
**Manchester City Council
Report for Information**

Report to: Resources and Governance Scrutiny Committee –
8 December 2016

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

Report of: The City Treasurer, Deputy Chief Executive (People, Policy and
Reform), the City Solicitor and Chief Information Officer

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 – Corporate Core
- Appendix 2 Directorate Budget Report – Strategic Development
- Appendix 3 Directorate Budget Report Extract – Growth and Neighbourhoods

Further Information

- Appendix 4 Budget Option for Legal Services - Prosecutions
- Appendix 5 The Council's Welfare Provision Scheme and Foodbank Funding
- Appendix 6 Budget Option for ICT – Further Information
- Appendix 7 HR Policies Budget Option and Collaboration
- Appendix 8 Combined Authority and AGMA Budget
- Appendix 9 Work of the Performance, Research and Intelligence, Policy, Partnerships and Research and Reform and Innovation Teams
- Appendix 10 Budget Options for Bereavement Services and Markets
- Appendix 11 Strategic Development Staffing Reduction Budget Option

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 Corporate Core Directorate Report, the Strategic Development Report (for Corporate Property) as well as those options in the Growth and Neighbourhoods Directorate Report which relate to Business Units (and therefore fall within this Committee's remit as income generating services). 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:
- the financial implications of the option to reduce proactive prosecutions
 - the Welfare Provision Scheme
 - the capacity for ICT to support services to realise savings
 - savings options to streamline HR policies and to include consideration of the potential for working in collaboration with other local authorities
 - Funding for AGMA and the GM Combined Authority

- the work of the Performance Research and Intelligence (PRI), Reform and Innovation, and the Policy, Partnerships and Research Teams, including detail of any posts part-funded by other organisations.
 - Options for Harpurhey and Wythenshawe Markets and the Bereavement Service
 - Staff savings options for the Strategic Development and the impact on capacity to support growth
- 3.2 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.
- 3.3 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.
- 3.4 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 in mid 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
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
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: Corporate Core Directorate Budget and Savings Options 2017 - 20

Report of: Chief Executive, Deputy Chief Executive (People, Policy and Reform), City Treasurer, City Solicitor, Chief Information Officer and Interim Director of Highways

Summary

This report provides a high level overview of the priorities for the Corporate Core, outcome of the recent Budget Conversation in relation to the Core and development of a medium term financial plan and savings options totalling £14.188m for the period 2017/18 – 2019/20. The report shows how the Core will work with other Directorates and with partners to make progress towards the vision for Manchester as set out in the Manchester Strategy.

Recommendations

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	Maintaining growth in order to continue developing the City's trading relationships, making the case for investment in infrastructure and housing growth and the Northern Powerhouse, leading devolution negotiations and local government finance localisation opportunities and the Council's response to EU exit process with government.
A highly skilled city: world class and home grown talent sustaining the city's economic success	Lead on key programmes of reform such as work and health, providing support and responding to the continuing changes to the welfare reform agenda.
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	Drive leadership for reform, health integration and support for the delivery of all Council strategic priorities. Lead changes to the organisation to deliver Our Manchester through improved and more consistent management, engagement of staff and lean fit for purpose systems supported through ICT investment.

A liveable and low carbon city: a destination of choice to live, visit, work	Effective utilisation of the highways network and prioritisation of investment in low carbon initiatives
A connected city: world class infrastructure and connectivity to drive growth	Focus on the ICT infrastructure and resilience to deliver future efficiencies, enable improved ways of working and support devolution, health and social care integration and the changing shape of back office support for Manchester and other GM authorities.

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 Corporate Core budget of £14.188m over the period 2017/18 to 2019/20.

Financial Consequences – Capital

The report refers to 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 above.

1.0 Introduction

- 1.1 This report is part of the development of a medium financial plan for the Corporate Core based on the City Council's current financial assumptions covering the four-year period 2016/17 to 2019/20. The report provides savings options totalling £14.188m from the Corporate Core's net revenue budget of £75.620m.
- 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 Core's strategic vision and objectives and feedback 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 Corporate Core

- 2.1 The role of the Core is to provide strategic leadership to drive delivery of the Our Manchester Strategy ambitions, sustain growth across the city, better connect residents to that growth, create attractive places to live work and visit, and reduce the costly demands placed on public services. The Core needs to change the way the Council works, to create new ideas and new relationships, change our leadership and our behaviours, our processes and systems.
- 2.2 As well as driving change, the Core supports the rest of the organisation through Human Resources and Organisational Development (HR/OD), ICT, Finance, Legal, Communications and other services. The Core also delivers a range of services directly to residents including revenues and benefits, customer services and registrars. The Strategic Business Partner ensures there are effective working relationships between core support functions and Council services.

