlement. The City Council made the decision in July this year to accept the offer and, in accordance with the requirements of the Department for Communities and Local Government (DCLG), published an Efficiency Plan on 14 October which covered the settlement period. The published plan is part of a suite of reports which includes the covering narrative (available at <http://www.manchester.gov.uk/eps>) and the budget reports presented to Executive in October. DCLG have since approved the four year settlement for the City Council.
- 2.2 The Medium Term Financial Plan has been prepared on the basis of the best estimate at this point in time and based on a number of assumptions. It indicates a savings requirement of around £60m for the period 2017/18 to

¹ Individual DELs are not provided in the Statement and therefore it is not possible to confirm the detail behind the position.

2019/20. The final position will be subject to confirmation of Government funding and overall revenues available to Council.

- 2.3 The current forecast position also assumes the full year effect of savings agreed for 2016/17 are delivered and these are included within the figures below. The total additional full year effect of savings included for 2017/18 are £3.326m with a further £1.864m in 2018/19. The overall financial position is summarised in the table below.

Table 1: Resources Requirement against Resources Available 2016/17 to 2019/20

	2016/17	2017/18	2018/19	2019/20
	£'000	£'000	£'000	£'000
Resources Available				
Revenue Support Grant	113,768	90,151	73,740	57,041
Business Rates	168,655	170,357	177,143	184,766
Council Tax	136,617	140,681	147,716	157,450
Public Health Funding and Non-Ringfenced Grants	78,128	76,728	81,085	89,066
Dividends and Use of Reserves	31,348	31,337	29,337	29,337
Total Resources Available	528,516	509,254	509,021	517,660
Resources Required				
<i>Corporate Costs:</i>				
Levies/Charges, Contingency and Capital Financing	122,504	127,557	130,404	131,394
<i>Directorate Costs:</i>				
Directorate Budgets (including 2016/17 pressures and inflationary budgets yet to be allocated, and other costs such as additional allowances, other pension costs and insurance)	406,012	417,136	433,144	446,286
Total Resources Required	528,516	544,693	563,548	577,680
Total Savings Required (Current Estimate)	0	35,439	54,527	60,020
In Year Savings required	0	35,439	19,088	5,493

- 2.4 Officers have put forward a range of savings options to meet the budget gap, which include efficiencies as well as savings which can only be achieved through service reductions. These options have been informed by the feedback that the Council received from the budget conversation which took place from the end of July up to September. Overall the options submitted by each Directorate total c£58m and are in addition to the £5.2m full year effect savings put forward as part of the 2016/17 budget process which is already included in the base position. The savings options, which are broadly in line with the anticipated level of savings to be achieved over the three year period, are summarised by Directorate in the following table:

Table 2: Savings Options

	2017/18	2018/19	2019/20	Total	
	£,000	£,000	£,000	£,000	
Current estimate of savings requirement	35,439	19,088	5,493	60,020	FTE Impact (Indicative)
Children's Services	3,357	2,143	1,199	6,699	35
Adult Services	17,980	6,534	2,550	27,064	-
Corporate Core	7,585	3,757	2,846	14,188	90
Growth and Neighbourhoods	2,232	1,677	5,532	9,441	32
Strategic Development	400	-	-	400	4
Total Savings identified in latest schedules	31,554	14,111	12,127	57,792	161
Shortfall against current estimate	3,885	4,977	(6,634)	2,228	

2.5 It is assumed that that the Locality Plan work will identify how the full gap in the Manchester Health and Social Care economy is closed and agreement is reached on how investment is deployed to support the new care models across the medium term.

2.6 There will continue to be an ongoing review of how the resources available are utilised to support the financial position to best effect. This will include the 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.

3 Scrutiny of Budget Options

3.1 The Directorate Reports appended to this report (previously included in papers for the November meeting) detail the budget options put forward by officers. This Committee has been provided with the Growth and Neighbourhoods Directorate Budget Report. In addition, officers have prepared additional information on the following areas, as requested by Members at the November meeting and these are set out in the appendices to this report:

- Waste (separate report)
- Compliance and Enforcement
- Grounds Maintenance
- Neighbourhood Teams
- Planning and Building Control

3.2 The Committee also requested further detail of the Directorate budget and service priorities and this is set out in the Growth and Neighbourhoods Business Plan in appendix 7.

- 3.3 Officers have divided savings options into those which are improvement and efficiency savings and those which are service reductions. Service reductions will have a significant impact on residents and service users either by reducing direct services or by reducing the Council's capacity to deliver its priorities in the Our Manchester Strategy. These options have been put forward due to the scale of savings the Council must achieve over the next three years and this means that some options are not compatible with the city's overall objectives. The Committee has been provided with detailed feedback received from residents and other stakeholders as part of the recent budget conversation to assist Members to identify which options best align to the priorities identified through this process.
- 3.4 Officers have also undertaken an assessment of the deliverability and impact of these savings and have provided a RAG rating for every option which provides an indication of those savings which would be difficult to deliver due to a range of factors – for example dependency on behaviour change, technical and systems changes or timescales.
- 3.5 Scrutiny Committees have a critical role to play in considering the options for services and functions within their remit and supporting information, and recommending which of these options the Committee believes should or should not form part of the Executive's draft budget proposals, which will be published on 3 January. These recommendations must take into account the legal requirement for the Council to set a balanced budget and to achieve reductions of circa £40m-£75m over the three year period, with further clarity regarding savings to be achieved following publication of the Finance Settlement around December 2016. To ensure the views of Scrutiny Committees are taken into account when the Executive prepares its draft budget proposals, and to ensure a consistent approach across all Committees, members are requested to identify from the options two categories of saving:
- A: Options which should only be considered by the Executive if the overall level of savings required exceeds £40m
- B: Options which should only be considered by the Executive if the level of savings required means that all options have to be taken forward, and no alternative savings can be found.

4. Timetable and Next Steps including Consultation

- 4.1 Consultation on officer budget options commenced on 3 November 2016 and this first phase will run until 15 December, when consultation will be paused to ensure that feedback is received by the Executive when it publishes its draft budget proposals.
- 4.2 Statutory consultation on two of the options – Reconfiguration of the Early Years new Delivery Model including Sure Start Centres and the Council Tax Support Scheme also started on 3 November and will end on 10 January and 15 December respectively.

4.3 The phases of consultation are summarised in the table below:

Phase 1	21 July – 16 September	Budget Conversation
Phase 2	3 November – 10 February	Budget Consultation: Early November to Early January: have your say on budget options Early January to Early February: have your say on budget proposals Statutory Consultation on Council Tax Support Scheme (ends 15 December) Statutory consultation on Early Years New Delivery Model Reconfiguration (ends 10 January)
Phase 3	3 March onwards	You said, we're doing...explaining the outcomes and impact of the consultation process, reflecting back on what we hear

4.4 The Executive will agree its draft budget proposals at its meeting on 11 January. When agreeing these proposals, the Executive will consider comments and feedback received as part of the first phase of the Budget Consultation on officer options, as well as recommendations made by the six Scrutiny Committees in December. A further analysis of the Council's financial position will also be undertaken after the release of the Government's Autumn Statement and publication of the Local Government Finance Settlement (normally received December). This alongside further work, including that to determine the Council's business rates and council tax base, will provide clarity on the resources available and savings the Council needs to achieve over the three year budget period.

4.5 The Executive's draft budget proposals, as set out in Directorate Budget and Business Plan reports and accompanying Delivery Plans will then be scrutinised by each of the six Scrutiny Committees at their meetings on 31 January - 2 February 2017. The recommendations from these Scrutiny meetings will be submitted to the Executive when it agrees the final budget proposals on 8 February 2017. The Resources and Governance Overview and Scrutiny Committee will then consider the results of the budget consultation on 20 February before Council sets the budget on 3 March 2017.

4.6 The table below summarises the budget time line and key milestones.

Date	Milestone
2016	
23 November	Autumn Statement

Date	Milestone
6-8 December	Scrutiny Committees consider any further detailed information on options requested at their November meetings and make recommendations to the Executive about officer options
15 December	General Budget Consultation pauses Statutory Consultation on Council Tax Support Scheme ends
Early-Mid December	Anticipated publication of local government finance settlement
2017	
3 January	Executive's Draft Budget Proposals Published General Budget Consultation resumes
11 January	Executive agrees final draft budget proposals taking into account feedback and comments received from the Budget Consultation to date and recommendations made by Scrutiny Committees in November.
31 January – 2 February	Scrutiny Committees scrutinise the Executive's draft Budget proposals and make recommendations to the Executive's budget meeting on 8 February
8 February	Executive agrees final budget proposals
10 February	General Budget Consultation Closes
20 February	Resources and Governance Budget Scrutiny Meeting to consider final outcomes of the budget consultation
3 March	Council sets the budget for 2017/18 – 2019/20

**Manchester City Council
Report for Resolution**

Report to: Executive – 19 October 2016

Subject: Growth and Neighbourhoods Directorate Budget and Savings Options 2017 - 20

Report of: Sara Todd, Deputy Chief Executive (Growth and Neighbourhoods)

Summary

This report provides a high level overview of the priorities to be delivered in the Growth and Neighbourhoods Directorate, the outcome of the recent Budget Conversation in relation to the Directorate and development of a medium term financial plan and savings options for the Directorate totalling £9.441m for the period 2017/18 – 2019/20. The report shows how the Directorate will work with other Directorates and with partners to make progress towards the vision for Manchester set out in the Our Manchester Strategy.

Recommendation

The Executive is recommended to note the savings options and investment priorities detailed in the report.

Wards Affected: All

Manchester Strategy outcomes	Summary of the contribution to the strategy
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	Providing the leadership and focus for the sustainable growth and transformation of the City's neighbourhoods.
A highly skilled city: world class and home grown talent sustaining the city's economic success	Raising skill levels of Manchester residents and ensuring they are connected to education and employment opportunities across the City.
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	Creating places where residents actively demonstrate the principles of Our Manchester through participation and take responsibility for themselves and their community whilst encouraging others to do the same, supported by strong and active community groups.

A liveable and low carbon city: a destination of choice to live, visit, work	Creating places where people want to live with good quality housing of different tenures; clean, green, safe, healthy and inclusive neighbourhoods; a good social, economic, cultural offer and environmental infrastructure.
A connected city: world class infrastructure and connectivity to drive growth	Ensuring residents, neighbourhoods, businesses and goods connect to local, national and international markets. Through working with partners both internally and externally maximise the impact of the provision of new and enhanced physical and digital infrastructure.

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

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

Financial Consequences – Revenue

The report contains revenue savings options for the Growth and Neighbourhoods budget of £9.441m over the period 2017/18 to 2019/20.

Financial Consequences – Capital

The report refers to existing approved capital investment for leisure facilities and further investment proposals for ICT over the period 2017/18 to 2019/20 to support delivery of revenue savings options.

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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 on the previous page.

1.0 Introduction

- 1.1 This report is part of the development of a medium financial plan for the Growth and Neighbourhoods Directorate based on the City Council's current financial assumptions covering the three year period 2017/18 to 2019/20. The report provides savings options totalling £9.441m from the Growth and Neighbourhoods revenue budget of £73.369m.
- 1.2 The options put forward have been categorised as savings that can be delivered through service improvement and efficiencies, supported by investment, which are within the context of the Directorate's strategic vision and objectives and outcome from the recent budget conversation. Further savings options have been considered that are deliverable to support the Council in achieving spending reductions, which would have an adverse impact on service delivery. The detailed savings options are included at Appendix 1.

2.0 About the Growth and Neighbourhoods Directorate

- 2.1 The new Manchester Strategy, Our Manchester, sets out a vision for 2025 of Manchester as a world class City which is:
- Thriving and Sustainable City– with great jobs and the businesses to create them
 - Highly Skilled – full of talent both home grown and from around the world
 - Progressive and equitable – a fair city where everyone has an equal chance to contribute and to benefit
 - Liveable and low carbon – a great place to live with a good quality of life: a clean, green and safe city.
 - Connected - both physically, with world class transport, and digitally, with brilliant broadband.
- 2.2 Underpinning these ambitious objectives, Our Manchester embraces new ways of working and developing a new culture within Manchester itself harnessing all its industry, creativity and innovation. The Our Manchester approach is more pro-active, pre-emptive and creative than business-as-usual public service, focusing on a person's or communities strengths and opportunities. This new kind of partnership between local people, workers, businesses and organisations is developing new solutions.
- 2.3 The Growth and Neighbourhoods Directorate role in delivering this vision involves providing the leadership and focus for the sustainable growth and transformation of the City's neighbourhoods. This means getting the basics right - working with partners and in neighbourhoods - so that the City is clean, safe and green, and communities take pride in and ownership of their area and lives. The directorate supports the economic growth priorities of the city by ensuring that residents who are not working and furthest away from the labour market are equipped with the right skills to be able to access jobs as well as having a more highly skilled workforce capable of meeting the needs of

new and growing sectors. The directorate also plays a significant role in driving the delivery of the city's growth priorities through the planning process.

2.4 Together with the other Directorates of the Council Growth and Neighbourhoods will deliver the shared vision and objectives set out in Our Manchester. The specific objectives for Growth and Neighbourhoods are:-

2.5 Places where people want to live

- Create places where people want to live with good quality housing of different tenures; clean, green, safe, healthy and inclusive neighbourhoods; a good social, economic, cultural offer and environmental infrastructure.
- Create the right conditions for residents to actively demonstrate the principles of Our Manchester through participation and taking responsibility for themselves and their community whilst encouraging others to do the same, supported by strong and active community groups.
- Work collaboratively with our partners to embed an integrated public service offer to make best use of combined resources (e.g. through our public estate) to deliver the best possible outcomes which meet local needs. Build on existing good practice to ensure effective and easy transition pathways for users between universal and targeted services delivered in neighbourhoods in models such as early help hubs.
- Support local businesses and residents to maintain and develop thriving district centres with appropriate retail, amenities and public service offer.
- Increase recycling rates and reduce waste through improved use of technology and resident engagement and action.

2.6 Access to skills and jobs for Manchester people and businesses

It is important that the City has a work and skills system, which meets the growth needs of all businesses and enables residents from all backgrounds to obtain the skills and attributes that employers require. To achieve this there is a need to:

- Maximise employment opportunities for Manchester residents, leveraging, in particular, where the City Council has a strategic development, procurement or commissioning role;
- Embed work as an outcome across the City's reform programmes and continue to work with Working Well and the health system more broadly to support more people with underlying health conditions into sustainable and quality work;
- Refresh the City's approach to Family Poverty, using an intelligence led and "Our Manchester" approach to focus on families and neighbourhoods, most heavily impacted by ongoing welfare reform;
- Ensure that employers at a citywide and neighbourhood level are engaged in shaping and contributing to skills development of both their existing and future workforce;

- Simplify the skills offer and pathways for residents from all backgrounds to lead to sustainable jobs and careers progression, working with Colleges and training providers to provide quality post-16 education and training with an accessible learning offer for all and clear routes to centres of excellence providing higher level and technical skills linked to the City's growth sectors;
- Improved careers advice based on real labour market information and continued work with schools and colleges to ensure that there are a range of positive pathways that provide young people with the skills and attributes needed to successfully compete in the labour market; 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.

2.7 **Creating 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.
- Maintain and build confidence in Manchester's reputation as a destination City through the opportunities presented by its diverse cultural, sporting and leisure offer, together with its civic functions as a focus for residents and visitors.
- 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.

Enablers

2.8 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.
- Work collaboratively with our partners to embed an integrated public service offer which reduces demand on targeted services. Utilise the role of universal services in preventing residents from developing additional needs (such as reducing the risk of diabetes, heart attack or stroke through regular exercise) and also supporting those transitioning out of targeted support into mainstream activity, building independence and access to employment.

- 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.

3.0 Context for the Directorate

- 3.1 Manchester is growing rapidly with a population which is increasingly more diverse, younger and working. Whilst the city and its residents have seen many changes for the better in recent years, we are still facing some of the same challenges we were a decade ago not least the poor health of Manchester citizens. The Growth and Neighbourhoods Directorate has a pivotal role to play in securing the social, physical and economic future of the city. Residents told us last year that we need to get the basics right as well as aspiring for a city amongst the best in the world. Creating places where people want to live which are clean, safe and green, which are healthy and inclusive and have an excellent sporting, economic and cultural offer will be key to delivering the Our Manchester vision. Creating the right conditions for residents to participate and take responsibility for themselves and their community whilst encouraging others to do the same will be a central feature of the Directorate's work in this coming period working in partnership with key stakeholders both within the Council and beyond such as housing providers, the Police, voluntary and community sector organisations and health. This will involve building on the successes and strengths which already exist in communities and families.
- 3.2 Ensuring services are joined up in neighbourhoods is ever more critical as public sector resources are further diminished. Working collaboratively with partners to embed an integrated public service offer within neighbourhoods will be a core priority for the Directorate over the next three years to make best use of combined resources (for example through our public estate) to deliver the best possible outcomes which meet local needs. There are currently four early adopters of this work across the City – in Benchill, Harpurhey, the city centre and in student areas - which are testing the approach across a range of issues and demographics. This way of working is fully aligned to Our

Manchester which puts people, rather than processes, at the centre of everything we do.