People, Policy and Reform

- 2.3 Human Resources and Organisational Development, Reform and Innovation and Policy, Partnerships and Research have been brought together under the leadership of the Deputy Chief Executive (People, Policy and Reform). This will enable a stronger connection between economic and social policy underpinned by a first class HR/OD set of functions. Through drawing these service areas together and developing a set of shared priorities, the Council will be able to drive growth and reform in the City and across Greater Manchester (GM) at greater pace and scale.
- 2.4 Reform and Innovation (R&I) are driving a challenging agenda including support for the Our Manchester way of working, Children's improvement, Health and Social Care integration, the integration of reform programmes, and elements of devolution to GM – increasingly moving into implementation of reform.

- 2.5 Policy, Partnerships and Research (PPR) are supporting the implementation of the Our Manchester Strategy. They are driving the development of the next GM Strategy, including the Spatial Framework, the Transport Strategy, the Northern Powerhouse and the Core Cities agenda. They are working with R&I on the implications of Brexit and on Family Poverty. PPR also lead on cultural and environmental policy.
- 2.6 HR/OD will be critical to the delivery of Our Manchester, and providing the framework and tools to enable our leaders and managers to be consistently good. Through this work we will collectively change the way in which we work to deliver improved outcomes and benefits for our workforce and the people of Manchester. Following an independent review of strategic and transactional HR/OD activity there is an emerging HR/OD Improvement Programme that cuts across both HR and the Shared Service Centre which is expected to deliver significant benefits.

ICT

- 2.7 Led by the Chief Information Officer, ICT manages the network, computers and systems that support Council services and directs technology development and ICT project management. The team work alongside the rest of the Council to determine the strategic priorities and associated dependencies on ICT. As the Council changes in line with Our Manchester principles and transforms to deliver streamline and simple process and systems the scale of investment in ICT perspective will inevitably increase.

City Solicitor's

- 2.8 The City Solicitor's division hosts Legal Services which ensures that the Council operates within the law and provides a legal service to all Council departments, Salford City Council and the Greater Manchester Combined Authority (GMCA). The legal framework in which the Council operates has become increasingly complex over the last five years as a result of changes in legislation, public service reform and the devolution of powers. The scale and complexity of legal work will increase as more powers are devolved to local government, the scale and pace of Health and Social Care integration increases and the GMCA transitions into new arrangements from April 2017.
- 2.9 In addition to providing a legal service to both Manchester and Salford City Council the City Solicitor is the Monitoring Officer for the Council and GMCA and the Deputy City Solicitor supports the Monitoring Officer for the Police and Crime Commissioner. Over the last few years the scale of collaboration and partnership working across legal services has grown significantly which has enabled a significant amount of legal work to be undertaken 'in house' at a lower cost and increased quality, as well as providing both value for money and improved outcomes.
- 2.10 The Division also includes Democratic and Statutory Services, which runs elections and supports decision-making and scrutiny within the Council, as well as the Executive Office which provides professional support to elected

members in their roles as decision makers and local representatives and support for the Lord Mayor with civic leadership functions. It also includes the Registrars and Coroners Services.

- 2.11 Communications also sits within City Solicitors; the team develop effective communication strategies and campaigns to lead, influence and drive the required behaviours and values for key Council objectives, both public facing and with our employees, whilst safeguarding the Council's reputation in both the online and traditional media.

Corporate Services

- 2.12 Corporate Services includes the Financial Management, Capital Programme and Procurement services. Financial Management interprets government financial requirements and models impact; acts as a critical friend in supporting change and reform, and ensures strategies and processes focus on using resources for the greatest benefit. Capital Programme's are responsible for the development of the strategic capital programme plan to support the growth of the City and physical infrastructure. Procurement ensures value for money in procuring goods and services required by the Council, whilst also promoting, as far as possible, the city's objectives relating to the economy and environment. Capital Programme and Procurement will become an integrated team under the leadership of the City Treasurer enabling a greater alignment between capital and revenue procurement activity and with the capital investment strategy.
- 2.13 A new Integrated Commissioning function will be responsible for leading the integration of commissioning across all public services. This will complement the City's single commissioning function for health and social care. The team, when established will develop a close working relationship with Procurement to collectively drive change and efficiencies and shape the skills that will be required in the future including new types of procurement and commissioning approaches with a more commercial focus.
- 2.14 The division also includes the Audit and Risk Management service which ensures that an effective approach to the Council's risks is taken and encompasses audit, risk, insurance, health and safety and anti-fraud measures. The Shared Service Centre provides 'transactional' support services such as payroll, personnel and training administration, and payments to suppliers. The Shared Service works closely with Human Resources and Organisational Development to deliver a cost effective streamlined service – the team are involved in the HR/OD Improvement Programme which is expected to deliver significant benefits.
- 2.15 Corporate Services also host the Core's customer-facing service areas Revenues and Benefits, and Customer Services. The Revenues and Benefits Service collects Council Tax, Business Rates and other money owed to the Council as well as assessing entitlement and making payments for benefits for those on low incomes. Customer Services provides high quality services to residents, business and partners at the first point of contact across a range of

channels.

Highways

- 2.16 The Council's Highways Service play a major role to support the City Council to manage the growth across the City, whilst securing efficient utilisation of the Highways network and to develop a robust investment strategy aligned to the city's priorities.
- 2.17 The new integrated Highways Service provides the platform for central management and oversight of the City's highways assets. The integrated service seeks to maximise both income and resource allocation, whilst also delivering the most effective service. The service also seeks to ensure flexibility within the system in order to respond to managing immediate, short and long term priorities as well as urgent issues. The creation and implementation of a measurable plan to improve services across the new Highways function is under development. This will refocus the client function for asset management, route management and programme delivery, and ensure that commercial management is a key driver, ensuring compliance with both time and budgetary constraints. This approach will strengthen the leadership and governance arrangements within Highways in order to drive improvements across the Highways system, increasing our capacity to work effectively with partners including Transport for Greater Manchester, developing new ways of working and maximising the impact of available funds.

3.0 Context for the Directorate

- 3.1 Manchester has established a new vision for 2025 through the Our Manchester Strategy to be 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 that feel safe, can aspire, be successful and live well
 - A welcoming atmosphere that's clean, attractive, rich in culture and outward looking.
- 3.2 Over the last five years the Corporate Core has faced significant reductions in Council budgets which have impacted on the size, scale and shape of the Core. At the same time as delivering significant savings the Core has continued to drive leadership for reform, health integration and support for the delivery of all Council strategic priorities. In this context the Core must now redefine its strategic priorities and align its capacity to support the delivery of Our Manchester.

- 3.3 The Core is now on the cusp of major changes, these include the first directly elected GM Mayor and a new relationship between Manchester as the core city and the rest of GM as well as major service changes, for example the continued improvements in Children's Services and the integration of Adult Social Care with Health. The Core will also be instrumental in the delivery of Our Manchester, providing the platform for change both internally and externally.
- 3.4 With the referendum outcome resulting in a decision to leave the European Union (EU) the Core now needs to provide advice and guidance to support the Council, this will include;
- Maintaining growth in order to continue developing the City's trading relationships
 - Continue to make the case for the investment in infrastructure and housing growth including housing associations (HA) and the Northern Powerhouse rail links.
 - Engage residents, partners and other stakeholders with renewed focus on equality of opportunity and the family poverty strategy.
 - Lead the Council's response to the EU exit process and ensure a combined approach to growth and reform.
- 3.5 Our Manchester will change the Council's organisational culture over the next 10 years. The Core must lead this change through :-
- Improved and more consistent management across the whole organisation.
 - much more engaged staff – improved quality of internal and external engagement
 - lean systems making it easier to get things done – significant dependency on IT platforms - can only go so far without this
 - HR/OD will support the culture change of Our Manchester through a new People Strategy
- 3.6 Strategic finance will steer the Council and our partners through further spending reductions and will secure the devolution of business rates
- 3.7 The activities of the Corporate Core contribute both to the Council's objectives and one or more of the four objectives for the Core below.



Drive Leadership and Reform

- 3.8 The Council's available resources have reduced from £640m to around £500m since 2010/11, which has meant the organisation has had to transform to adapt and use its resources more effectively for the people of Manchester. The Council cannot do this alone, and has negotiated with partners new ways of delivering services which promote independence and reduce long-term reliance on the most costly public services. The public service reform programme has developed new investment and evaluation methods that make better use of the total resources for public services in the city. This involves new service models based on the principles of integrating public services across agencies, working with whole families rather than addressing individual, isolated issues, and delivering services proven with robust evidence to be effective.
- 3.9 The directorate is at the forefront of supporting the drive for the integration of Health and Social Care across GM and changes to how services for children will be delivered most effectively across GM linked to the devolution agenda. The establishment of a Single Commissioning Function will deliver efficiency and service improvements for service users and staff. Staff from the Directorate are also leading on the arrangements to support the continuing evolution of the Combined Authority with further devolution powers from 2017 and the appointment of an Elected Mayor. Across the Core, staff have a key role in providing the financial case, performance analysis and technological support to ensure people in Manchester feel the benefit of these new powers through new opportunities for them and their families.
- 3.10 Finally, the core has to be able to support and respond to the continuing changes to the welfare reform agenda and local government finance localisation opportunities, ensuring that local schemes are delivered within

budget and cost effectively and that money due to, and collected by the Council can be maximised. A key area for this will be the ongoing collection of Council Tax due and the changes to how Local Government is funded with the move towards full business rates retention.