- 3.3 The City's economy continues to grow and develop and the Directorate has a vital role to play in ensuring that Manchester has a work and skills system which meets the growth needs of all businesses and enables residents from all backgrounds to obtain the skills and attributes that employers require. It is crucial that the system equips young people with the knowledge and skills to succeed at work; that residents who are not working are supported and sustained in the labour market; and that businesses have access to a highly skilled workforce capable of meeting the needs of the City's core and growth sectors. Ensuring employers are engaged in shaping and contributing to skills development of both their existing and future workforce and embedding work as an outcome across the City's reform programmes, in particular as they relate to health, will be priorities in the coming years.
- 3.4 The Directorate also provides vital support to Strategic Development in driving economic growth through the planning process. The response to stakeholders, essential in providing the platform for growth, has demonstrated a confidence in the market and enabled the delivery of transformational projects and major schemes. Manchester has an enviable reputation of steering complicated and controversial development schemes through complex regulatory processes which involve engagement with a wide range of stakeholders. There can be no doubt this has been one of the factors which has facilitated growth in the City and has distinguished Manchester from our competitors over the last decade and this is set to continue.
- 3.5 Population growth will particularly impact on cleanliness and waste management which is already a very significant proportion of the Directorate's entire net budget - around two thirds including the waste collection and street cleansing service alongside the waste disposal levy. This proportion is set to increase further due to the impact of both population growth and the forecast increases in the disposal levy over the next 5 years. Service changes involving new bins to incentivise waste minimisation and increased recycling and changing the behaviour of residents who do not recycle and continue to flytip through education and enforcement are key components of the waste and recycling strategy for Manchester. However, it is clear that there will also need to be a focus in the coming year on reviewing the existing waste disposal arrangements at GM level to facilitate more substantial reductions to the very significant Council resource spent on disposal.
- 3.6 In a climate of reduced resources and less staff, it is essential that in order to protect services, the directorate's commercial strategy is robust and has the ability to maximise the use of assets across the City for the benefit of neighbourhoods and to increase income to offset revenue savings. Attention will continue to be focussed on the generation of income from the current asset base ensuring that income opportunities continue to be maximised. This year, this work has led to a reduction in support required for Heaton Park and ambitious plans to further develop the Park with new and improved attractions through the reinvestment of some of the additional income generated. Work to

broaden this across the wider Parks offer is now underway. Reviewing both contractual arrangements and management of contracts such as catering and for events is also underway to ensure best value for money is obtained. An annual review of fees and charges will be undertaken across all of The Neighbourhoods Service to ensure a consistent and holistic approach.

- 3.7 The movement of Business Units into the Neighbourhoods Service provides further opportunities to ensure that the use of assets across the City is maximised and that a cohesive and integrated approach is taken to the use of key spaces within the city for events and markets and full consideration is taken of the wider impact on Neighbourhoods. The integration of Business Units also require a review to be undertaken of the current delivery models to ensure that these provide the most efficient solution and can stand comparison to comparators in both the public and private sector. This will build on the work previously undertaken in Business Units.
- 3.8 The continuing impact of devolution across Greater Manchester will also play a key role in shaping the strategy of the Directorate in the future to ensure that the opportunities presented are maximised for the City and its residents.

4.0 Growth and Neighbourhoods Directorate Budget

- 4.1 For 2016/17 Growth and Neighbourhoods has net budget of £73.369m and gross budget of £129.174m with 1,375.8 ftes.

Business Area	2016/17 Gross Budget £,000	2016/17 Net Budget £,000	2016/17 FTE Number
Commissioning and Delivery	36,142	23,038	236.5
Waste Disposal Levy	32,495	32,495	-
Community Safety & Compliance	10,090	7,238	179.0
Libraries Galleries & Culture	12,711	8,704	268.8
Area Teams	2,395	2,395	51.0
Business Units	23,078	(3,698)	474.6
Neighbourhoods Service Sub Total	116,911	70,172	1209.9
Other Neighbourhoods	2,960	1,090	4.5
Work and Skills	1,692	1,692	22
Planning, Building Control and Licensing	6,735	(461)	124.4
Directorate Support	876	876	15
Total	129,174	73,369	1,375.8

- 4.2 Included in the 2016/17 budget strategy, there were savings of £0.629m with a full year effect in 2017/18 and 2018/19. The table below shows how these savings were broken down.

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

5.0 Budget Priorities

5.1 The Directorate has identified the following priorities which have provided the framework for developing the savings options:

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

6.0 Budget Conversation – What residents want from our services

- 6.1 This year a Budget Conversation has been launched, facilitated online and through events across the city, to ensure that residents and communities have the opportunity to tell us what matters most to them and, if they care about it, what they can do to help support or improve it.
- 6.2 The results of the conversation reveal that it is clear that the provision of Universal Services is important to residents. Emptying bins, waste disposal and street cleaning, keeping neighbourhoods safe and successful, making Manchester healthier and more active, parks and open spaces, culture, arts, events and libraries all featured in the things that are most important to Manchester residents. It was also clear from the results that Education is a top priority for Manchester residents and ensuring that opportunities to gain further skills and being able to access employment opportunities is important too.
- 6.3 In addition to asking what is most important to them, respondents were also asked which places they use most and which ones they most value and enjoy. Overwhelmingly, cultural and leisure facilities featured as places that are most valued. This means parks and green spaces, sport and leisure facilities, libraries, museums and galleries. In addition facilities that contribute to a sense of place within a neighbourhood also featured including local centres, community centres and groups and educational facilities.
- 6.4 The findings of the budget conversation also revealed that residents are keen to come together and make improvements. Improving cleanliness/ environment, building community support/ spirit and improving safety are areas where residents are most likely to work together.

7.0 Delivery of Objectives and Savings

- 7.1 The Directorate current net budget is £73.369m, and this includes £32m in relation to the waste levy.
- 7.2 ICT investment is critical to enabling the delivery of Directorate priorities and budget strategy as it acts as key enabler to service transformation, efficiencies and operational delivery. It is important that ICT investment is aligned to the Directorate and ICT strategies and focused on where it can provide the most value.
- 7.3 Within the Neighbourhoods Service ICT investment for the next three years is required in the following areas to enable delivery of savings:
- Community Safety and Compliance – Enable Flare to better integrate with the main CRM system to reduce areas of duplication and make better use of data and information that is collected to inform action.
 - Leisure, Events and Parks – ICT investment proposal to promote the service offer, improve the management of the customer, integrate the booking of a service, manage community assets, deliver activity and measure holistic performance. Initial funding has come for this through Sport England. This proposal would have benefits for the Health and Social Care programme and could mitigate some of the impacts of the proposed reductions to active lifestyles.

8. New Savings Options 2017/20

- 8.1 New savings options totalling **£9.441m** have been identified. As part of the process to identify savings options, any options that were made as part of the 2016/17 budget process for either 2017/18 or 2018/19 have been reintroduced for consideration.
- 8.2 The savings are divided between efficiency savings of **£7.176m** and service reductions of **£2.265m**. It is recognised that if the budget gap for the Council is at the upper end of the range, it will be necessary to bring forward the service reductions, many of which run counter the Directorate's priorities and indeed those identified by residents as part of the budget conversation. These options are described in more detail below for each service area of the Directorate.
- 8.3 In line with budget priorities set out above the Directorate has sought to maximise budget reduction options from efficiencies and service improvement, some of which need to be supported by capital and ICT investment. This has resulted in savings options totalling £7.176m of which £5.8m is from Waste and £1.376m from other areas of the Directorate.
- 8.4 The total is summarised in the table below and the options are set out in the following report and the accompanying savings schedule in Appendix One.

Savings Options 2017-20	2017/18 £000	2018/19 £000	2019/20 £000	Total £000	FTE Impact
Improvement and efficiency	1,566	1,100	4,510	7,176	1.0
Service reductions	666	577	1,022	2,265	31.0
Total	2,232	1,677	5,532	9,441	32.0

8.5 Waste Disposal Levy

- 8.5.1 The 2016/17 budget for the Waste Disposal Levy is £32.495m. The 2017-20 budget allows for an annual contingency of £1.5m to mitigate against risk of potential increased waste charges within the current PFI contract and waste levy increases by 2019/20 based on estimates provided by the WDA in December 2015.
- 8.5.2 The introduction part way through this year of new 140-litre household grey bins, replacing 240-litre black bins, to encourage increased recycling and reduce the amount of leftover waste which has to be taken away will deliver a saving of **£1.3m** in 2017/18 on top of savings already planned to be realised in 2016/17. A further **£900k** could be saved in 2019/20 if the level of waste going into the grey bins can be reduced and recycling levels increase in line with those of neighbouring authorities which have made similar bin changes.
- 8.5.3 Savings of **£350k** in 2018/19 and **£250k** in 2019/20 can be achieved from interventions in the apartment sector and savings from disposal and collection

arrangements with other organisations. Overall costs of disposal will continue to increase due to factors within the PFI contract that are beyond the direct control of the Directorate. However, further initiatives around waste reduction have been put forward to mitigate these increases. The options will limit residual waste collections to apartment blocks so they are aligned with the service offered to other households within the City, saving a projected £500k. over two years Savings of £100k will also be realised from efficiencies in other disposal and collection arrangements, where the Council currently has obligations, in conjunction with other organisations.

- 8.5.4 The Greater Manchester Waste Disposal Authority is reviewing its arrangements for waste disposal to reflect the increasing trends around recycling along with driving through efficiencies in the PFI contract. The savings assume that changes can be implemented by the GMWDA by 2019/20 and will have a net **£3m** benefit for Manchester.
- 8.5.5 All members of the GMWDA have agreed a moratorium on future service changes that impact on the distribution of the levy until such time as the PFI agreement has been reviewed and the Inter Authority Agreement (which allocates the costs between authorities) has been revised. This means any changes beyond the introduction of smaller residual bins, such as the frequency of collections, can not be considered at this time.
- 8.6 The Neighbourhoods Service
- 8.6.1 The Neighbourhoods Service incorporates a wide range of specific service functions, including:-
- Parks, Leisure and Events
 - Libraries, Galleries and Culture
 - Business Units including Bereavement Services, Fleet, Manchester Fayre, Markets, Pest Control
 - Compliance and Community Safety
 - Grounds Maintenance
 - Waste, Recycling and Street Cleansing
 - Neighbourhood Teams
- 8.6.2 Savings options have been put forward from these areas based on efficiencies that it is believed can be generated or from reductions in the level of service offered to residents and communities.
- 8.6.3 In 2016/17 the net budget for the service, excluding the Waste Levy, is £37.677m with 1,209.9 budgeted FTEs. Since 2010, neighbourhood-based teams have seen reductions of £28.6m and over 580 staff which has inevitably had a negative impact on the capacity to deliver services such as enforcement, parks, libraries, community safety, street cleansing and grounds maintenance within neighbourhoods. The integration of Neighbourhood delivery, Neighbourhood regeneration and community and cultural services enabled further efficiencies of £894k in 2015-17 as part of the design of the new Neighbourhoods Service which significantly reduced management costs and ward co-ordination activities. As part of the 2015-17 budget process,

members recognised that in the previous budget rounds, service reductions had had a very significant and disproportionate impact on service delivery in some areas and they agreed to put additional resource of £1.690m into enforcement, parks, street cleansing and waste in order to tackle the issues which had emerged in neighbourhoods as a result.

- 8.6.4 The budget conversation referred to in section 6 demonstrates that a large majority of themes that matter most to residents are contained within the Neighbourhoods Service. However, the Neighbourhoods Service makes up a significant proportion of the budget for the directorate, recognising the budget position, a series of options have been included for 2017-20 which include efficiency savings options of £1.276m. The approach has not been to take a blanket reduction across all areas, but instead to determine where savings can be made within each area. The service reduction savings are options which will need to be considered if the budget gap for the Council is at the upper end of the range. They are unpalatable and will limit the ability to deliver good quality services across the City. Some of the options will reverse decisions the Council made to supplement those areas which had suffered the worst of the cuts whilst others will severely impact on the directorate's ability to deliver the Our Manchester approach.

Efficiencies

- 8.6.5 The following options across the Neighbourhoods Service represent efficiencies that could be made. Although they may in some cases have an impact on the way services are delivered they should not reduce current service levels. These options total **£1.276m**.

Parks, leisure and events

- 8.6.6 The budget conversation told us that this is an area that is most valued by residents. During the next budget period, a new longer term contract will be established for the management of the Council's Community Sport and Leisure facilities as part of a long term strategy for these assets. Given the growth projections made by the incumbent operator over the term of the existing contract, it is reasonable to assume that the contract fee and therefore the net cost of the service will reduce further. A conservative estimate is that the annual cost of the service beyond 2018 will be in line with projections for the final year of the current contract. This assumes that no closures or modifications are made to existing facilities. A saving of **£500k** in 2018/19 plus further saving of **£150k** in 2019/20 is now expected to be realised.
- 8.6.7 Through the review of services in considering the new contract, it has become apparent that there is also some duplication in the current arrangements for the community leisure contract in respect of the client functions which exist across the leisure portfolio between the Council and the Wythenshawe Forum Trust and the Eastland's Trust. There is an opportunity to review these functions to make efficiency savings of up to **£100k** over 2018/19 and 2019/20. This would be dependent on the cooperation of the Trusts as this option would ultimately result in the organisations working more closely and

sharing resources for Audit, Finance, HR, Community Engagement and Marketing.

- 8.6.8 Within the Leisure Estate, work is currently underway to examine the potential for savings by installing a new Combined Heat and Power plant at the Manchester Aquatics Centre, Northcity and Wythenshawe Forum. This is being developed jointly with colleagues from Corporate Property and will form part of a wider piece of work to reduce the carbon impact of the Council's buildings. In addition, work is also underway to examine the savings potential from the installation of Photovoltaic Panels at key leisure sites. These are being developed on a spend to save basis with the savings being generated within the sport and leisure budget. It is expected that these energy efficiencies will realise **£50k** savings in 2018/19 and further **£50k** in 2019/20.
- 8.6.9 Greater Manchester Combined Authority (GMCA), the NHS in Greater Manchester (this includes the Greater Manchester Health and Social Care Partnership - the body overseeing devolution) and Sport England have recently signed a commitment to help people make sport and physical activity a part of daily life to help reduce stress, ill health, absenteeism and help prevent loneliness. This will present an opportunity for a more strategic conversation at a GM level about aligning resources and reducing inefficiency potentially through the co-commissioning of leisure services.
- 8.6.10 The context for this approach is that currently GM councils' Sport and Leisure service provision is administered by various operators. There are limited examples of resource pooling and there is a significant opportunity to make savings by encouraging them to work more collaboratively. Work is currently underway with Sport England to explore what opportunities there are for resource pooling and developing more efficient arrangements. This work will inform the Council's procurement approach for the community leisure contract for 2018. It is estimated this could realise savings of **£50k** in 2018/19 and further **£50k** in 2019/20.
- 8.6.11 Capital investment agreed for extensive refurbishment works at Moss Side Leisure Centre of £8m was estimated to deliver recurrent revenue savings of £200k which has not yet been reflected in the 2017-20 budget until timescales are fixed for realisation of these savings. Capital investment of £8m was also agreed for refurbishment at Abraham Moss Leisure Centre, expected to deliver £200k of revenue savings. However following feasibility work, due to the structure of the building, refurbishment works cannot go ahead. Following an options appraisal including closure, do nothing or rebuild, the most cost effective and preferred option is likely to require further capital of £7.9m for a complete rebuild for which a bid for capital has been made.

Business Units

- 8.6.12 Business Units is comprised of a number of services, including bereavement services, school catering, fleet, pest control and markets. These services operate on a commercial basis, and the income exceeds the costs of the

services to make a net contribution towards the overall Council costs. Opportunities for savings therefore lie in the ability to increase income.

8.6.13 It is proposed that Bereavement Services could increase income by £60k per annum over the three year period. This will be achieved by continuing to increase the numbers of burials and cremation that are undertaken. However, this is subject to a £20k investment in year 1 in order to implement practice recommended by the Institute of Cemetery and Crematoria. Growth in income of £60k in 2017/18, 2018/19 and 2019/20 is estimated a total net saving **£160k** over a three year period.

Compliance and Community Safety

8.6.14 This team has now been in place for a year bringing many of the Council's enforcement functions under single management for the first time in many years. For residents, peace and safety are major priorities reflected in our Budget Conversation and this team play a major role in that. It has a critical role to play in overseeing a number of statutory functions for the Council which address nuisance, safety, environmental health matters, food standards, anti-social behaviour and rogue landlords amongst other things. Within the wider team, a new Out of Hours Service has been established with additional resources from the 2015-17 budget round to respond to the increases in population including students and increased pressure that diverse communities and the growing night time economy brings to the City. This service has only recently been fully populated – they work evenings and weekends and are able to respond to the compliance and enforcement demands that are created as a result of Manchester moving more towards a 24 hour economy.

8.6.15 Even notwithstanding the efficiencies created by integrating the teams and additional resource into the Out of Hours Service, there is still insufficient capacity to deal with the competing demands of the city. As such, in considering efficiencies, there is probably only one part of the service – the Animal Welfare Service where it is anticipated that an alternative delivery model could save **£50k** in 2017/18 without having a significant impact on service delivery.

Other Neighbourhoods Service efficiencies

8.6.16 The overall management arrangements within the service will be reviewed and rationalised, this is expected to realise savings of **£90k** in 2017/18. Contributions to partner agencies will also reflect the pressures faced by the Council and a 10% reduction is therefore proposed in a partner budget, equating to a saving of **£26k** in 2017/18.