Enable the Council to Function Effectively

- 3.11 The Core provides human resources, ICT, legal, finance, performance management, communications, procurement and a range of other crucial support services which allow other Council service areas to focus on delivering services to the highest quality standards. There will be a need to continue to change how technology, systems and data are utilised to deliver further savings and efficiencies; this will involve both internal City Council systems and those of partners. The increased use of automation will not only increase independence and simplify process; it will enable a reduction in the governance and compliance role undertaken within the Core.
- 3.12 Whilst progress has been made in relation to data and the use of data, further improvements are required. The data strategy will come together with the emerging ICT strategy and should be considered in the context of devolution, health and social care integration and the changing shape of back office support for Manchester and other GM authorities. There has been significant investment in the ICT strategy which has started to deliver some positive outcomes. However, continued investment in our ICT infrastructure and resilience is required in order to deliver future efficiencies and enable improved ways of working.
- 3.13 A key enabler for changing the shape of the core will be the development and implementation of improved, simplified business and technology processes to reduce dependency and increase automation and self service. This will involve a review of existing processes, business rules and systems across a range of services, including Finance, HR/OD, Shared Service Centre, Customer Contact Centre and Revenues and Benefits. The outcome will be changes to the internal operation of the Council's most commonly used systems and processes to increase productivity.

Ensure Good Governance and Accountability

- 3.14 The Council is committed to operate in a transparent, fair and accountable way. This means:
- Supporting decision makers to take decisions in accordance with the law, involving communities and based on the best available data and intelligence.
 - Providing essential support to elected Members in their role as elected representatives within their ward.
 - Implementing robust financial management practices that comply with law and regulations and having the right insurance and risk management arrangements in place.
 - Protecting the personal information held about people or businesses, whilst disclosing information that is in the public interest.

- Setting out clearly what the Council is aiming to achieve and how it will do it, through plans and strategies for the city, particularly Our Manchester Strategy.

Deliver High-Quality, Customer-Focused Services and Value for Money

- 3.15 The Corporate Core will deliver, and support others to deliver high quality services that meet the needs of residents, businesses and partners and demonstrate value for money. It will enable quick and easy access to effective digital services whilst focusing on providing support to those most in need.

4.0 Directorate Budget

- 4.1 The Corporate Core 2016/17 gross budget is £397.283m and net budget £75.620m and FTEs of 1,904 across Chief Executives and Corporate Services.

Service Area	2016/17 Gross Budget £,000	2016/17 Net Budget £,000	2016/17 FTE
Chief Executive:			
Highways	32,644	10,589	196.80
ICT	13,002	12,922	164.50
People, Policy and Reform	12,158	11,241	146.30
Legal and Democratic Services	19,862	12,709	384.30
CEX Corporate Items	3,160	3,059	0.00
	80,826	50,520	891.90
Corporate Services:			
Procurement	1,248	988	28.60
Revenue and Benefits	296,343	8,151	353.50
Financial Management	6,754	5,602	168.00
Audit, Risk and Resilience	1,906	1,446	42.00
Performance, Research and Intelligence	3,330	3,270	75.80
Shared Service Centre	2,175	1,728	120.70
Capital Programmes	477	(136)	80.50
Corporate Service - Corporate Items	323	256	0.00
Customer Services	3,901	3,795	142.70
Total Corporate Services	316,457	25,100	1,011.80
Total Corporate Core	397,283	75,620	1,903.70

- 4.2 As part of the 2016/17 budget strategy, there were savings identified with a full year effect of £0.776m across 2017/18 and 2018/19, further detail is shown in the table below.

Service Area	Breakdown of Saving's Proposals Agreed as Part of 2016/17 Budget Strategy.			
	2017/18	2018/19	2019/20	Total
	£,000	£,000	£,000	£,000
Cultural Offer	200	30	0	230
Communications	135	0	0	135
Audit, Risk and Resilience	10	-30	0	-20
Financial Management	24	0	0	24
Corporate Procurement	-43	0	0	-43
Legal Services	50	50	0	100
Corporate Items	350	0	0	350
Grand Total	726	50	0	776