Service Reductions

8.6.17 It is recognised that if the budget gap for the Council is at the upper end of the range, it will be necessary to bring forward a number of service reductions, many of which run counter the Directorate's priorities and indeed those

identified by residents as part of the budget conversation. They will also affect the Council's ability to bring forward an Our Manchester way of working across the city. The following options across the Neighbourhoods Service will result in a reduction in the level of service that is currently provided, will significantly impact on communities and will, in a number of cases, also require specific consultation to take place. These options total reductions of **£1.725m**.

Parks, leisure and events

- 8.6.18 The results of the budget conversation has told us that Sport and leisure facilities are one of the places that individuals and families most visit and enjoy.
- 8.6.19 Further savings from the review of the Wythenshawe Forum Trust, of **£50k** in 2019/20 could be made in addition to those identified in paragraph 8.7.6. This would require the implementation of a more fundamental option around the client function overseeing the community leisure contract within the Wythenshawe Forum. This function could be absorbed by the Directorate leading to employee related savings within the Trust. This option would ultimately result in the organisation being heavily modified or, more likely, wound up with the Council assuming the responsibility for managing the contract with the community leisure operator and collecting rent from tenants. It should be noted that there is a significant amount of community outreach activity undertaken by the Wythenshawe Forum, which adds significant added value and needs to be continued. It is proposed that this work would continue, albeit under revised governance arrangements and be coordinated by the Council.
- 8.6.20 There is an option to review MCC funding contributions to partner events which could realise savings of **£100k**. This would include making a reduction in partner funding across all areas of budget (Sports, Community, Signature, Conference and Manchester Day) – or cessation of funding to four/five current events. Whilst seemingly comparatively easy to deliver, the impact of this cut would be felt in a range of ways – further reducing the city's capacity to compete for national and international events which support the economy and profile of Manchester and removing the capacity and support required to enable smaller grass roots community events to flourish.
- 8.6.21 From the Events budget, there are a number of options around activity at Christmas. Reducing the scale of the Festive Lights programme to only cover 50% of the existing area covered currently would deliver savings of **£150k** in 2019/20. The proposed refurbishment of the Town Hall will mean that Santa will not be able to be installed in its current position. If Santa is not installed at all a saving of **£70k** would be realised in 2018/19. A reduced saving of £30k could be made if it is re-located elsewhere in the city centre but this saving is based on installing Santa at a lower height than usual at a different location.

Business Units

8.6.22 Work has begun on a review of the viability and operating models for Wythenshawe and Harpurhey Markets which could lead to alternative delivery models being implemented. Discussions have commenced with the owners regarding an alternative operating model for Harpurhey Market but at present it is unclear whether this will deliver any savings. An alternative operating model for Wythenshawe has not yet been identified and as it is currently making a loss of c£120k, it is currently unlikely that another operator would take this on. Work is underway with the Town Centre Managers to review the wider town centre offer and where a market might feature in future plans. A saving of **£150k** could be delivered in 2017/18 dependent on an alternative delivery model.

Compliance and Community Safety

8.6.23 Further to efficiency savings of £50k in relation to the Animal Welfare service, in recognition of the financial position over the next three years, options for further savings have been considered. This includes a reduction in the Out of Hours team of **£134k** in 2019/20 (3 fte) and a reduction in the wider compliance team **£102k** in 2019/20 (3 fte). By reducing capacity for enforcement and compliance activity, both options will have a significant impact on the ability to respond to residents' clear priority for peace and safety identified through the budget conversation.

Grounds Maintenance

8.6.24 The Grounds Maintenance team currently maintain a wide range of parks and open spaces, which includes 23 bowling greens across the City. There are 850 members of the clubs which use the bowling greens. The number of members and use of the greens has seen a continued decline leading to increased costs per user. However, the activity is also seen as a contributor to the public health agenda, promoting activity and social inclusion, particularly within older people. In addition, both green spaces and leisure facilities are cited in the results of the budget conversation as services that are most important to residents. However, they are costly to maintain. If the maintenance of these bowling greens were discontinued, this would negate the requirement for a fine turf team. Savings of **£175k** in 2018/19 (staffing and equipment) could be realised and would result in a reduction of 6 FTE. Removing provision is likely to face significant opposition and would require both consultation and an Equality Impact Assessment. There could be a compromise option whereby the Council asks clubs to bid for funding to undertake their own maintenance which would save a proportion of the £175k.

Neighbourhood Teams

8.6.25 The neighbourhood teams are instrumental in the engagement of both residents and members across the City, supporting activities such as ward coordination. They will also play a key role in supporting the delivery of 'Our Manchester'. The options below for proposed reductions in the team curtail these activities and will have a significant impact on the ability to deliver against the directorate's and residents' priorities.

- Neighbourhood Teams are key to the city being able to create the right conditions for an asset based way of working in neighbourhoods. Should the budget gap be at the upper end of the range, there is an option to reduce Neighbourhood area team staffing by 10%, which equates to 6.5 fte, to save **£237k** from 2019/20. This option would require a revision to the service offer from Neighbourhood Teams who are currently stretched and already often working at beyond capacity.
- There is also the option to take a more radical reduction and reduce staff by up to 20% which would require a reduction of a further 7 fte and could provide a further saving of **£237k** also in 2019/20. This option would put at risk the ability of the teams to function effectively and would lead to a need to reconsider the role, remit and configuration of the teams at neighbourhood level.
- Reduce Neighbourhood Investment Funding to each ward by 50%, this reduces the value of each ward's funding from £20k per annum to £10k per annum, this equates to savings of **£320k** per annum from 2017/18. This resource goes directly into communities to enable a wide range of activities which support delivery of an Our Manchester approach and a 50% reduction would clearly have a negative impact. If the neighbourhood teams were also reduced in size, this would make management of the remaining Neighbourhood Investment Fund more challenging.

8.6.26 Through the response to the budget conversation, it's clear that residents are willing to come together to improve the place where they live. The Neighbourhood teams play a key role in supporting and facilitating this activity and embedding the Our Manchester approach within our communities.

8.7 Work and Skills

8.7.1 The Work and Skills budget for 2016/17 is £1.692m with 22 FTEs. The Growth and Neighbourhoods redesign in 2015 brought together for the first time a number of roles and functions into a single work and skills team. The team has a modest commissioning budget which enables it to commission activity to address priorities within the work and skills plan. This budget has for example supported Work Clubs in neighbourhoods and ground-breaking activity connecting work and health which it is now hoped will be scaled up across GM.

8.7.2 There are options to make efficiencies from within the current service or significantly reduce the service offer. However, both have an impact on delivering our ambition to connect more Manchester residents to the job opportunities being created in the City and access the skills needed to progress their careers.

Efficiencies

- 8.7.3 It is proposed to reduce the commissioning budget by **£100k** over 2017/18 and 2018/19. This will require the reprioritisation of the remaining budget to ensure that it is spent as effectively as possible. This would limit the Council's ability to invest in or commission new work and skills activity at a time when, for example, more of the city's young people are becoming NEET (not in education employment or training) and adults skills budgets have reduced dramatically. It will inhibit the Council's ability to innovate and commission works and skills activity that can fill gaps in mainstream provision and establish credibility that enables an initiative to move to the next stage e.g. Manchester Youth Market.

Service Reductions

- 8.7.4 In addition to efficiency savings of £100k above, an option is put forward to further reduce the work and skills commissioning budget by **£239k** in 2018/19. Reductions to the budget beyond the initial £100k would mean that projects at local level that support Manchester residents to access jobs and training e.g. work clubs could not be supported. The reduction would also impact on city wide projects that support people with health conditions into work, promote apprenticeships and create opportunities for residents to become self-employed or start their own businesses. The Council would no longer have capacity to respond to changing needs and demands in the labour market either at local level or city wide.
- 8.7.5 In addition to reducing the commissioning budget, there is also an option to reduce staffing numbers by 6 fte which would save **£301k** over the next three years. This represents almost a third of the team and such a significant reduction would completely undermine the new model which has a combined GM, city-wide and neighbourhood focus. It would mean that fewer of the employment opportunities created by the growth of the city were captured for Manchester residents, the City may not benefit fully from devolved work and skills programmes and there would not be as co-ordinated an offer of employment support, business engagement and skills training.

8.8 Planning and Building Control

- 8.8.1 Planning and Building Control has a net credit budget of £461k, which represents an overall income target for the services included in this business area. The service has delivered year on year savings over an extended period with planning significantly over achieving on its income target over the last two years; this has helped with budget pressures elsewhere within the Directorate. The Service, however, should not operate under a full cost recovery model and the increased income is the result of a very small number of major applications. This is not a sustainable position and income can be volatile. Certainly, the income profile for several years during the recent recession was much reduced such that the service's costs were not covered by fees. With this uncertainty, it is proposed that consideration be given to retaining a proportion of the over recovery of fee income for planning in a reserve to mitigate against any potential falling off of major schemes in future years.

8.8.2 At the same time Building Control has started to look at delivery models which would cement its position further in terms of the Manchester market and this includes discussions with other Greater Manchester authorities around collaborative working.

9.0 Workforce Impact.

9.1 The current FTE number for the Directorate is 1,375.8. Current options, if all taken forward, will result in a net workforce reduction of an estimated 32 FTE over the three year budget period.

9.2 There are some options that refer to the exploration and implementation of new delivery models. 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 organisation.

9.3 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.

10.0 Conclusion and recommendations

10.1 This report has set out high level overview of the priorities to be delivered in the Growth and Neighbourhoods Directorate and savings options for the Executive to consider to support the City Council's current financial assumptions covering the period 2017/18 to 2019/20.

10.2 The Executive is recommended to note the savings options and investment priorities detailed in the report.

11.0 Key Policies and Considerations

(a) Equal Opportunities

11.1 There are no specific equal opportunities implications contained in this report.

(b) Risk Management

11.2 The City Council's Medium Term Financial Strategy includes an assessment of budget risk when setting the level of general balances.

(c) Legal Considerations

11.3 There are no specific legal implications contained in this report.

Appendix 1 – Growth & Neighbourhoods 2017/18 - 2019/20 savings options

Service Area	Description of Saving	Type of Saving	RAG Deliverability	RAG Impact	Amount of Saving Option				FTE Impact (Indicative)
					2017/18 £,000	2018/19 £,000	2019/20 £,000	Total £,000	
IMPROVEMENT AND EFFICIENCY									
Parks, Leisure and Events	Further reduce costs of indoor leisure through re-commissioning of contracts.	Efficiency	Amber	Amber		500	150	650	
	Energy improvements on leisure buildings - any savings will accrue to the leisure contract	Efficiency	Green	Green		50	50	100	
	Wythenshawe Forum Trust - efficiencies from sharing back office functions	Efficiency	Green	Green		50	50	100	
	Co-commissioning leisure services across Greater Manchester. This includes looking at ways in which 12 leisure operators across GM can collaborate more effectively	Efficiency	Amber	Amber		50	50	100	
Compliance and Enforcement	Explore alternative models for delivery of the animal welfare service.	Efficiency	Amber	Amber	50	-	-	50	
Business Units	Increase bereavement services offer - pricing competitively with increase of £60k per year and £20k invested in year 1 to implement practice recommended by Institute of Cemetry and Crematoria	Income Generation	Green	Green	40	60	60	160	

Service Area	Description of Saving	Type of Saving	RAG Deliverability	RAG Impact	Amount of Saving Option				FTE Impact (Indicative)
					2017/18	2018/19	2019/20	Total	
					£,000	£,000	£,000	£,000	
The Neighbourhoods Service	Review of management arrangements across the Neighbourhoods Service structure	Efficiency	Amber	Amber	90	-		90	1.0
	10% reduction in funding to partner organisation	Efficiency	Green	Green	26	-	-	26	
Work and Skills	Reduction in Work and Skills strategy project budget	Efficiency	Green	Amber	60	40		100	
Waste	Planned Service change	Efficiency	Green	Green	1,300	-	900	2,200	
	Other service changes - apartment blocks	Efficiency	Amber	Amber		250	250	500	
	Efficiencies in other disposal and collection arrangements	Efficiency	Green	Amber		100		100	
	Reviewing waste disposal costs	Collaboration	Red	Red			3,000	3,000	
Total Improvement and Efficiency					1,566	1,100	4,510	7,176	1.0
SERVICE REDUCTIONS									
Parks, Leisure and Events	10% reduction in partner funding across all areas of events or ceasing 4/5 events	Service Reduction	Green	Red	100			100	
	Revised client function arrangements for the Community Leisure operation at Wythenshawe Forum	Service Reduction	Red	Red			50	50	
	Festive Lights - reduce scale by 50%	Service Reduction	Amber	Red			150	150	
	Santa - install elsewhere in the city estimate if installed at lower height	Service Reduction	Green	Red		30		30	
	Santa - do not install at all in	Service	Green	Red		40		40	

Service Area	Description of Saving	Type of Saving	RAG Deliverability	RAG Impact	Amount of Saving Option				FTE Impact (Indicative)
					2017/18 £,000	2018/19 £,000	2019/20 £,000	Total £,000	
	the city centre (in addition to above)	Reduction							
Business Units	Review of viability and operating models for Wythenshawe & Harpurhey Markets	Service Reduction	Amber	Red	150			150	
Grounds Maintenance	Removal of fine turf team - stop maintaining 23 bowling greens across the city	Service Reduction	Amber	Amber		175		175	6.0
Compliance and Enforcement	Reduction in out of hours team	Service Reduction	Amber	Red			134	134	3.0
	Reduction in number of compliance staff.	Service Reduction	Amber	Red			102	102	3.0
Neighbourhood Teams	Reduce Neighbourhood Investment Funding budgets to £10k per ward (from £20k)	Service Reduction	Green	Red	320			320	
	10% Reduction in staffing within the Neighbourhood Teams - impact on role of team	Service Reduction	Amber	Red			237	237	6.0
	20% Reduction in staffing within the Neighbourhood Teams (in addition to above)	Service Reduction	Amber	Red			237	237	7.0
Work and Skills	Reduction Work and Skills budget	Service Reduction	Amber	Amber		239		239	
	Reduction in staffing in Work and Skills	Service Reduction	Amber	Red	96	93	112	301	6.0
Total Service Reductions					666	577	1,022	2,265	31.0
Total Growth and Neighbourhoods					2,232	1,677	5,532	9,441	32.0

Subject: Budget option for Compliance and Community Safety (Animal Welfare) - Further information

Introduction

At its meeting on 8 November 2016 Members of the Neighbourhood and Environment Committee requested further information on the impact of options to reduce the Animal Welfare Service's budget.

Savings

Service Area	Description of Saving	Type of Saving	RAG Deliverability	RAG Impact	Amount of Saving Option				FTE Impact (Indicative)
					2017/18	2018/19	2019/20	Total	
					£,000	£,000	£,000	£,000	
SERVICE REDUCTIONS									
Compliance and Enforcement	Reduction in out of hours team	Service Reduction	Amber	Red			134	134	3.0
	Reduction in number of compliance staff.	Service Reduction	Amber	Red			102	102	3.0

Background

The Environmental Protection Act 1990 places a statutory duty on the Local Authority to collect and detain stray dogs. This is the only statutory element of the service. The current animal welfare service provides a far more extensive service through two full-time officers which includes the following areas of work:

- The collection of secured and roaming stray dogs
- Enforcement of the City Council's Dog Control Orders and compulsory microchipping regulations. This includes patrolling to deal with fouling,
- Updating and maintenance of the 'Animals in Manchester' Facebook page, which has over 10,000 followers
- Formal identification of prohibited breeds under section 1 of the Dangerous Dogs Act 1991
- Responding to 'general dog enquiries' e.g dangerous dogs, sick/unwell dogs, microchipping, lost dogs and queries regarding the release fee
- Attendance at Community Events to provide advice on responsible dog ownership and offer free microchipping using chips supplied by the Dogs Trust
- Partnership working with GMP and Registered Social Landlords eg. attendance during the execution of warrants and evictions, assistance with complaints regarding dog bites or general animal welfare issues
- Provision of training and guidance to the Neighbourhood Compliance Teams
- Addressing other animal welfare issues, usually within a domestic setting, reported through partner agencies or members of the public (eg. cockerels, cats, birds etc).

Options for Future Delivery

There are 3 options that have been considered

- Delivery via a new provider on an input specification
- Delivery via a new provider on an output specification
- Retain and make efficiencies in the in-house service

There is an AGMA wide framework agreement in place for the provision of dog warden services. When the service was tendered, each Greater Manchester Authority specified the level of service that they required from this framework agreement which ranges from adhoc cover for sickness/leave/training etc to fully outsourced service. At the time the service was tendered Manchester

required only ad-hoc cover. If the decision is to deliver the service via an alternative provider then a tendering exercise will need to be undertaken but this framework agreement provides an indication of the level of savings that could potentially be achieved.