5.0 Budget Priorities

- 5.1 Together with the other Directorates of the Council, the Corporate Core will deliver the shared vision and objectives set out in Our Manchester.
- 5.2 The Core will become more streamlined, efficient and technology based. This will directly impact on how the directorates operate. Improvements delivered via initiatives such as lean systems will improve the customer experience and increase productivity within the Core and other directorates. There will be a review of internal processes to improve productivity and capacity including review of grant administration and programme management. The savings options have sought to minimise budget reductions in 2017/18 that would put at risk delivery of sustainable service improvement and efficiencies in 2018/19 and 2019/20. To create the platform for future efficiencies and service improvement the following work is in development.
- 5.3 The introduction of a new ICT collaboration platform, improved infrastructure and resilience will radically change the way that people work and interact on a daily basis – this will be the start of a transformation journey that spans beyond technology. The ongoing support required from ICT to deliver change through technology should not be underestimated if the Core is to achieve the ambitions and improvements set out within this paper.
- 5.4 The service improvements detailed within this report are all connected to technology, for example improvements within Finance and HR/OD cannot be achieved without the investment of new and/or improved technology. Therefore, the ICT team will play a pivotal role in enabling this change and the delivery of technology to enable service improvements from internal and external customer perspective.
- 5.5 The budget strategy will include an option for investment to improve the highways network through capital investment in longer term preventative works, leading to the Highways asset being greatly improved and ultimately less reactive maintenance spend in 3-5 five years.

6. 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 A common theme emerged from the Budget Conversation in relation to improving transport networks and infrastructure. When asked what was most important to people 'fixing roads, street lights and parking' ranked sixth with transport infrastructure was identified by just under a quarter of respondents. Just under two thirds mentioned public transport and a further 14 percent mentioned cycling infrastructure. Roads and parking were mentioned by 22 percent of respondents.
- 6.3 Public transport was seen as extremely important, being better for the environment and saving time and stress. Roadworks in the city centre were highlighted as a huge inconvenience to residents and commuters, with poor quality roads being less safe and damaging to vehicles.
- 6.4 Having regard to this feedback there are no options being put forward for reductions in highways budgets. There are instead proposals for investment – see 7.2 and 7.3 below. The Council will also continue to use its influence as part of the Combined Authority to secure further investment in the City's transport infrastructure, including improving public transport.
- 6.5 Around 17 percent of comments made negative reference to senior salaries, staff benefits, sick pay etc as being a drain on Council resources.
- 6.6 The feedback from the Budget Conversation is reflected in budget priorities that propose investment in highways and street lighting. Savings options include improvements and efficiencies from back office services through lean systems and ICT investment. There are also options to remove senior strategic posts across the Corporate Core for example in Financial Management, Performance and Reform and Innovation.

7.0 Delivery of Objectives and Savings

- 7.1 The Corporate Core current net budget is £75.620m with a projected underspend of c£3m in 2016/17 after the delivery of savings. Where possible both vacancies and underspends have been captured and built into the savings options set out in this paper.
- 7.2 For the Highways Service there is a growing pressure on the revenue budget from the need for reactive maintenance due to the poor condition of the highways network with underlying projected full year spend for 2016/17 having increased by £0.8m since 2015/16, leading to a pressure of £2m in 2016/17. Capital investment proposals are being developed for the Highways Service and an additional recurrent £2m for highways maintenance has been included in the draft budget for 2017/18. Longer term the investment strategy should reduce the need for reactive spend on pot hole repairs. An additional £200k has also been included to cover the costs of the bridge inspections.

7.3 Investment in the Street Lighting Private Finance Initiative (PFI) will see a reduction in both energy costs and the PFI unitary charge. The savings will not be fully achieved until the three year programme of installations is complete. It was agreed that as part of the 2016/17 budget proposals that an additional £400k will be allowed to meet the current shortfall in budget provision to meet the PFI contract costs.

7.4 It should be noted that many of the options for service improvement and efficiency are dependent on improved ICT functionality and the delivery of the ICT Investment Strategy.

8.0 New Savings Options 2017-20

8.1 New savings options of £14.188m have been identified in Corporate Core. These include service improvements and efficiencies, service reductions from the Core and reducing support to residents currently provided via welfare grants and the Council Tax Support Scheme. The total is summarised in the table below and the options are set out in the following paragraphs and the accompanying savings schedule in Appendix One. The total workforce impact is estimated to be 90 FTE posts.