The potential savings and the benefits and drawbacks of each option are set out below

Option 1 Delivery via a new provider on an input specification

The savings outlined in this option are based on a new provider delivering the Council's statutory requirements i.e. collection and detention of stray dogs. With an input specification the council would specify how it wanted the service to be delivered which could include some or all of the non statutory elements of the service outlined in paragraph 2.1. The price of the service would be influenced by the range of services included in the specification so the amount of savings that could be generated would depend on the level of service specified. If the service is no longer delivered by the council TUPE may apply. (i.e. staff currently delivering the service may have the right to transfer to the new company)

Savings if TUPE applies would be approximately **£29,050**

Savings if TUPE doesn't apply would be approximately **£46,050**

The benefits of this option are

- Lower cost to the authority
- Contractual arrangements regarding staffing, vehicles, equipment would be handled by the contractor

The disadvantages are

- Significant savings are likely to only be achievable if staff do not transfer to the new provider under TUPE regulations. If staff do not transfer the council retains the staff costs until staff find new roles via mpeople
- The additional services such as community events, proactive fouling patrols, facebook page etc provided by the in house team would need to be specified within the contract which could reduce the potential saving.
- Dilution of relationship with Manchester Dogs Home and the Dogs Trust,
- Reduced flexibility to adapt to future legislative changes (these may be considered a contract variation and therefore come at an additional cost)
- Costs associated with tendering the service
- Contract management costs

Option 2 Delivery via a new provider on an output contract

The savings outlined in this option are based on a new provider delivering the Council's statutory requirements i.e. collection and detention of stray dogs. With an output specification the authority would only pay for each job undertaken. Based on the number of reports requiring attendance over the past 2 years the estimated saving would be **£58, 814**

The benefits of this option are

- Lower cost to the authority
- Contractual arrangements regarding staffing, vehicles, equipment would be handled by the contractor
- Payment is linked directly to the number of attended jobs/outcomes

The disadvantages of this option are

- If TUPE doesn't apply the cost of the officers currently employed to deliver the service would remain with the city council until the staff find new roles via mpeople.
- The additional services provided by the in house team such as community events, proactive fouling patrols, facebook page etc would no longer be provided. They could potentially be provided at additional cost but this would reduce the potential saving outlined above
- Dilution of relationship with Manchester Dogs Home and the Dogs Trust,
- Reduced flexibility to adapt to future legislative changes. These would be an additional cost.
- Spend would be difficult to predict/plan owing to the 'pay as you go' nature of the contract
- Costs associated with tendering the service
- Contract management costs

Option 3 Retain and make efficiencies in the in house service

Following a review of the current Animal Welfare Service budget, a number of areas where efficiencies could be made have been identified. These include both existing budget commitments that could be reduced and areas where the revenue could be increased to more accurately reflect the overall costs of the service.

Through a combination of efficiencies and increased charges savings of up to **£39,650** could be achieved

The benefits of this option are

- The additional services noted at paragraph 2.1 would be retained at no additional cost
- Control and flexibility to react to emerging issues or legislative changes
- Mutually beneficial relationships with partnership agencies such as social landlords and GMP would be retained
- Strong working relationships with Manchester Dogs Home and the Dogs Trust would be retained
- Training for City Council enforcement staff and enforcement of the compulsory microchipping regulations could be delivered without additional cost to the authority
- No tendering costs
- No additional contract management costs
- The duties relating to the welfare of animals other than dogs would be retained
- Ability to continue working with communities in a strength based way in keeping with Our Manchester principles.

The disadvantages of this option are

- Delivering the service via a new provider presents an opportunity to negotiate the overall cost of the service which is not possible when retaining the in-house service
- Potentially more costly than delivering via an alternative provider

Appendix 3

Subject: Budget option for Grounds Maintenance (Bowling Greens) - Further information

Introduction

At its meeting on 8th November, the Neighbourhoods and Environment Scrutiny Committee requested additional information in relation to the savings option put forward in respect of ceasing to maintain the current bowling greens across the City. The proposal is for this to take effect from 2018/19 and would provide a lead in time to explore options around groups taking over the management of sites.

Savings

Service Area	Description of Saving	Type of Saving	RAG Deliverability	RAG Impact	Amount of Saving Option				FTE Impact (Indicative)
					2017/18	2018/19	2019/20	Total	
					£,000	£,000	£,000	£,000	
SERVICE REDUCTIONS									
Grounds Maintenance	Removal of fine turf team - stop maintaining 23 bowling greens across the city	Service Reduction	Amber	Amber		175		175	6.0

Strategic Context

Bowls featured in responses to the Parks Strategy Consultation, 10% of respondents said they regularly used pavilions in Parks and 2% said they used bowling greens.

The health and social benefits of bowls have been reported by a wide range of health bodies and websites. The benefits include:-

- Improved fitness
- Improved coordination and skill development
- Increased confidence and self esteem
- Enhanced mental well being.
- Community connectedness and support.

Consultation and an equality impact assessment would be required prior to any changes being made to the current provision with the exception of Alternative 1. The equality impact assessment would consider the impact on protected characteristics, such as age, gender and ethnicity.

Current Service Provision

The City currently has 27 bowling greens provided across 17 locations, this has reduced from 32 greens in 2011 when the last rationalisation of the service was undertaken in response to the declining usage of the facilities.

This includes Heaton Park, which has 4 greens, and is not impacted by the proposals as these are already maintained by a third party.

Of the 16 locations, shown on the attached map, maintained by the in house team there are 7 sites with 2 greens. The cost per green maintained is therefore an average of £7.5k each.

Usage and Income

The current usage statistics for the greens are based on the number of registered members at each of the greens and are based on information provided by the clubs. This does not equate to the actual usage of the green as it is not known how often the members play. This information has been requested to get a better idea of the actual usage.

The number of recorded members is currently 962 across the City. The number of members varies from 0 (Wythenshawe) to 145 (High Bank Park) with an average of 38 members per site.

Income is received from the clubs based on the number of members, charges are based on three bands:-

- 1-50 members = £153.47 per annum
- 51-100 members = £202.91 per annum
- 101 – 150 members = £246.17 per annum

The total income received, excluding Heaton Park, is £2,587 per annum across all sites.

This equates to an annual net subsidy of £177 per member.

Costs

The costs of maintaining the greens are £173k in relation to staffing and equipment costs. The costs are primarily from the 6 staff employed within the service, who spend 37.8 weeks per year maintaining the greens. The remaining costs relate to plant, machinery and vehicles required to deliver the service.

The buildings are currently being reviewed in accordance with the stock condition survey being undertaken across the Estate in order to establish the future maintenance requirements. The current costs associated with buildings, in terms of utilities and reactive maintenance equates to £89k per annum.

Proposed Saving

The saving of £175k will require the release of all the direct costs relating to maintaining the greens. This will mean that the greens are no longer maintained by

the City Council from 2018/19, although some support would be provided to groups interested in taking over the maintenance responsibilities.

This option may also delivery some further savings in the future from the reduced costs of maintaining any remaining buildings. These will need to be reviewed in respect of alternative and community uses.

Alternative Options

There are alternative options which could be pursued but would lead to a reduced level of potential savings in comparison to the original option put forward.

Alternative 1

Bring in an external provider to maintain the greens and transfer the existing staff into the core grounds maintenance team.

The previous soft market testing exercise undertaken indicated a cost of approximately £145k to deliver the service. This would result in a saving of £30k per annum.

Alternative 2

Maintain provision across the City at a reduced level in 2018/19. This would be through the reduction in facilities at some sites with multiple greens coupled with the closure of some sites depending on usage.

It would be possible to reduce provision by 10 greens and still maintain provision across the City. The current provision and potential reductions are included in Appendix A. If it was agreed that no more than one green would be provided at existing sites the level of saving that could be achieved would be in the range of £75k - £95k. The higher figure would be achievable if the maintenance element was also undertaken by an external provider in conjunction with the reduction in provision.

This option would maintain a level of provision across the City proportionate to the current membership levels. It would also reduce the subsidy per member to around £80 per member assuming the current levels of membership are maintained.

There would also be the potential for clubs to take over the management of the additional greens if they were able to develop a business model to generate sufficient income to pay for the required maintenance.

This option would be further extended over time by working with the groups to develop a model were they are supported to manage and maintain the greens themselves. This would be initiated through the one off provision of equipment in conjunction with ongoing support in line with the 'Our Manchester' principles.

Facility Name	Area	Current membership	Current Provision	Alternative 2 Proposal	Commentary
			No. of Greens	No. of Greens	
Broadhurst Park	North	102	1	1	
Brookdale Park	North	48	2	1	Reduce to one green
Clayton Park	North	60	1	1	
David Lewis Rec	North	120	1	1	
Delamere Park	North	71	2	1	Reduce to one green
Philips Park	North	24	1	0	Close site and move to Brookdale (or Clayton)
Simpson Memorial	North	54	1	1	
North - Total		479	9	6	
Crowcroft Park	Central	15	1	0	Close site and move to Greenbank
Debdale Park	Central	80	2	1	Reduce to one green
Greenbank Park	Central	80	1	1	
High Bank Park	Central	145	2	2	
Central - Total		320	6	4	
Didsbury Park	South	41	2	1	Reduce to one green
Fog Lane Park	South	22	1	0	Close site and move to Didsbury (or Ladybarn)
Hollyhedge Park	South	60	2	1	Reduce to one green
Ladybarn Park	South	40	1	1	
Wythenshawe Park	South	0	2	0	Close site as no usage
South - Total		163	8	3	
Totals		962	23	13	

Appendix 4

Subject: Budget option for Neighbourhood Teams

Introduction

At its meeting on 8th November, Neighbourhood and Environment Committee requested further information on the impact of the budget option in relation to a reduction to the Neighbourhood Teams.

Saving

Service Area	Description of Saving	Type of Saving	RAG Deliverability	RAG Impact	Amount of Saving Option				FTE Impact (Indicative)
					2017/18 £,000	2018/19 £,000	2019/20 £,000	Total £,000	
SERVICE REDUCTIONS									
Neighbourhood Teams	Reduce Neighbourhood Investment Funding budgets to £10k per ward (from £20k)	Service Reduction	Green	Red	320		-	320	
	10% Reduction in staffing within the Neighbourhood Teams - impact on role of team	Service Reduction	Amber	Red			237	237	6.0
	20% Reduction in staffing within the Neighbourhood Teams (in addition to above)	Service Reduction	Amber	Red			237	237	7.0

Impact

Neighbourhood Teams were established in January 2016 as part of the wider redesign of the Neighbourhoods Service. They are an integral part of the Growth and Neighbourhoods service – planning and coordinating work with the City Wide Services to ensure resources are deployed most effectively. The teams ensure that services delivered at a neighbourhood level maintain a strong place focus, and are responsible for effective communication and engagement with elected Members through the management of Ward Plans, Ward Co-ordination and Neighbourhood Investment Fund grants. This is a city wide service covering all 32 wards. The service was already rationalised in 2015 when Regeneration, Neighbourhood Delivery and Culture and Community Services were brought together to form The Neighbourhoods Service.

The objectives of Our Manchester relate to people and their behaviour in relation to a wide range of priorities e.g.; participation, health, skills, etc. This places activation and engagement – residents, businesses and the VCS – as a priority for area based teams, either through ward coordination or via supporting the work of city wide teams. Neighbourhood Teams are best placed to support the promotion and commissioning of participation activity. Essentially if we are to promote Our Manchester it needs effective leadership via local partnership working and it's essential that this is delivered as an integrated part of day to day work rather than via occasional events/campaigns. It will be very difficult to deliver on Our Manchester in a consistent way without the Neighbourhood Teams and their local knowledge and connections. Neighbourhood Teams will also have a key function in supporting members to engage with Our Manchester and perform their place leadership role. Equally the capacity to encourage a partnership based ownership of Our Manchester would be seriously diminished.

Neighbourhood Teams lead on resident and local business engagement, community activation, capacity building and behaviour change to reduce demand on key services and increase the levels of participation and ownership of neighbourhoods. They bring together and strengthen the relationships between neighbourhood stakeholders for the benefit of coordinated neighbourhood working e.g. Greater Manchester Police, Registered Social Landlords, Health partners, the Voluntary Sector, community groups and MCC Directorates.

The current workforce across the Neighbourhood Teams is 51 FTE. These are divided between the 3 areas as

North 17 FTE

Central 16 FTE

South 18 FTE

The service reductions suggested are, at the first level of reduction 10%, which if it's assumed will be from the Neighbourhood Officer role will be 6.5FTEs. This will mean there will be 19.5 Neighbourhood Officers remaining to cover 32 wards in the city. The second suggested level of reduction at 20% would result in there being 12.5 Neighbourhood Officers to cover 32 wards.

Alternatively, management roles could be removed but there would still be an impact on the delivery of engagement, activation and behaviour change as even management roles within the service provide support particularly to members and to the front line operational function and are key to planning and managing successful community engagement work.

Service reduction would result in a minimal service being provided with the basic elements of ward coordination - writing ward plans, administration of NIF, supporting members with case work – available and little if any scope for proactive, targeted work on behaviour change and positive engagement of residents and businesses.

Appendix 5

Subject: Further information in relation to Planning, Building Control and Licensing

Introduction

At its meeting on 8th November, Neighbourhoods and Environment Committee asked for further information in relation to Planning, Building Control and Licensing.

Planning

Planning fees are set nationally and are not based on a cost recovery model. The Service has over recovered fees in recent years; however, fee income is volatile and uncontrollable due to fluctuations in the state of the economy, and in previous years, where the economy has been in a weaker position, income targets have not been achieved. The recent over recovery of fees is a result of a very small number of major applications; in 2014/15. Six major applications generated £382k, in 2015/16 the number of major applications increased to 11 and secured £965k in fees (although this represented less than 1 % of all applications).

The net mainstream budget for Planning for 2016/17 is £18k, with a gross expenditure of £2.4 million. The majority of costs incurred by the service are therefore recovered by income. Agreement has been reached that excess income above £100k will go into a smoothing reserve to offset the volatility of income in future years.

Planning has successfully made year on year savings required through the budget setting process and any additional income that has been achieved over and above the agreed savings has provided assistance in easing budget pressures elsewhere, for example within Waste, Recycling and Street Cleansing.

This financial year the planning service has put forward a £400k saving (a reduction of over 50% of its revenue support) which it is projected to achieve.

Opportunities for additional income generation are very limited as this is an area governed by legislation. Critical areas of work which impact on neighbourhoods and the lives of communities such as enforcement, tree work, heritage, design and environmental impact work, all part of the statutory service, are not income generating. As noted above, income from planning applications is not on a cost recovery basis (some applications equally are exempt from a fee) but still impose substantial 'costs' on the service.

The Service is subject to national performance targets, the focus of which has increased with successive Governments; special measures and financial penalties now exist for poorly performing authorities (the Government has just notified LPAs of its intention to increase the threshold linked to special measures incrementally over the next two years). Manchester has maintained its position as a high performing

planning service in terms of these targets, however, this is challenging with the increasing complexity around planning and the decision making process.

Building Control

Building Control like Planning provide a service which is only in part income generating and includes activity where fees are not applicable. The net mainstream budget for Building Control is £279k. Areas of work where fees are not applicable includes work connected with dangerous structures, enforcement and activity associated with safety at sport grounds.

A local authority can set its own charges for Building Regulation work but this is subject to Regulations and an agreed methodology. In essence the charges levied should reflect the full cost recovery of providing the service.

The fees were reviewed in 2015 and an appropriate rate set in line with relevant regulations. The regulations require a break even position over any 12 month period with any deficit or surplus fed into necessary adjustments for the following year. Based on this no fee changes were proposed for 16/17. This is monitored and reviewed annually.

The challenge for Building Control is that there is competition from Approved Inspectors for elements of the Building Regulation work. The Service therefore has to be in a position to respond quickly and efficiently to requests for work and remain competitive in terms of fees.

The service is currently looking at opportunities for collaborative working across GM which may deliver efficiencies.

Licensing

Licensing is based on a full cost recovery model; adjustments have to be made to take account of any deficit or surplus in the following year's fee setting process.

The focus in licensing is therefore on improving service delivery.



DRAFT
Growth and Neighbourhoods
Directorate
Delivery Plans
2016/17

Delivery Plan 1 – Draft Financial Plan

Financial outturn will be monitored by the directorate management team, including variances against the objective summary included in the Directorate Budget and Business Planning Report.