Type of saving	Amount of Saving Options				FTE Impact (Indicative)
	2017/18	2018/19	2019/20	Total	
	£000	£000	£000	£000	
Efficiency and Improvement					
-Corporate Core	2,251	825	660	3,736	51.5
-Council Tax Collection Rates	2,000	0	0	2,000	0.0
-Cross Directorate	200	750	0	950	0.0
	4,451	1,575	660	6,686	51.5
Service Reductions					
-Corporate Core services	529	682	686	1,897	35.5
-Support to residents	2,605	0	0	2,605	3.4
-Cross Directorate	0	1,500	1,500	3,000	0.0
	3,134	2,182	2,186	7,502	38.9
Total	7,585	3,757	2,846	14,188	90.4

8.2 Whilst there has been a strong focus on developing options based around leaner processes, use of improved technology to reduce the level of resource required due to the severity of the resource reductions and pressures the council is facing options are also being put forward for significant service reductions. These are based on significantly reducing the size of the Corporate Core and refocusing remaining resources on providing:

- The minimum requirements to support the council as a democratic organisation
- Refocus resources on the completion of statutory requirements such as Government returns, the completion of the final accounts and core HR
- Providing a significantly reduced service offer which focuses on areas of high risk only and changing the service in areas such as prosecutions

8.3 ICT

- 8.3.1 The ICT net budget for 2016/17 is £12.922m with 164.5 budgeted FTEs. The service has identified efficiency and improvement savings totalling **£1.150m** - £460k in 2017/18, £520k in 2018/19 and £170k in 2019/20. This would be achieved from efficiencies and investment in ICT over the next three years:
- Reduction in maintenance, licensing and printing costs (£640k)
 - Travel budgets across the Council following implementation of new Collaboration platform (£100k)
 - Deletion of vacant posts following introduction of Information Technology Services Management system (£160k)
 - Reduction in the budget for maintenance and refresh of equipment (£250k)

8.4 People, Policy and Reform

- 8.4.1 The Human Resources and Organisation Development (HR/OD) service has a net budget of £3.473m and 76.3 budgeted FTE. Within the three year budget period the HR/OD Improvement Programme will deliver service improvements. This will focus on increased productivity and efficiencies both cashable and non-cashable within both the service and the wider Council. A case for investment is being worked up as part of the wider investment in ICT strategy to enable smarter ways of working. A shorter term programme is already focussed on implementing recommendations from a transactional service review to create capacity and deliver savings in year one of the budget options. These changes will support a new people strategy, one of the foundations of Our Manchester and have the People Strategy Principles at their centre. The service has identified overall efficiency savings of **£69k** in 2017/18 from deleting one vacant post and reducing the supplies budget.
- 8.4.2 Savings for 2017/18 have been identified of **£200k** from Annual Leave Purchase Scheme agreed in late 2015.
- 8.4.3 Savings from longer term service improvements, or efficiencies cannot be quantified at this stage, and service reductions in the short term whilst delivering immediate savings, would put at risk deliverability of longer term savings. However, there is the option to make immediate savings through service reductions of **£296k** in 2017/18. This would have the risk of reducing direct support to managers and capacity to support complex HR issues, Trade Union relations and policy updates. It will also reduce capacity to manage the Occupational Health contract and support the Health and Wellbeing agenda
- 8.4.4 Policy, Partnership and Research has a net budget of £6.749m and 53 budgeted FTE. Efficiency savings of **£100k** in 2017/18 have been identified

from a reduction of 2.5 FTE. Service reductions of **£350k** and reduction of 8 FTE in 2018/19 could be delivered through a reduction in support, policy and research resource and support to new initiatives and key corporate priorities and there is risk to the capacity to support the growth agenda.

8.4.5 Reform and Innovation has a net budget of £1.019m and 17 budgeted FTEs. The purpose of the service is to drive the scale and pace of reform required in future. The team are a flexible resource supporting the priorities of Executive Members and the Strategic Management Team. The service has identified **£55k** of efficiency savings from staffing, then a further option of incrementally reducing the volume of work delivered through **£50k** savings by 2018/19. Finally there is an option of removing the entire team in 2019/20 which would save a further **£686k** in staff reductions. This final option would remove a substantial element of the central resource to drive reform and integration of reform, and it would also remove dedicated support for Our Manchester, behaviour change, children's improvement programme and other big ticket areas.

8.5 Revised HR Policies and Processes

8.5.1 The organisation's HR policies and processes will need to evolve to support change and take advantage of new opportunities for innovation and collaboration as they emerge.

8.5.2 If streamlining HR policies were to reduce mainstream employment costs by 1.9 per cent around **£3m** would be released. This would need to be phased over the final two years of the budget in 2018/19 and 2019/20 to allow time for the changes to be carefully planned.

8.5.3 At this stage there are no specific changes being proposed to achieve this saving. Instead there is a wish to engage staff and trade unions in exploring how the wider workforce cost could be reduced without further reducing the number of posts. Staff and trade unions are encouraged to make their own suggestions to achieve these wider workforce savings.

8.5.4 No decisions are being made at this time. The need for this option will be reviewed in mid-December when the scale of reductions in the financial settlement from the government is known. Any specific proposals that go forward would then be subject to formal consultation with staff and trade unions.