Subjective Summary

Subjective Heading	2015-2016 Budget £,000	2016-2017 Indicative Budget £,000
Expenditure:		
Employees	51,879	51,041
Running Expenses	137,661	132,437
Capital Financing Costs	1,191	1,191
Contribution to reserves	1,568	1,676
Total Subjective Expenditure	192,299	186,345
Less:		
Other Internal sales	(17,407)	(17,407)
Gross Expenditure	174,892	168,938
Income:		
Government Grants	(4,063)	(4,063)
Contributions from Reserves	(17,423)	(17,654)
Other Grants Reimbursements and Contributions	(5,046)	(5,174)
Customer and Client Receipts	(38,657)	(38,529)
Other Income	(952)	(952)
Total Net Budget	108,751	102,566

Delivery Plan 2 – Draft Performance Plan

Objective	Indicator	Actual Performance (2014/15 unless otherwise indicated)	Target Performance	
			2015/16	2016/17
Creating Growth	Number of new businesses incorporated in Manchester	TBC (New dataset)	These indicators relate to the performance of the local economy and can be affected by a wide range of factors outside the Council's control and so targets are not set.	
	Percentage of Manchester businesses surviving 3 years	51.5% (2010)		
	Number of active enterprises in Manchester	18,280 (2013)		
	Total number in employment in Manchester	City Centre ward 120,400 Manchester 342,500 (2014)		
	Office take up (thousand sq ft)	542.4 (Jul-Dec 2014)		
	Office availability (thousand sq ft)	2,327.6 (Jul-Dec 2014)		
	Prime office rents (per sq ft)	£32.00 (Jul-Dec 2014)		
	Estimated visitor numbers to Manchester	Total: 994,102 Holiday: 229,156 / Business: 335,014 (2014)		
	Work location of graduates domiciled in Manchester 6 months after graduating any university 2013/14 (Increase in % staying in Manchester)	48% (2013/14)		
	Hotel occupancy in the City Centre	79% (Jan-Dec 2014)		
	Airport passenger numbers at Manchester airport	21,989,682 (Jan –Dec 2017)		
	Number of residential property sales	6,595 (2014/15)- City Centre: No. of Sales - 1,343	These indicators relate to the performance of the local economy and can be affected by a wide range of factors outside the Council's control and so targets are not set.	
	Sales prices	City Centre: Ave Sale Price - £163,636 Manchester (Excl. City Centre) - Ave Sale - £154,186		
	Average rents for 2 and 3 bedroom properties	City Centre: Average Rent - £923 (2 Bed), £1,277 (3 Bed) Manchester (Excl. City Centre) - Average Rent - £653 (2 Bed) £772 (3 Bed)		
Number of visits to MCC cultural and recreational facilities		Galleries - 541,827	Targets not set	Targets not set
		Libraries - 2,671,701	Targets not set	Targets not set
		Parks - 466,280 (Number of attendances to activities, events and educational sessions in parks)	+2% on previous year	+2% on previous year
		Sport and Leisure - 2,855,651	+2% on previous year	+2% on previous year
Places where people want to live	Residents satisfaction: Local area / Refuse collection / Doorstep recycling	78.9% / 75.53% / 79.31% (2014/15)	Targets are not set for perception surveys	
	Number of anti-social behaviour incidents in Manchester	34,463 (2014/15)	Emerging trends in particular types of ASB in particular areas are monitored.	
	Residents perceptions of high levels of ASB in their local area	10.58% (2014/15)	Targets are not set for perception surveys	
	Recycling rate	38.36% (2013/14)	The city is working towards a target of 50% of household waste recycled by 2020.	
	Participation in 30 minutes of sport 1 or 3 times a week (APS survey)	1x30 Sport Participation (16+) - 42.8% 3x30 Sport & Active Recreation (16+) - 27.6% (2014/15)	APS survey will end in summer 2016 and is to be replaced by the Active Lives Survey. The service will establish a baseline measure in 2016/17 from the new ALS survey.	
Access to jobs for Manchester people	% of residents claiming out of work benefits including Universal Credit claimants	13.8% (May 2015)	These indicators can be affected by a range of factors outside the council's control and so targets are not set.	
	Resident population qualified to NVQ level NVQ 4+ / NVQ 3+ / NVQ 2+ / NVQ 1+	36.3% / 58.1% / 72.2% / 81.5% (2014)		

Objective	Indicator	Actual Performance (2014/15 unless otherwise indicated)	Target Performance	
			2015/16	2016/17
	All ages apprenticeship starts	4,272 (2013/14)		
	Number of job vacancies advertised	15,216 (September 2015)		
	Percentage of troubled families (TF) claiming out of work benefits	79.6% (May 2015)	This is monitored as part of the TF evaluation, for which targets are not set	
	Working Well – Number of job starts	159 (September 2015)	The programme is forecast to lead to 240 job starts in Manchester by January 2018	
	Work Programme – Proportion of customers achieving a job outcome within:		CESI min expectations (economy adjusted)	
	One year of joining Work Programme	11.7%	9.7%	
	Two years of joining Work Programme	24.2%	22.1%	
Maximum time on Work Programme	27.3% (June 2015)	24.6%		
Capital programmes – added value activity achieved	1,044 (2014/15) (due to Town Hall project these levels are not expected in future projects)	Targets are developed on a project by project basis.		
Proportion of procurement spend in Manchester	68.9%	This is monitored on an annual basis, specific targets are not set.		
Facilitation and support to delivery	% of Stage 1 and 2 complaints answered within 10 working days	82.3%	96%	96%
	% of complaints upheld by the ombudsman	14%	10%	10%
	% of Freedom of Information Act requests responded to on time	84%	85%	85%

Delivery Plan 3 – Draft Equality Overview and Action Plan

Growth and Neighbourhoods Supporting Equalities

Growth and Neighbourhoods have three main objectives: creating growth; places where people want to live; and, access to jobs for Manchester people. These are delivered through specialist teams which balance the work programme between leading Manchester in sustainable economic growth and the transformation of the city whilst also getting the basic right; ensuring the city is clean safe and green and communities take pride and ownership in their areas and lives. Although the majority of services delivered in Growth and Neighbourhoods are universal and accessed by all Manchester's residents it is clearly demonstrated below that equalities and consideration to those with additional access needs are considered during the planning and delivery throughout the directorate.

Through this process some gaps in knowledge have been identified regarding our users but this will be addressed through the consultation and development of the service changes. Where EIAs have been identified as a requirement these will be completed in a timely manner and the learning from this process will be embedded within the future service delivery.

Review of Proposed Changes and Activities

All proposed changes to the service have been reviewed and relevancy assessments have been completed for a number of service areas where potential changes could impact on individual with protected characteristics. Senior Managers have scrutinised their proposed changes and where it has been concluded that there is no impact or potential impact is being sufficiently managed within the service planning and therefore there is no further need for equality impact assessment are detailed below:

Commercial Strategy for Parks, Leisure and Events Assets

- Work is ongoing to develop new commercial contracts for events and festivals in Manchester. As part of these negotiations a percentage of the increased revenue will be donated to the Lord Mayors Charity to support local community groups. This is likely to have a positive impact for all residents in Manchester.
- Changes to car parking at Heaton Hall are still under development, a potential area of interest related to the disabled parking near to the Hall which is separate to the new parking agreement. The team are fully aware of these issues and due consideration will be incorporated into the planning for this area, in consultation with existing users, to mitigate any negative impacts.

Changes to Events Funding

This work involves reducing the amount of external world class sporting events held in the city from annually to every other year. After scrutinising the plans no impact has been identified.

Temporary Closure of Abraham Moss and Moss Side Leisure centres for Refurbishment

The temporary closure of the facilities will adversely impact upon everyone (regardless of protected characteristics), and due consideration will be taken for those with protected characteristics by signposting to other centres and implementing additional provision. This activity will mitigate any negative impact.

Mediation Service

The mediation service works with individuals in private rented housing which has higher rates of younger people, some specific religious groups, cohabiting couples, students and some ethnic groups. However the proposal is to deliver the service through a different model that will ensure the service provision continues and any potential impact on these groups will be considered throughout the commissioning process.

Areas where the need for Equality Impact Assessments have been identified are detailed in the table below:

Proposal	EIA Proposed Completion Date	Senior Management Lead	Comments on initial potential impacts
Changes to VCS support (working with Children and Families Directorate) including the implementation of the Community Association Grants and Neighbourhood Investment Fund	April 2017 No immediate changes are planned; equality assessments will be embedded within the consultation and development process	Andy Wilson / Fiona Worrall	Funding is provided to community groups and organisations with users which fall under a range of protected characteristics.
Reductions Culture Grants	June 2016	Mark Duncan/ Jessica Bowles	Users of VCS organisations in receipt of these grants include; refugee and asylum seekers, people with disabilities; older people, young people etc.
Waste Management Contract	tbc	Mark Glynn / Fiona Worrall	Some users of specific services are yet to be identified however planned engagement work will support this. Users of clinical waste collections are likely to be older people or with disabilities.

Delivery Plan 4 – Draft Workforce Plan

Workforce Strategy

To enable the directorate to deliver the key strategic objectives around creating growth, developing places where people want to live and increasing access to jobs for Manchester people, we need to ensure the workforce is developed and managed in alignment with these priorities. This will include ensuring increased leadership and management capacity, with a particular focus on skilling our leaders at all levels to lead and shape places, develop, shape and create the conditions required to support the growth of the City and to influence without power, all of which is critical to driving the reform agenda and to improve outcomes and reduce dependency through behaviour change. Plans must be implemented to ensure that effective succession planning, skills development and career pathways at all levels are embedded to have the best opportunity of retaining the skills that are needed to develop an empowered and motivated workforce.

Over the past year, the revised model for the Neighbourhoods Service has been implemented, bringing together three service areas. The integration of services that has taken place means that this service area currently accounts for over half the FTE within the Directorate.

Capital Programmes and Property has also seen a significant change over the past year, with a new structure now in place.

For both of these service areas, the next year will focus on embedding the new model and ensuring that staff are equipped with the right skills and behaviours to be able to deliver on agreed priorities.

Development of skills across the Directorate remains a priority in order to develop the future workforce and implement appropriate succession plans and career pathways.

In the context of the GM Devolution Agreement, further opportunities to develop partnership and collaborative working and services must be reviewed to look at more effective and integrated ways of working, all whilst operating within the context of reducing budgets and workforce. The strategy should enable more innovative and efficient ways of developing the workforce, in the context of reduced resources, particularly considering front-line services, for example maximising opportunities afforded through e-learning packages and collaborative learning opportunities across services, directorates and partners.

Workforce Priorities

1. Developing Leadership and Capacity:

- Leadership Development within the Growth and Neighbourhoods Directorate, to ensure successful delivery of our Growth and Reform agenda, whilst continuing to deliver excellent services accessed and delivered at a neighbourhood level to support stable and sustainable communities.
- Development of skills and capacity to influence partners, external organisations and government to reform public services, support growth and ensure a lead role in the delivery of the GM Devolution Agreement.

- Clear leadership and vision to ensure successful delivery of the new Neighbourhoods Service. This will include working with staff to build resilience and independence.
- Continued development of a leadership and management culture which supports and enables ownership of people management issues.
- Continued focus on developing middle managers, of which coaching and mentoring will be an important element as well as continuing to develop basic skills.
- Empowering the Directorate's Wider Leadership Team to develop ideas and drive through improvements across the Directorate

2. Planning for the Future Workforce:

- Develop effective succession plans and clear career pathways to enable staff to actively move and progress within the organisation.
- Create apprenticeship and graduate opportunities to enable the Directorate to 'grow our own', particularly in those areas that require a specialist or technical skill.
- Explore options for future delivery models for Highways and Grounds Maintenance, ensuring that quality services are delivered.
- All opportunities for more efficient ways of delivering services will be explored, particularly focussing on where there can be improved efficiencies across services and directorates but also through joint working or commissioning from other organisations.

3. Developing Workforce Skills and Capacity:

- Ensure effective organisation development strategies and processes to deliver resident focussed and value for money services, led by the directorate, supported by HROD, with a on focus developing skills and awareness needed for driving Public Service Reform whilst considering requirements in the context of redesigned services and workforce reductions.
- Ensure effective strategies are in place to develop skills that are currently in short supply. This includes looking at how the Directorate can 'grow our own', and retain skills and experience.
- Development of a skilled, flexible, motivated and diverse workforce capable of delivering in an innovative, high performance, multi-agency context including developing skills such as stakeholder management and influencing skills, project management for collaboration to drive further joint working at a GM level, further development of commercial and commissioning skills and increased knowledge and understanding of investment models.
- Build on the existing skills / processes necessary to develop and work with a range of volunteers to build capacity and add breadth to service provision. In addition to these areas we will focus on professional development and career paths.
- Develop skills and capacity required for the Neighbourhoods Service, to ensure maximum community engagement and resilience.
- Opportunities for cross directorate and organisational learning will be maximised. Effective movement of staff around the directorate and more widely around the organisation in accordance with *mpeople* principles will be essential to deliver this and this will be supported by the HROD Strategic Workforce Planning Group and Directorate Resourcing Panel.

4. Reducing Worklessness

- Provide employment opportunities for Manchester Residents whilst delivering our skills pledge commitments through initiatives such as apprenticeships, work experience opportunities volunteer programmes.
- Work with partners and service providers to maximise opportunities to connect residents with work opportunities, such as through the waste and leisure contracts.

5. Reward and Recognition

- Ensure an effective, positive and motivated workforce to deliver the priorities of the Growth and Neighbourhoods Directorate.
- Formal recognition of directorate and individual achievements through Awards for Excellence.

Delivery Plan 5 – Draft Risk Register

ID	Risk Description	Key Controls and Sources of Assurance	L	I	Risk Score	Further Actions	Risk Owner
1	Inability to maintain a balanced budget whilst maintaining critical services	Monthly budget monitoring Performance reporting framework DMT Scrutiny G&N Programme Board tracks delivery of savings.	4	2	8: Medium	No additional actions beyond response to performance triggers and escalation as appropriate	Deputy Chief Executive (G&N)
2	Communities and households do not engage with strategies to reduce waste disposal, particularly food waste. This results in increased financial liabilities through the waste levy and an inability to deliver planned reductions in spend (on corporate risk register).	Education, Engagement and Enforcement Strategy. Refreshed Communications strategy. More use of media for education. Targeted enforcement in areas of known non compliance. Overall approach agreed through Members Task and Finish Group -during 2015	4	3	12: Medium	Scrutinise progress for evidence of new strategies delivering. More intelligent information to emerge from new contract with Biffa. Implement recommendations from Elected Member Task and Finish Group.	Director of Neighbourhoods
3	Due to a changing commercial market, initial capacity assumptions within the GMWDA result in over capacity across the PFI. The over-provision results in all Councils being exposed to additional Waste Levy costs. Inflated costs mean the Council cannot demonstrate value for money	Recent establishment of the GM Treasurers Group, Strategic Officers Group and Review of Capacity Group provide opportunities to exert influence and recommend change. Informal Leaders session in December has applied a moratorium on further service changes until groups have issued full scrutiny reports and recommendations.	3	3	9: Medium	Implement outcomes and recommendations from the newly established group as part of a wider GM Council response to the Waste Levy.	Director of Neighbourhoods
4	Greater Manchester Area Based Review does not deliver outcomes and improvements to the post 16 provision. It does not drive the skills development required by Manchester businesses and residents now and in the future.	Combined Authority represented on Area Review Board. Clear criteria agreed by CA. Close working links between New Economy and MCC re the review Ongoing relationship with Department for Business, Innovation and Skills. Spending review appears to have widened the scope for determining strategies for skills development.	3	3	9: Medium	Further develop work with New Economy in relation to the Wider Area Review, including engagement with private training providers and 6 th form provision in schools.	Head of Work and Skills
5	The expansion of the Working Well Programme to 17,000 people, with broader cohorts, does not deliver to expectations, causing reputational damage from a Devolution perspective and financial impacts from the payment by results model.	Working Well Integration Board ensures Council and partners align priorities and services to support WW delivery. Payment by results contract is scrutinised at GM Working Well Leads Meeting, driving performance and delivery.	3	3	9: Medium	Ensure thorough induction for new providers and develop relationships that ensure city priority of people and place are adopted. Ensure thorough induction for new provider and develop relationships and the Working Well integration board to scale up to meet the needs of an expanded programme. Early work to ensure that the Manchester Fit for Work approach for out of work residents can be accommodated	Head of Work and Skills
6	Business Continuity Plans both within Council services and the supply chain do not mesh to address all key reliance's and protect the delivery of essential services.	Majority of services have business continuity plans and many of these are tested individually. Experience in activating plans in response to corporate incidents.	4	3	12: Medium	Undertake a mapping and review exercise of all plans to test assumptions. Review contractor plans in the context of service plans undertaking a gap analysis to identify vulnerabilities	Director of Neighbourhoods
7	Succession planning and workforce development	Directorate Workforce Plan	4	2	8: Medium	Need to determine priorities. Identification of	Strategic

ID	Risk Description	Key Controls and Sources of Assurance	L	I	Risk Score	Further Actions	Risk Owner
	does not progress at the required rate to ensure the Directorate has the skills and experience necessary to deliver against its objectives.	Regular scrutiny and discussion at DMT Directorate dashboard tracks progress of staff and workforce development spend.				single points of failure. Ineffective strategic partnering will affect to deliver capital programme	Business Partner
8	Management of key contracts (eg, Waste and Street Cleansing, Leisure) does not deliver the required products and services necessary to assure the delivery of business plan objectives and planned outcomes for the directorate.	Clear Governance in place to manage contracts Client functions embedded within services focussed on assurance Regular scrutiny of Performance taking place	2	3	6: low	ICT integration at end of first quarter will support performance management arrangements for waste and street cleansing IMember review group to meet 6 monthly as part of the QA approach	Director of Neighbourhoods
9	Disruption caused by extensive road works impacts on ability to manage the city centre, Negative impacts include (i) perceived inability to manage programme within reasonable timescales, (ii) impacts on traffic flows and (iii) deterioration of relationships with city centre businesses and the public.	Responsibility for mitigating the risk is shared across a series of directorate services and partners.	4	3	12: Medium		Head of City Centre Growth and Regeneration
10	The Capital Programme is either insufficiently articulated in terms of content and scope or is not delivered in it's entirety and within timescales	The introduction of the Development Management Framework will provide an effective monitoring tool that will ensure regular and effective monitoring of the delivery of the capital programme as well as proving a useful benchmark of previous delivery to measure predicted delivery against.	4	2	8: Medium	The introduction and embedding of the DMF within CP&P is dependent on the securing of Primavera software and licences and the training of programme planners who will be responsible for managing the system.	Assistant Chief Executive (Growth)
11	Insufficient skills and resources within the Capital Programme workforce results in an over reliance on consultancy and contractors	Proactive attempts to recruit and retain permanent staff. Systems for internal staff development	3	3	9: Medium	Consider options for formal strategic partnership arrangements	Assistant Chief Executive (Growth)
12	The Capital Programme fails to ensure an operating surplus whilst delivering value for money. Funding is not available to support staff and skills development and to undertake a prospective programme of feasibility studies	A more robust approach to business planning as well as ensuring the Client Service Managers taking direct responsibility for the Profit and Loss of their service area will ensure the P&L records an appropriate surplus that will cover staff development and appropriate feasibility work.	3	3	9: Medium	The introduction of a Finance Manager on the Corporate Core establishment but funded by CP&P should help to ensure the effective management of the P&L.	Assistant Chief Executive (Growth)
13	The operational estate does not meet the Council's needs in the context of required capacity and transformation and opportunities for co-location with partners (on corporate risk register).	The restructure of CP&P has now gone live that includes the full introduction of the Corporate Landlord with appropriate resourcing to deliver estates rationalisation and transformation. Furthermore the setting up of strong governance arrangements through the estates Board will ensure corporate oversight and priority is given to this work.	3	4	12: Medium	Undertake stock surveying that determines content, scope and condition. Determine a strategy for integration and co-location. Consider potential impacts of any required Town Hall decant to support renovation and change of use.	Assistant Chief Executive (Growth)
14	A sufficient supply of residential housing stock does not emerge. Specifically, insufficient housing is delivered that meets affordability criteria of residents on an average income and the emerging housing offer lacks the required diversity to meet the spectrum of need.	The draft Residential Growth Strategy sets out how the residential pipeline necessary to maintain the City's economic growth will be met. Residential growth governance arrangements are being reviewed and revised to ensure a strong set of project boards that ensure delivery of residential growth are in place.	3	3	9: Medium	Strategic Development are now resourced to take direct responsibility for delivering the key actions within the delivery plan that accompanies the residential Growth Strategy.	Assistant Chief Executive (Growth)
15	Requirements for registered housing providers to reduce rents over the next four years leads to a deficit emerging within the HRA generally and Northwards	A full review of the HRA will be undertaken over the next year which will not only look at how Northwards can be more sustainable in a climate of	4	3	12: Medium	A draft HRA business plan has been produced and as part of the review process consideration will be given to the level of HRA funding that	Assistant Chief Executive (Growth)

ID	Risk Description	Key Controls and Sources of Assurance	L	I	Risk Score	Further Actions	Risk Owner
	Housing specifically.	reduced rents but alternative arrangements to an ALMO managing council housing stock is considered.				supports other Council services including Housing, other parts of Growth and Neighbourhoods and overhead charges for services provided by the Corporate Core – finance, HR, IT etc.	
16	The management of the investment property estate fails to deliver an income stream for the Council and/or deliver required savings. Less profitable parts of the portfolio are not offset by opportunities to increase income elsewhere.	Work will continue to be undertaken to manage the risk associated with those parts of the investment estate. The re-tendering of the Jacobs contract will not only ensure a more robust management of the investment estate but a sharing of risk and reward.	2	3	6: Low	An Executive report setting out options for Heron House will help to address a long standing challenge. Further work around the airport will ensure that opportunities to increase income are maximised. Further work will be undertaken to increase the City's digital assets.	Assistant Chief Executive (Growth)
17	The Council cannot demonstrate that regulatory capacity is sufficient to effectively assure food hygiene standards across the growing base of commercial outlets. Food Standards Agency audit recommendations are not met.	A programme for clearing backlog of assessments is in place. The strategy for inspections has been refreshed. Revised management structures in place to reduce the risk of recurrence. Strengthened management also provides enhanced strategic intelligence.	2	3	6: Low	FSA review in March 2016	Director of Neighbourhoods
18	Partial compliance with conditions of EU funding criteria results in clawback, either in historic workstreams funded through CLG and previous EU funding streams or in current workstreams funded through the ESIF programme.	Corporate knowledge and technical expertise within a team of experienced officers. Detailed internal scrutiny on a case by case basis.	3	3	9: Medium	Maintenance of capacity and corporate knowledge necessary to generate evidence of compliance in response to external scrutiny and audit	Head of Policy, Partnerships and Research

Manchester City Council Report for Resolution

Report to: Neighbourhoods Scrutiny Committee – 26 January 2016
Economy Scrutiny Committee – 27 January 2016
Executive – 17 February 2016
Finance Scrutiny Committee – 25 February 2016

Subject: Growth and Neighbourhoods Budget and Business Plan 2016/17

Report of: Deputy Chief Executive (Growth and Neighbourhoods)

Purpose of the Report

This report provides a high level overview of the priorities to be delivered in the Growth and Neighbourhoods Directorate in 2016/17 alongside the Directorate's saving proposals. This report should be read together with the accompanying delivery plans which set out the performance, financial, risk management, workforce monitoring framework, and public sector equality duty impacts.

The report sets the savings the Directorate has to make in the context of its objectives and broader changes to deliver them. The accompanying delivery plans provide a framework that will be used during the 2016/17 financial year to monitor performance towards objectives, workforce development, risk and financial outturn. Taken together, the three directorate reports and delivery plans show how the Directorates will work together and with partners to make progress towards the vision for Manchester set out in the new Manchester Strategy.

Recommendations

Scrutiny Committees are invited to review and comment upon the Growth and Neighbourhoods Budget and Business Plan.

The Executive is recommended to approve the proposals in this report to be included in the budget to be recommended to Council.

Wards Affected: All

Community Strategy Spine	Summary of the contribution to the strategy
Performance of the economy of the region and sub region	Providing leadership to drive forward the growth agenda for the City and ensure economic growth is sustained. This will be done through working in partnership with key sectors and other authorities and public bodies within the conurbation and region.
Reaching full potential in education and employment	Raising skill levels of Manchester residents and ensuring they are connected to education and employment opportunities across the City.
Individual and collective self esteem – mutual respect	Equipping residents with the capacity and confidence to enable an increase in independence and doing more for themselves.
Neighbourhoods of Choice	Ensuring clean, safe and green neighbourhoods that have access to good quality amenities. Creating places where people want to live and stay.

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

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

Financial Consequences - Revenue

The report contains the recommended savings and investment proposals for comment. The savings proposals already approved for 2016/17 as part of last year's budget strategy total £3.013m with proposals for a further £2.239m in 2016/17. The investment proposals total £1.789m.

Financial Consequences - Capital

Not applicable.

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Background documents (available for public inspection):

None

1. Growth and Neighbourhoods - Vision

- 1.1 Growth and Neighbourhoods Directorate seeks to provide the leadership and focus for the sustainable growth and transformation of the City to retain our international competitiveness. This means identifying and promoting opportunities to develop the City's fabric, infrastructure, business and skills base and connecting local communities to the employment opportunities, whilst also getting the basics right - working with our partners and in neighbourhoods - so that the City is clean, safe and green, and communities take pride in and ownership of their area and lives.

*Sir Richard Leese, Leader of the Council
Councillor Sue Murphy, Deputy Leader of the Council
Councillor Bernard Priest, Deputy Leader of the Council
Councillor Rosa Battle, Executive Member for Culture and Leisure
Councillor Kate Chappell, Executive Member for the Environment
Councillor Nigel Murphy, Executive Member for Neighbourhood Services
Councillor John Flanagan, Executive member for Finance and Human Resources
Sara Todd, Deputy Chief Executive
Eddie Smith, Strategic Director (Strategic Development)*

2 Context for the Directorate

- 2.1 The City is growing rapidly with a population which is increasingly more diverse, younger and working. This growth can only be sustained through the provision of new homes which will, in turn, place greater pressure on the provision of good quality universal services over the next 5-10 years.
- 2.2 Population growth will particularly impact on waste management which is already a significant element - around 50% - of the Directorate's net budget. This proportion is set to increase further due to the impact of both population growth and the forecast increases in the waste disposal levy over the next 5 years. Whilst service changes and behaviour change are key components of the waste and recycling strategy for Manchester, it is clear that there will also need to be a clear focus in the coming year on working with GM Waste Disposal Authority to determine a longer term strategy to reduce the impact of the Waste Levy in order to facilitate more substantial reductions to the very significant Council resource spent on disposal.
- 2.3 In terms of creating the right platform for economic growth and jobs there are a number of inhibitors, in relation to having fit for purpose accommodation to meet the needs of different sectors, but particularly in relation to critical infrastructure such as digital, energy and transport, which the Directorate will seek to address within the City's Growth strategy. Despite this, Manchester has recently experienced the biggest economic growth outside of London with over 390,000 jobs now within the City and a further 44,000 new jobs anticipated over the next ten years. In order for the City to maximise the benefits from this growth, it will be crucial to ensure that residents who are not working, and are furthest away from the labour market, are equipped with the right skills to be able to enter it as well as having a more highly skilled workforce capable of meeting the needs of new and growing sectors.

- 2.4 The newly created Neighbourhoods Service will over this next period put in place a more integrated approach to the development and management of the city's neighbourhoods. Work with partners within the Council, including Early Help Hubs, Health and Social Care Hubs, other public service organisations, such as GMP and housing providers, to ensure services are joined up in neighbourhoods will be ever more critical as public sector resources are further diminished. How the Council utilises its Operational Estate to underpin this collaboration and integration will be crucial. A further important aspect will be the focus on working with residents and communities to enable them to be more independent and less reliant on the Council's and other partners' services.
- 2.5 There is a need to ensure that the Council's place based and voluntary sector investments align with each other and the strategic priorities for Manchester. People of all ages should have access to community facilities which support them to be healthy and engaged in the life of their place. This does not have to be just physical buildings or universal services; residents should be able to readily find information to access community initiatives either run by the voluntary sector or through individuals and groups of residents.
- 2.6 With fewer resources and staff and in order to protect services, it is vital that the directorate brings forward a robust commercial strategy this year to maximise the use of assets across the City for the benefit of neighbourhoods and to increase income to offset revenue savings. Work has been underway over the last 6 months to develop this plan with a senior officer now appointed to lead this work. Reducing the net cost of services through effective contract management, developing new models of delivery and generating more income from improved commerciality within the overall offer will be key.
- 2.7 The continuing impact of devolution across Greater Manchester will also play a key role in shaping the strategy of the Directorate in the future to ensure that the opportunities presented are maximised for the City and its residents.

3 About the Growth and Neighbourhoods Directorate

- 3.1 The Growth and Neighbourhoods Directorate brings together place management and place development services. It takes a strategic lead in ensuring sustainable economic growth and transformation of the City, whilst also getting the basics right; ensuring the City is clean, safe and green and communities take pride in and ownership of their area and lives. The directorate works closely with the other directorates and partners to deliver its priorities and the ambitions set out in the Manchester Strategy to be a world class City with sustained economic growth and better lives and opportunities for residents. It is at the forefront of an ambitious, long term programme of transformation such as that to become a zero carbon City by 2050.
- 3.2 There are a number of service areas within the directorate which work closely together to drive forward the strategic priorities of the Council. These are:

Neighbourhoods Service

- 3.3 The Neighbourhoods Service comprises **three Area Based Neighbourhood Teams for North, Central and South** responsible for developing and managing the place. This includes leading engagement with residents as well as enabling functions such as ward coordination to work effectively at a local level, and **Citywide Services** organised as follows:

Commissioning and Delivery – the place focussed services which the Directorate contracts, commissions or delivers directly, alongside the commercial strategy for services. It includes:

- Waste, Recycling and Street Cleansing contract
- Leisure Services and Sports Development
- Events Strategy
- Strategy for Parks, Allotments, Green and Open Spaces
- Grounds Maintenance
- Maintenance of public spaces including monuments
- Highways Operator functions
- Developing a more commercial and sustainable approach to the use of assets, and commercial development to support place based services
- Any services commissioned from the Directorate by others (e.g. in the past youth services and active lifestyles have been commissioned from Growth and Neighbourhoods by the Children and Families Directorate).

- 3.4 **Compliance and Community Safety** - this area brings together enforcement and compliance resource and expertise within the Directorate into one team alongside community safety and civil contingencies. It includes Neighbourhood enforcement as well as responsibility around Premises Licensing, commercial and domestic waste, Private Rented Sector Housing, Street Trading, Trading Standards, Environmental Health, as well as Community Safety strategic priorities, delivery of the Prevent Strategy, Anti Social Behaviour and Mediation Services, and client side responsibilities for Civil Contingences.

- 3.5 **Libraries, Galleries and Culture** - brings together high quality universal services which underpin learning, engagement and support growth, including management of the citywide Libraries, Information and Archives Services; Galleries and the universal culture offer delivered at a neighbourhood level; access to and activation of services through partnership working and engagement

Work and Skills

- 3.6 The Work and Skills team provides leadership and coordination for City Council services which promote employment, skills and business growth. The team is responsible for the development and delivery of the Work and Skills Strategy; maximising the benefits of employment and skills opportunities from the GM Devolution Deal; stakeholder engagement with key commissioners and major providers; business engagement for growth and local economic benefit; better meeting the skills and recruitment needs of key employers and

sectors; developing clearer skills pathways for young people and adults into the employment opportunities being created by the growth of the City; the work and skills focus of Reform programmes including Working Well, Mental Health and Work, connecting the employment and skills system in neighbourhoods to the Early Help Hub offer and Welfare Reform.

- 3.7 As well as its citywide brief, the team will support the work and skills priorities in each of the Place Plans (North, Central and South) and the delivery of the Work and Skills Strategy in the City's neighbourhoods.

City Centre Growth and Regeneration

- 3.8 The principal aim of the City Centre Growth and Regeneration Team is to provide the essential focus for the co-ordination of the Council's input into the delivery of various initiatives that support the regeneration of the City centre, and to work on the development and delivery of regeneration frameworks and major projects which contribute to the growth of the City, for example NOMA and HS2. The team works to promote Manchester and encourage companies to relocate here, bringing new jobs and investment to the City, to build relationships with potential strategic investors, to encourage growth and perpetuate the achievements and momentum of the past few years. In addition, the team works to retain and expand the business and retail base in Manchester, support hotel development and cultural and leisure provision.

Strategic Development

- 3.9 This division provides the organisational leadership and accountability for large development projects that deliver wealth, jobs and new homes and help to strengthen the Council's fiscal position. The Strategic Development Division is structured into two areas; Growth, and Capital Programmes and Property.
- 3.10 The Growth function leads on the City's residential growth ambitions and delivers the strategic housing function and large transformational commercial, cultural and housing projects. This includes the delivery of key transformational projects such as the Airport City Enterprise Zone; strategic cultural projects, such as the newly opened HOME; as well as major residential growth projects including the new wave of development along Great Ancoats Street, West Gorton and Brunswick PFI that underpin Manchester's economic growth. The Growth function is driving the development of a minimum of 25,000 new homes in the next ten years, critical to meeting the demands of the City's growing population.
- 3.11 Capital Programmes and Property is responsible for managing the Council's capital buildings and infrastructure portfolio. This includes the promotion and delivery of commercial and residential development to support the City's growth objectives, providing project management support for capital programmes for Education, Leisure, Highways and strategic one off initiatives. It is also responsible for the generation of income by the sale of land and property as well as the asset management of the operational estate (the Corporate Landlord role).

Policy, Partnerships and Research

3.12 The Policy, Partnerships and Research team supports Manchester's ambitions for growth by developing the policies and strategies to deliver the City's economic objectives and the Council's contribution to the Manchester Strategy, and bidding for resources to support growth as a part of a wider Greater Manchester Investment Strategy. This includes;

- Developing evidence-based strategies to drive sustainable economic growth and climate change action
- Ensuring that Manchester and Greater Manchester have access to the right tools and resources to deliver on our priorities
- Managing programmes and delivering key projects that support sustainable economic growth and climate change action and deliver against the Manchester Strategy.
- Supporting the City Council's strategic partnerships, nationally and internationally
- Acting as a centre of excellence for policy development, bidding and research, providing support to all Directorates in the delivery of the Council's objectives.

Planning, Building Control and Licensing

3.13 Through intelligent use of statutory functions and related activity, the division focuses on facilitating and delivering growth, protecting neighbourhoods and improving the quality of place. The service is structured in to three specialist legislative areas. The responsibilities of the three specialist areas are:

- Planning – including development management and compliance as well as local land charges;
- Building Control – responsible for administration and compliance of Building Regulations, including issues arising from dangerous or dilapidated buildings;
- Licensing – delivers a number of statutory functions including Taxi and Private Hire, Premises licenses, Highways and Child employment licensing. As well as being responsible for taxi-related compliance issues, the team supports enforcement matters associated with licensing, which have arisen from neighbourhood issues.

3.14 Integral to the successful performance of the service are links with other parts of the directorate, particularly Strategic Development in providing support in helping to deliver key transformational projects.

4 Growth and Neighbourhoods - Objectives

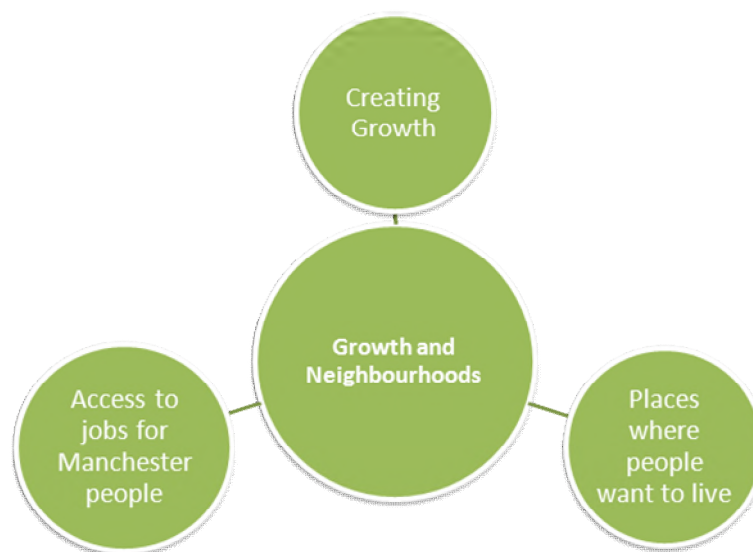
4.1 The new Manchester Strategy sets out a vision for 2025 of Manchester as a world class City with:

- A competitive, dynamic, sustainable economy channelling our distinctive strengths in science, advanced manufacturing, creative and digital
- Highly skilled, enterprising, industrious people
- National and international connectivity

- Climate change impacts being limited
- Residents from all backgrounds who feel safe, can aspire, be successful and live well
- A welcoming atmosphere that's clean, attractive, rich in culture and outward looking

4.2 The Growth and Neighbourhoods Directorate has 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 the 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. Resident engagement will underpin this work and will be a critical part of delivering the sustainable behavioural change required to effectively manage neighbourhoods. 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.