8.5.5 It should be noted that Manchester City Council has committed to ensuring fair pay, and has set out how it will meet the Manchester Living Wage (MLW). This has been and continues to be a benefit to our lower paid workers who have in the past relied on variable pay to top-up their basic salaries. As the MLW wage increases, the impact on the lower end of the Council's pay structure will need to be addressed.

8.6 Legal and Democratic Services

8.6.1 The net budget for Legal and Demographic Services is £12.709m with budgeted FTEs of 384.3. Efficiency savings of **£325k** have been identified from the following areas

- Hand delivery of Electoral Registration Forms and Poll Cards saving of £20k in 2017/18.
- Review of provision of mortuary services on a Manchester or Greater Manchester basis - investigate alternative means of provision or commissioning by engaging with hospital trusts saving of £55k in 2018/19.
- Electoral Registration Shared Service – explore centralised registration function for cluster of local authorities or at GM level, providing increased resilience and economies of scale saving of £150k in 2018/19.
- As the number of childcare cases reduces in line with changes across health and children's services the number of solicitors required will reduce releasing a saving of £100k in 2019/20.

8.6.2 Further savings of **£155k** in 2017/18 and 2018/19 have been identified which could represent a visible service reductions:

- Reduce business support across City Solicitors through different ways of working creating a saving of £50k in 2017/18.
- A reduction in the proactive prosecutions carried out, such as blue badge, fly tipping etc would reduce the number of matters being referred in to the service, saving would be realised from workforce reductions saving of £25k in 2017/18.
- Introduce statutory minimum requirements for Electoral Registration – single door knock canvass to encourage the resident to return their form, do not register residents on doorstep could deliver saving of £30k in 2017/18.
- Corporate Communications – Further reductions of £38k in 2017/18 and £12k in 2018/19 from further reductions on top of those made in 2016/17 from staffing reductions, impact in service could be mitigated in part by considering options for external charging.

8.7 Corporate Services

8.7.1 Corporate Service has a 2016/17 net budget of £25.100m and 1011.8 budgeted FTEs.

Efficiency - £1.647m

8.7.2 A review of the 2016/17 budget position has been carried out to identify vacancies and any non pay underspends which can be made permanent. In 2017/18 as a result it is proposed to delete two posts in Audit, Risk and Resilience saving **£78k**, a post in Corporate Procurement saving **£54k** and a post in Customer Services saving **£50k**. Further efficiencies of **£67k** can be achieved by reducing by a further post in Corporate Procurement and through the increased income for the service they provide to other local authorities.

8.7.3 Within Financial Management the deletion of six vacant posts including a Head of Finance Post and reducing supplies and services budgets will save

£113k in 2017/18 rising by further **£100k** in 2018/19. Savings could be delivered earlier however this would put at risk delivery of service transformation through a lean systems approach and ICT investment.

- 8.7.4 In Revenues and Benefits New Burdens funding of **£400k** will be used to support the service releasing the equivalent amount in savings. There is also an underspend of £378k in 2016/17 which will release a full year saving of **£448k** in 2017/18. This is a reduction of £200k, 7 FTEs vacancies, through efficiencies and £248k, 8 FTEs vacant posts to be deleted, from transfer of fraud investigation functions to DWP. In the Shared Service Centre it is proposed to delete a further 5 fte vacant posts following service redesign plus additional income of £200k to realise saving of **£322k** for 2017/18. It is also proposed to administer a charge estimated at **£15k** for managing the City Centre Business Improvement District collection of monies.

Service Improvement £3.140m

- 8.7.5 Work is underway across Corporate Services to better align services and enable the full benefits from the Lean Reviews and other service changes to be realised. This includes:
- Moving all residual Financial Exchequer functions into the Shared Service Centre to align all payment services under a single leadership
 - Review of assurance, governance and risk process in the context of lean to deliver a sustainable model, fit for purpose to deliver against priorities and provide an appropriate relevant level of assurance
 - The potential for greater collaborative working across Greater Manchester audit and risk management services
 - The review of Capital Programme Delivery, Procurement and Commissioning to improve delivery and support future savings
- 8.7.6 Further savings of **£390k** in 2019/20 from Financial Management following implementation of outcome from lean systems review which would require ICT investment and significant changes in roles and responsibility across Financial Management, Shared Service Centre and Children and Adults Directorates to deliver. This will bring the total fte reduction from across Financial Management to 16 fte over the three year period.
- 8.7.7 A target to achieve savings of **£750k** from procurement and contract management from 2018/19 has been set. This will be achieved through a review of existing contract spend and contract management arrangements including compliance, delivery and use of contract penalties across the Council.
- 8.7.8 Finally continued strong performance in Council Tax collection will see a further **£2m** additional income from 2017/18.