4.3 The objectives for Growth and Neighbourhoods directs focus on supporting the Council to bring about this vision for the City for 2025. The objectives are:



Creating Growth

- 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. This will be complemented by driving growth through for example, the Airport City Enterprise Zone, the Siemens Princess Road Campus and at the Etihad Campus in East Manchester.
- To reinforce and enhance the reputation of the City through the growth and improvement of its retail provision, the opportunities presented by

its diverse cultural and leisure offer, together with its civic functions as a focus for residents and visitors.

- Through the provision of new and enhanced infrastructure, support the growth of the City, connecting residents, neighbourhoods, businesses and goods to local, national and international markets.
- Contribute to population and economic growth by providing 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.
- Supporting partners across the City to move towards becoming a zero carbon City by 2050 and to adapt to and mitigate the impact of the changing climate.

Places where people want to live

- Create places where people want to live with good quality housing of different tenures; clean, green, safe and inclusive neighbourhoods; a good social, economic, cultural offer and environmental infrastructure; where residents participate and take responsibility for themselves whilst encouraging others to do the same, supported by strong and active community groups.
- Through the new service delivery model for neighbourhoods, work with our partners to ensure neighbourhoods are safe and health and care services are delivered to meet local needs.
- Support businesses and residents to create thriving district centres with appropriate retail, amenities and public service offer.
- Reduce carbon emissions and increase recycling rates through improved use of technology and increased resident engagement and action.

Access to jobs for Manchester people

- Maximise the opportunities created by the GM devolution agreement to create a skills system that connects more of the City's residents to the employment opportunities created through the growth of the City and scales up the reform programme for those furthest from the labour market with complex needs.
- Maximise leverage through the City Council's capital programme to better connect residents with employment opportunities and address skill shortages.
- Effectively use the Council's levers as a commissioner and procurer of services and our civic leadership to maximise job opportunities for Manchester residents.
- Ensure that employers at a citywide and neighbourhood level are engaged in shaping and contributing to skills development of both their existing and future workforce.
- Work with the City's schools and providers to ensure that there are a range of positive pathways that provide young people with the skills and attributes needed to successfully compete in the labour market.

- Continue to embed the work and skills agenda into PSR delivery models, to ensure that those with complex needs are supported to become economically independent.

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

- Work with partners and other Council departments to make best use of the City's total collective public assets to support estates transformation and deliver modern efficient services in line with the One Public Estate pilot in Greater Manchester
- Plan for the future workforce, review structures, roles and skills needed for the future and embed the required career pathways and succession plans.
- Build resilience and increase productivity amongst staff within the directorate, developing the skills and behaviours required to deliver quality services more efficiently.
- Communicate and engage effectively with all staff ensuring that they are aware of the role and function of the directorate and their role within it.
- Maximise opportunities to collaborate with partners, to increase income generation and investment, to optimise the use of resources and work with ICT to develop new ways of working through improved use of technology and data provision which enable the directorate to achieve its objectives.

5 Delivery of Objectives and Savings

5.1 The Directorate has identified the following priorities which have provided the framework for developing the savings proposals:

- Embed the new delivery model for the new Neighbourhoods Service and protect neighbourhood based services for the next 12 months.
- Work with partners and other Council Directorates (GMP, Registered Providers (RPs), Children and Families) to develop future, more integrated models for delivery at a neighbourhood level which can deliver savings.
- Deliver improvements in waste, recycling and street cleansing through the effective delivery of the new waste and street cleansing contract.
- Continue to encourage behaviour change to reduce levels of residual waste and increase recycling.
- Work with GMWDA to determine a longer term strategy to reduce the impact of the Waste Levy.
- Provide a strong, evidenced and coherent strategy, policy and planning framework for the future of the City.
- For operational and non-operational services that are delivered directly, explore options to determine models of delivery that are cost effective whilst providing a good quality service.
- Explore strategic partnering arrangements for Capital Programmes and Property to improve the effectiveness and efficiency of the services.

- Review the levels of grant funding to supported organisations and ensure that delivery is effective and done in the most efficient way.
- Maximise income opportunities, through realising the most from the Council's assets as well as reviewing opportunities for charging for services.
- Deliver the emerging Residential Growth Strategy.
- Ensure the right skills and capacity is maintained and developed to enable the City to deliver against its Growth, Place and Skills agenda.
- Support the City in its ambition to become zero carbon by 2050.
- 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.
- Review our internal processes to improve productivity and capacity including review of grant administration and programme management.

Growth and Neighbourhoods Directorate Budget

- 5.2 The 2015/16 gross budget is £184.083m and the net budget is £108.751m. The number of FTEs is 1,247; see table below for a breakdown by service area. Excluding the Waste Levy the Directorate has a current net budget in 2015/16 of circa £75m.

Business Area	2015/16 Gross Budget £,000	2015/16 Net Budget £,000	2015/16 Budgeted Posts (FTE)
Neighbourhoods - Commissioning and Delivery	94,518	77,682	797
Neighbourhoods - Compliance and Enforcement	8,978	6,012	
Neighbourhoods - Libraries, Galleries and Culture	14,846	10,490	
Neighbourhoods - Area Teams	8,132	2,926	
Work and Skills	1,243	1,136	
City Centre Regeneration	637	397	
Policy, Partnerships and Research	5,722	2,106	58
Planning, Building Control and Licensing	6,341	141	126
Property - Operational	21,889	20,187	47
Property - Investment Estate	4,634	(13,715)	
Capital Programmes	958	(71)	145
Strategic Development	2,126	84	34
Strategic Housing	884	884	16
Directorate Support	13,140	457	18
Democratic Core	35	35	0
Total	184,083	108,751	1,247

- 5.3 The most significant areas in terms of net spend are the Neighbourhoods Service - Commissioning and Delivery (£77m) and the Operational Estate

(£20m). The budgets for this latter service were centralised in the last 12 months and work is ongoing to determine the capital investment required to deliver savings from across the Estate.

- 5.4 Savings of £3.013m (and circa 21 FTE) have already been identified and agreed for 2016/17 as part of the 2015-17 budget strategy process and these are detailed in Appendix 2. Further savings of up to £2.239m with a net FTE reduction of 7 have now been identified for 2016/17. The movement to the revised net budget position for 2016/17 is shown in the table overleaf:

Service Area	2015/16	2016/17			
		Net Budget 2015/16 £000's	Growth and other Budget Changes £000's	Savings Approved as part of 2015/16 budget setting £000's	New Proposed Savings £'000's
Neighbourhoods - Commissioning and Delivery	77,682	(933)	(1,500)	(665)	74,584
Neighbourhoods - Compliance and Enforcement	6,012	0	0	(60)	5,952
Neighbourhoods - Libraries, Galleries and Culture	10,490	0	(225)	(218)	10,047
Neighbourhoods - Area Teams	2,926	0	(838)	0	2,088
Work and Skills	1,136	0	0	0	1,136
City Centre Regeneration	397	0	0	0	397
Policy, Partnerships and Research	2,106	0	0	(45)	2,061
Planning, Building Control and Licensing	141	0	0	(450)	(309)
Property - Operational	20,187	0	(450)	0	19,737
Property - Investment Estate	(13,715)	0	0	(750)	(14,465)
Capital Projects and Technical Services	(71)	0	0	0	(71)
Strategic Development	84	0	0	0	84
Strategic Housing	884	0	0	(22)	862
Directorate Support	457	0	0	(29)	428
Democratic Core	35	0	0	0	35
Total	108,751	(933)	(3,013)	(2,239)	102,566

- 5.5 Detailed budget schedules are listed in Appendix 1.
Previously Agreed Savings 2016/17

- 5.6 The Directorate has £3.013m of agreed savings to deliver in 2016/17. These savings include £1.463m in respect of the following items which the Directorate is confident will be achieved, or has already delivered:
- Workforce savings in respect of the Neighbourhoods Service redesign of £838k.
 - Savings from the new waste collection and street cleansing contract of £400k.
 - Savings of £25k from the Greater Manchester library management system.
 - Savings of £200k from reduced support for Cultural Grants.

- 5.7 The remaining, more challenging savings, relate to Waste Disposal and Property Rationalisation costs.

Waste Disposal

- 5.8 As already referenced earlier in the report, the cost of waste disposal for the Directorate is increasing – it currently stands at c£34m of the budget compared with £19.7m in 2009/10. As part of the Waste PFI with Viridor Lang, nine Greater Manchester authorities split the cost of waste disposal and recycling between them via the Waste Disposal Levy. Manchester's waste budget pressures are principally due to population growth, the fact that Manchester residents recycle less than any other GM district and also the fact that the total cost of, and Manchester's share of, the Levy is set to rise significantly over the next five years.
- 5.9 Manchester's share will increase due to the nature of the Inter Authority Agreement with the GM Waste Disposal Authority (GMWDA). In essence, the overwhelming majority of the levy operates in such a way that the total guaranteed to Viridor Lang is shared amongst the nine waste authorities. As less refuse is put through the GMWDA the price per tonne will increase as operating costs are split over fewer tonnes. The City's comparative performance has fallen and will have to be addressed in the coming year.
- 5.10 The levels of recycling (food waste and other recycling) in the City - which is key to delivery of the proposed saving - have also started to reduce. The recycling levels have been impacted by a range of factors including the increased population, changing demographics and increased contamination of recycling bins which leads to higher levels of rejection (circa 5%).
- 5.11 The current strategy agreed with members focuses on service standards, education, engagement and enforcement in an effort to change residents' behaviours in terms of their waste disposal and recycling practice with a new waste team being recruited and in place since November to facilitate delivery of this. The work of this team will be informed by the much improved data which the new waste collection contract with Biffa will provide.
- 5.12 However, even if behaviour change has an immediate impact and delivers savings in Manchester, as set out above, this will not be a sustainable saving. The fact is that the Waste PFI was designed at a time when Landfill Allowance

Trading Scheme (LATS) penalties made it the best way forward but with the abolition of LATS, this is no longer the case. It is clear that there will need to be a clear focus in the coming year, working with GM Waste Disposal Authority to determine a longer term strategy to reduce the impact of the Waste Levy in order to facilitate more substantial reductions to the very significant Council resource spent on disposal.

- 5.13 The savings anticipated for 2016/17 based on the assumed tonnages and the impact on the Waste Disposal Levy are £1.1m.

Operational Property Rationalisation

- 5.14 Work is underway to rationalise the estate initially through the closure of Wenlock Way with consideration being given to the future of Chorlton District Office. The £450k savings should be delivered in full but this will depend on the timing of delivery during the year and the funding of the Capital investment required for Etrop Court and Moss Side District Office. The capital financing costs will be met from within the capital financing budget.

6 New Savings Proposals 2016/17

- 6.1 The savings proposed total **£2.239m** for 2016/17. The table below summarises the position. This report goes on to summarise both big ticket proposals and smaller scale options and there is a detailed savings schedule appended to the report at Appendix2.

Growth and Neighbourhoods	Savings Proposals 2016/17 £,000
Growth - Big Ticket	968
Neighbourhoods – Big Ticket	675
Total Big Ticket	1,643
Growth – Other	546
Neighbourhoods - Other	50
Total Other	596
Grand Total	2,239

- 6.2 The £2.239m savings proposals are set out below:

Growth – Big Ticket Items

- 6.3 There are three areas containing big ticket proposals with a potential known value of **£0.968m** for which outline business cases have been developed.

Investment Estate

- 6.4 There will be increased income from the investment estate which is due to provide additional income in 2016/17 of **£750k**.

- 6.5 There will also be work ongoing in relation to rent reviews which will provide an opportunity to review the arrangements currently in place and ensure that the value of the assets is maximised.
- 6.6 There will however always be risks attached to the income from the investment estate and as properties become vacant it is not guaranteed that new tenants can be found quickly. As such there has to be recognition that income can reduce as well as increase over time. The Directorate is confident that the forecast growth will enable the known increases in income to be recognised and that a pro active approach to the management of the estate may result in further opportunities in the future.
- 6.7 A further opportunity may flow from the re-procurement of the property and valuation work contract. The new contract will be in place by the March/April 2016 and any savings contribution will be determined at that point.
- 6.8 Operational Estate
- 6.9 Integrated teams co-located in accessible venues and locations in neighbourhoods is key to the delivery of the City's priorities and the Council's Operational Estate is therefore an important enabler. Work is underway to develop a long term, four year Operational Estate Strategy that will, amongst other things, deliver these priorities and, crucially, identify opportunities for further savings in the rationalisation of the Council's operational estate over and above the £450k commitment for 2016/17. This work will require both capital and revenue investment. Investment has been agreed into the Estates Transformation team to deliver the current rationalisation proposals and savings for 2016/17. The capital investment required will depend on the opportunities identified and may involve refurbishment or adaptation work to other Council properties to facilitate the release of other less effective or poor condition properties in the estate.
- 6.10 A major Stock Condition Survey of all of the Council's operational properties will be completed in Spring 2016. This will provide a key part of the evidence base for the Operational Estate Strategy, helping decision making about property rationalisation, alongside the work to review transformation and service delivery requirements both within the Council and partners (for example Living Longer Living Better and Early Help hubs). This work, which will include a four year plan for the Operational Estate, will be presented to Members by July 2016.
- 6.11 Any future savings from the rationalisation activity cannot therefore be determined until the above work is concluded nor can the capital investment requirements. As set out above, the savings which can be achieved from rationalisation will be dependent upon the capital financing strategy adopted. It is currently assumed that these costs will be met from within the existing capital financing budget.

The City's Culture and Sports Events Offer

- 6.12 The Cultural offer in the City is central to Manchester's growth strategy but also makes a major contribution to the health and reform agendas. In Growth and Neighbourhoods terms, budgets for cultural grants and activity, sporting and City centre events and Galleries are all relevant. It is important that these are considered in the round as part of the overall offer for Manchester to understand both the contribution they make to the City's economic and social priorities and to ensure support is maintained for those which have the most significant impact. Taken together, savings of **£218k** could be delivered which is broken down below.
- 6.13 The business case for cultural grants focuses on how a reduced amount can be refocused to support the Council's objectives and continue to promote those organisations which provide the greatest added value to the City. This is now presented in conjunction with the approach to a reduced investment in Events which will also be focussed on continuing to deliver the world class events that bring added value to the City. The savings proposed from **Cultural Grants** using the economic and social analysis developed in conjunction with New Economy are up to **£93k** in 2016/17.
- 6.14 A review of spend on **Sports Events** and an assessment of the economic impact and wider benefits of each event and value for money has been undertaken alongside the review of the cultural offer and it is proposed that **£125k** can be saved. The savings proposals would reduce expenditure on key events, whilst retaining the scale of the events. It would also involve a review of the frequency of hosting national sporting events.

Growth – Other Savings

- 6.15 There are a range of smaller scale savings across the Growth functions that are estimated to save up to **£546k** as set out below:

Policy, Partnerships and Research

- 6.16 Savings of **£45k** in 2016/17 can be achieved through a review of all current subscriptions across the Council to remove any duplication or anything that no longer represents value for money.

Planning, Building Control and Licensing

- 6.17 Savings of **£400k** in 2016/17 are forecast to be achievable through an increase in income from planning fees. This is driven by increased activity within the sector which has been particularly buoyant in 2015/16. It is however difficult to estimate how sustainable the increase in income will be in the long term. A further **£50k** is proposed from a review of the fees charged within Building Control which are being looked at across Greater Manchester.

Strategic Housing

- 6.18 A saving of **£22k** is expected to be deliverable through the recharging of management overheads in relation to the project team supporting the Joint Venture with the Greater Manchester Pension Fund (Matrix Homes). Further opportunities for savings will be pursued through exploring options around partnerships for investment led schemes and partnering with neighbouring authorities to deliver efficiencies.

Directorate Support

- 6.19 The Directorate Support budget will be reviewed with a proposal to deliver efficiencies of **£29k** within this function in 2016/17.

Neighbourhoods – Big Ticket Items 2016/17

- 6.20 There are a number of big ticket proposals with potential savings of up to **£675k** as set out below:

New Operating Models

- 6.21 An options appraisal is being developed for grounds maintenance via a new delivery model. The proposal in the short term is to initially reconfigure the service to reflect the seasonal nature of the work and to drive efficiencies from the current in-house provision. This proposal is expected to deliver a saving of **£150k** from efficiencies in working practices and developing the model that has been tested over the last 12 months using training programmes. In the medium term it will explore opportunities for collaboration with other Directorates and Partner Organisations and consider the potential for alternative delivery models.

Review of Community Association Grants and Neighbourhood Investment Funds

- 6.22 Whilst there are no savings anticipated against these areas, there is a direct link to work underway which is being led by the Children and Families Directorate to bring separate Voluntary and Community Sector (VCS) funds across the Council together into one single pot. Two sources of VCS related funding sit within Growth and Neighbourhoods - Community Association Grants (which are due to be re-commissioned in April 2016) and the Neighbourhood Investment Fund (formerly known as CASH). Changes to the administration of these grants and how this funding links to strategic priorities are to be considered as part of the work alongside the VCS review.
- 6.23 In the main the Council will be extending existing grant arrangements until the end of March 2017 although this will be conditional on the agreement of refreshed outcomes which align to the Council's strategic priorities. This will include the current arrangement with the VCS infrastructure organisation. It is also proposed that there will be a simplified monitoring process so

organisations receiving funding from more than one source within the Council to submit a single rather than multiple returns.

Further big ticket reductions to the Neighbourhoods Service

- 6.24 Since 2010, neighbourhood-based teams have seen reductions of £28.6m and over 580 staff which has inevitably had a negative impact on services – enforcement, parks, libraries, community safety, street cleansing, grounds maintenance, highways and so on - within neighbourhoods. The integration of Neighbourhood delivery, Neighbourhood regeneration and community and cultural services has enabled further efficiencies of £894k in 2015-17 as part of the design of the new Neighbourhoods Service which significantly reduced management costs and ward co-ordination activities.
- 6.25 Given that the Neighbourhoods Service makes up a significant proportion of the budget for the directorate and recognising the budget position looking ahead, a series of proposals have been included for 2016/17 that equate to a further reduction of **up to £525k** in the overall costs of the Neighbourhoods Service. The approach has not been to take a blanket reduction across all areas, but instead to determine where savings can be made within each area. The savings have a limited impact on the workforce (5 FTE) and mainly include efficiencies and income generation opportunities. The breakdown of the £525k is as follows:

Community Safety, Compliance and Enforcement

- 6.26 This service has been created to deliver a coordinated approach to compliance and enforcement across the City. The team has only recently been recruited to and has not yet had the opportunity to fully develop and implement the vision for the service including addressing the issues around night time enforcement and students.
- 6.27 A saving of **£10k** is proposed through increasing income from Fixed Penalty Notices.

Parks, Leisure and Events

- 6.28 The service has a broad remit to develop the overarching strategy around parks and leisure, increasing participation and linking with the agenda around public health. It is also charged with the delivery of high calibre events across the City that attract global audiences. A key element of the new service is the focus on the generation of income by making best use of the asset base and exploiting the unique opportunities the City offers.
- 6.29 Savings are **£142k** and are as follows:-
- Increased income through additional event sponsorship - **£46k**
 - Re-charging of Business and Campus development posts to associated projects - **£51k**

- The transfer of the two centres which are still directly managed by the Council to an alternate provider. Once the service is transferred the service would be cost neutral - **£45k**

Waste

- 6.30 The waste team has been developed to monitor and manage the contract for waste collection and street cleansing with Biffa, develop and implement innovative strategies to increase recycling and minimise waste and to develop wider relationships across GM, and through the GMWDA, to exploit any opportunities for collaboration.
- 6.31 The proposal involves reducing the contract monitoring function once ICT systems are fully in place, realising **£34k, 1FTE**, in 2016/17.

Public Realm

- 6.32 The Public Realm service encompasses a wide range of services, including Highways, Grounds Maintenance and Arboriculture. These are delivered through a combination of in house and commissioned services. It has responsibility for the maintenance of significant elements of the physical infrastructure across the City.
- 6.33 The proposal for Highways is to generate additional income of **£100k** from improved planning and a more assertive approach to utility companies for highways reinstatements and overstays.
- 6.34 The Arboriculture proposals represent proposed service efficiencies and include:
- Introduction of electronic recording of inspections through the use of mobile technology will facilitate a reduction of **1 FTE** on efficiency grounds saving **£34k** in 2016/17.
 - The creation of a stand alone Grounds Maintenance team following the transfer of street cleansing has led to a more focussed service with a greater skill base. As such a proportion of the work undertaken by the Arboriculture team could be transferred to Grounds maintenance releasing a saving of **£95k** in 2016/17 with a reduction of **3 FTE**.
- 6.35 Reductions to the play repair budget of **£30k** are proposed as a result of the agreed significant recent investment in new equipment from Clean City.

Implementation of the Commercial Strategy

- 6.36 A commercial strategy considering the use of assets and opportunities across the Directorate has now been developed. In the first instance the income generated will offset the existing pressure in respect of Heaton Park. The strategy will consider all the assets across the Directorate and how they can be best utilised to generate income, reduce service delivery costs and benefit neighbourhoods. Budget proposals reflect savings of **£80k**.

Neighbourhoods – Other Savings

Community Safety (Mediation)

- 6.37 The proposals in this areas offer potential savings of **£50k** (2 FTE) from the implementation of a new delivery model for the service.

7 Investment Proposals and Pressures

- 7.1 The reserve set aside for Street Lighting PFI will be fully utilised in 2016/17. Additional investment of £1m is required to meet the anticipated unitary charge.
- 7.2 The Directorate is working to continue to expand and improve commercial activities, particularly within Parks, to mitigate the £350k one off budget support that was provided in 2015/16. A detailed strategic plan for Heaton Park has been developed and begun to be implemented which will enable a tapering of the current financial support. It is currently forecast that the requirement will reduce to £239k in 2016/17.
- 7.3 There is also an additional investment of £900k required due to the increased amount of waste disposal now taking place with an alternative provider, as a result of a split of the passageway clearance activities.
- 7.4 The investment requirements are listed in Appendix 3 and include items already agreed as part of the 2015-17 budget as well as the additional investments from 2016/17.

8 Technological Support to Implement Changes

- 8.1 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. This will continue the need to develop how technology and systems are utilised to deliver further savings and efficiencies, which will involve both internal City Council systems and those of its partners. This will require a continuation of the ICT transformation journey and implementation of the operating model which will ensure delivery of the infrastructure and stabilisation agenda.
- 8.2 A successful ICT function will underpin all change across the Growth and Neighbourhoods directorate and beyond and create the conditions for growth through stability, enabling change and greater integration at all levels.
- 8.3 ICT will work closely with services in order to support the strategic priorities of the directorate: creating growth, place and access to jobs for Manchester people. Major areas of ICT activity include providing support for the integration of Neighbourhood Services, improving the efficiency of waste collection and street cleansing through the provision of improved intelligence,

and supporting the estates rationalisation and transformation programme. ICT will play a vital role in helping to maximise opportunities for collaboration with partners, to increase income generation and investment, to optimise use of resources and to develop new ways of working through improved use of technology and data provision which will enable the directorate to achieve its objectives.

- 8.4 The ICT requirements for the organisation do not stand still and there will be other priorities to be addressed throughout 2016/17. There will be a continued focus on maintaining availability of all key applications and back up facilities to ensure availability, business continuity and resilience. ICT will also be continuing its programme of infrastructure stabilisation and transformation. Major projects include providing a new collaboration platform, a new Citrix environment and completing compliance activity. This will provide the platform upon which services can adopt new and more efficient ways of working.

9 Strengths-based approach and the Voluntary Sector

- 9.1 In line with the draft Manchester Strategy many of the proposals are based on a very different relationship between public services, citizens, residents, and businesses, with all working together to ensure the city's success. The council has started to develop a corporate framework for what this means for the organisation – shaping how the council will develop different relationships with Manchester people, businesses and VCS groups – drawing on learning from the innovative Wigan Deal programme as well as Manchester's own programmes like Age Friendly Manchester, its Behaviour Change programme and the Good Week pilot for younger adults with SEN. The intention, however, is to have a shared framework across partners including local communities, businesses and the VCS as well as public service partners.
- 9.2 This new relationship will include a number of different elements – developing new approaches for how public services engage and empower local communities, encouraging new behaviours and attitudes among all partners in the city, improving the social and physical connectivity of the city, to name a few. It will be underpinned by a set of common principles, supporting a new strengths-based approach to working.
- 9.3 Corporately, the council has identified a number of cross-cutting themes to help drive forward this work and ensure proposals are coordinated. These include core themes around investment and funding, development of community links, workforce development, reform of assessment and referral and evaluation, to ensure what we do has real impact.
- 9.4 The role of the VCS is central to this work and the council is developing a proposed new model for the VCS to maximise return on investment and reach. This is in the very earliest stage of development. The new delivery model would include an investment fund for neighbourhoods, aligned with the neighbourhood based approach for the integration of health and social care and Early Help hubs. This would be supported by an infrastructure body charged with growing and managing community assets. The new delivery

model would ensure that VCS provision can better connect to statutory providers and ensure each area has fair access to a range of community facilities, activities and opportunities for residents, including those with a Learning Disability.

10 Impact on Residents, Communities and Customers

- 10.1 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.
- 10.2 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.

11 Workforce Impact

- 11.1 The savings already approved for 2016/17 from last year's budget strategy resulted in a net workforce reduction of circa 21 FTE in 2016/17, which have been achieved through the re-design of the Neighbourhoods Service. The current FTE number for the Directorate is 1,247. The additional savings proposals for 2016/17 will reduce staff by a further 7 FTE.
- 11.2 There are some proposals that refer to the exploration and implementation of new delivery models (Grounds Maintenance and Mediation). 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 organisation.
- 11.3 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 1a
Summary 2015-17 (Net Budget)

Service Area	2015/16 Net Budget 2015/16 £000's	2016/17			
		Growth and other Budget Changes £000's	Savings Approved as part of 2015/17 budget strategy £000's	New Proposed Savings £'000's	Net Budget 2016/17 £000's
Neighbourhoods - Commissioning and Delivery	77,682	(933)	(1,500)	(665)	74,584
Neighbourhoods - Compliance and Enforcement	6,012	0	0	(60)	5,952
Neighbourhoods - Libraries, Galleries and Culture	10,490	0	(225)	(218)	10,047
Neighbourhoods - Area Teams	2,926	0	(838)	0	2,088
Work and Skills	1,136	0	0	0	1,136
City Centre Regeneration	397	0	0	0	397
Policy, Partnerships and Research	2,106	0		(45)	2,061
Planning, Building Control and Licensing	141	0	0	(450)	(309)
Property - Operational	20,187	0	(450)	0	19,737
Property - Investment Estate	(13,715)	0	0	(750)	(14,465)
Capital Projects and Technical Services	(71)	0	0	0	(71)
Strategic Development	84	0	0	0	84
Strategic Housing	884	0	0	(22)	862
Directorate Support	457	0	0	(29)	428
Democratic Core	35	0	0	0	35
Total	108,751	(933)	(3,013)	(2,239)	102,566

Appendix 1b
Budget (Gross, Net) and FTE by Service 2015-17

Service Area	2015/16			2016/17		
	Gross Budget £,000	Net Budget £,000	Budgeted Posts (FTE)	Gross Budget £,000	Net Budget £,000	Budgeted Posts (FTE)
Neighbourhoods - Commissioning and Delivery	94,518	77,682	797	91,420	74,584	769
Neighbourhoods - Compliance and Enforcement	8,978	6,012				
Neighbourhoods - Libraries, Galleries and Culture	14,846	10,490				
Neighbourhoods - Area Teams	8,132	2,926				
Work and Skills	1,243	1,136				
City Centre Regeneration	637	397	6	637	397	6
Policy, Partnerships and Research	5,722	2,106	58	5,677	2,061	58
Planning, Building Control and Licensing	6,341	141	126	5,891	(309)	126
Property - Operational	21,889	20,187	47	21,439	19,737	47
Property - Investment Estate	4,634	(13,715)		3,884	(14,465)	
Capital Projects and Technical Services	958	(71)	145	958	(71)	145
Strategic Development	2,126	84	34	2,126	84	34
Strategic Housing	884	884	16	862	862	16
Directorate Support	13,140	457	18	13,111	428	18
Democratic Core	35	35	0	35	35	0
Total	184,083	108,751	1,247	177,898	102,566	1,219

Appendix 1c
Budget Analysis – Subjective Headings

Subjective Heading	2015-2016 Budget £,000	2016-2017 Indicative Budget £,000
Expenditure:		
Employees	51,879	51,041
Running Expenses	137,661	132,437
Capital Financing Costs	1,191	1,191
Contribution to reserves	1,568	1,676
Total Subjective Expenditure	192,299	186,345
Less:		
Other Internal sales	(17,407)	(17,407)
Gross Expenditure	174,892	168,938
Income:		
Government Grants	(4,063)	(4,063)
Contributions from Reserves	(17,423)	(17,654)
Other Grants Reimbursements and Contributions	(5,046)	(5,174)
Customer and Client Receipts	(38,657)	(38,529)
Other Income	(952)	(952)
Total Net Budget	108,751	102,566

Appendix 2a

Growth and Neighbourhoods 2016/17 Savings Approved as part of 2015-17 Budget Strategy

Service Area	Already Agreed Savings £000's
Growth	
Strategic Development - Rationalisation of the operational property estate	450
Total Growth	450
Neighbourhoods Service	
Neighbourhoods – Area Teams -Integration of Neighbourhood Functions Across the Directorate	838
Neighbourhoods - Commissioning and Delivery - Increase food waste and other recycling to help reduce the Waste Disposal Levy - Increased Efficiency from waste collection and street cleansing contract	1,100 400
Neighbourhoods – Libraries, Galleries and Culture - Review grant funding to organisations - Efficiencies from the GM library management system	200 25
Total Neighbourhoods Service	2,563
TOTAL	3,013

Appendix 2b
Schedule of Proposed Savings 2016/17

Description of Saving	RAG Deliverability	RAG Impact	Saving Proposal 2016/17	FTE Impact (Indicative)
			£000	
Section 1- GROWTH - BIG Ticket				
STRATEGIC DEVELOPMENT				
Investment Estate opportunities. Maximise opportunities to enhance income	Green	Green	750	
CULTURE AND SPORTS EVENTS				
Review and refocus Cultural Grants	Amber	Amber	93	
Review Sports Events Programme	Amber	Red	125	
TOTAL GROWTH BIG TICKET			968	0.0
Section 1- GROWTH - OTHER				
POLICY PARTNERSHIPS AND RESEARCH				
Review all subscriptions	Green	Amber	45	
PLANNING, BUILDING CONTROL AND LICENSING				
Opportunities for increased income through additional activity in Planning – Increased income from greater number of planning applications due to strengthening market conditions	Green	Green	400	
Consider fee increases within Building Control and consider business model opportunities from the Localism Act	Amber	Green	50	
STRATEGIC HOUSING				
Generating external funding for the Matrix Homes development team	Green	Green	22	

Description of Saving	RAG Deliverability	RAG Impact	Saving Proposal 2016/17	FTE Impact (Indicative)
			£000	
DIRECTORATE SUPPORT				
Efficiencies in Directorate Support Budgets	Green	Green	29	
TOTAL GROWTH OTHER			546	0.0
Section 2- NEIGHBOURHOODS - BIG TICKET				
NEW OPERATING MODELS				
Develop a new operating model for grounds maintenance	Amber	Green	150	
COMPLIANCE AND COMMUNITY SAFETY				
Increased income from Fixed Penalty Notices relating to littering offences	Amber	Amber	10	
PARKS, LEISURE AND EVENTS				
Increased sponsorship income from Events	Amber	Amber	46	
Transfer Debdale and Active Lifestyles Centre to alternate provider	Amber	Amber	45	
Recharge costs of Business and Campus development posts to projects	Amber	Amber	51	
WASTE				
Reduction of contract monitoring function within the waste team	Amber	Amber	34	1.0
PUBLIC REALM				
Electronic recording of inspections in Arbor	Amber	Amber	34	1.0
Efficiencies between Arbor and Grounds Maintenance	Amber	Amber	95	3.0
Increased income from Highways charging – More assertive approach to fining utility companies for overstays and substandard highways reinstatements	Amber	Amber	100	

Description of Saving	RAG Deliverability	RAG Impact	Saving Proposal 2016/17	FTE Impact (Indicative)
			£000	
Reduction in the Play repair budget	Amber	Amber	30	
COMMERCIAL STRATEGY				
Commercial Strategy	Amber	Green	80	
TOTAL NEIGHBOURHOODS BIG TICKET			675	5.0
Section 2- NEIGHBOURHOODS - OTHER				
NEIGHBOURHOODS SERVICE				
MEDIATION				
Mediation – Develop a new delivery model for the Mediation Service.	Green	Green	50	2.0
TOTAL NEIGHBOURHOODS OTHER			50	2.0
TOTAL BIG TICKET			1,643	5.0
TOTAL OTHER			596	2.0
Grand Total Growth and Neighbourhoods			2,239	7.0

Appendix 3
Schedule of Growth Bids and Budget Pressures 2016/17

Additional Funding	Purpose	2016/17 £'000	FTE Impact
Pressures included in the 2015-17 budget process:			
Street Lighting	This is required to fund the unitary charge of the PFI as the PFI Reserve funding will end in 2016/17.	1,000	
Removal of time limited support for Heaton Park (£350k)	One off budget support that was provided in 2015/16 and which will be removed from 2016/17.	(350)	
Pressures 2016/17:			
Directorate Pressures			
Heaton Park income target taper	The Directorate is working to continue to expand and improve income generating activities, particularly within Parks, to mitigate the £350k one off budget support that was provided in 2015/16. A detailed strategic plan for Heaton Park has been developed and begun to be implemented which will enable a tapering of the current financial support. It is currently forecast that the requirement will reduce to £239k in 2016/17.	239	
Waste Disposal Costs	Amount is required due to the increased waste disposed of at alternative provider as a result of a split of the passageway clearance activities.	900	
Growth and Neighbourhoods Total Additional Funding		1,789	0