Service Reductions - £360k

- 8.7.9 In order to help close the budget gap in 2017/18 there are the following options for service reduction:

8.7.10 Savings of **£90k** in 2017/18 and **£270k** in 2018/19 from Performance. These include a mixture of direct reductions in senior capacity and service changes dependent on additional investment in business objects and work with Directorates to improve reporting functionality of systems such as MiCare, Flare and CRM so Directorates could produce their own reports. Capacity for statutory and high priority work would be protected with a reduced service offer for complaints, business priorities and adhoc work. Consideration will be given for a GM model for supporting intelligence, evaluation and performance for some priority areas such as the Reform agenda.

A Reduction in Services to Residents - £2.605m

8.7.11 The **Local Welfare Provision scheme** has a budget of £605k. Two options are available. The first would be to remove the contingency of **£100k** in 2017/18 which in 2016/17 has been used for food banks. A further option would be to cease the scheme altogether from 2017/18 to provide a saving of **£505k**. Other options could be explored to reduce the scheme whilst still offering some form of safety net.

8.7.12 Reducing spend on the Council's **Council Tax Support (CTS) Scheme** by **£2m** for 2017/18 is an option following consultation

8.7.13 In 2013 the government abolished Council Tax Benefit and replaced it with a localised discretionary scheme and reduced the amount of funding to 90% of the current spend. This funding is now part of the overall local government financial settlement and has therefore continued to reduce and is now £23m less than the amount paid out in support and this is estimated to rise to £30m less by 2018/19. The current scheme provides a maximum of 85% of liability for working age residents.

8.7.14 The support offered by other Core Cities and GM Authorities varies considerably but the City Council is at the more generous end of that range. There is scope to increase the minimum charge from 15% to 17.5% or 20% and not be out of step with others. A further option that is used by many authorities is band capping CTS awards. This is where the Council only pays the amount awarded up to a maximum Council Tax band.

8.7.15 A separate report to the Executive sets out the options for consultation to provide savings of £2m in 2017/18.

9.0 Workforce Impact.

9.1 The Corporate Core Directorate currently has 1,904 budgeted FTEs. The workforce impact of the budget options is largely dependant on the options taken forward, as a number of options will deliver workforce efficiencies or longer term service improvements however cannot deliver both. On this basis the potential reduction could be up to 90 FTE posts; this would be a mixture of actual reductions and funded vacancies.

- 9.2 There is a growing requirement to invest in the leadership approach and development and engagement and communication with people, both in response to the outcomes of the b heard survey and in line with the Our Manchester approach. This shift will require a new leadership framework and the tools to provide a platform for improvement along with a shift in our leaders and managers and workforce to embrace the concept of personal responsibility and accountability. These are some of the principles that will inform the new People Strategy.
- 9.3 In line with the context of reform and integration our HR/OD team will become more externally focused. This will enable the Council to be at the centre of developing new approaches to career pathways and developing new routes that cross traditional boundaries
- 9.4 All of the workforce changes will be underpinned by improved technology and more modern effective ways interacting with colleagues and customers.

10. Conclusions and Recommendations

- 10.1 This report has set out high level overview of the priorities to be delivered in the Corporate Core 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 This report is not for contains no decisions. Any equal opportunities implications contained in this report will be addressed through separate and subsequent reports.

(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 – Corporate Core Savings Options

Service Area		Description of Saving	Type of Saving	RAG Deliverability	RAG Impact	2018/19 £,000	2019/20 £,000	Total £,000	FTE Impact (Indicative)
ICT	Revenue savings through reduction in contract costs - data & telephony, mobiles and printing	Efficiency	Amber	Green	150	150		300	
	Staffing reduction following implementation of ITSM	Efficiency	Green	Green	160			160	4.0
	Reduction in maintenance and refresh of ICT equipment	Efficiency	Green	Amber	100	150		250	
	Revenue savings through reduce maintenance/licensing cost following capital investment	Efficiency	Amber	Green		170	170	340	
	Travel reductions across the Council from collaboration technology		Amber	Green	50	50		100	
HROD	Existing vacancy, regrading of vacant G9 and other nonstaff	Efficiency	Green	Green	69			69	1.0
Cross Directorate Employee Related Budgets	Annual leave purchase scheme	Efficiency	Green	Green	200			200	
Policy	Staffing reduction	Efficiency	Green	Amber	100			100	2.5
Reform and Innovation	Staffing reduction, reduction in hours and deletion of time limited posts.	Efficiency	Green	Amber	55			55	1.0
Legal and Democratic Services	Staffing reduction in legal services following planned reduction in Children's caseload	Efficiency	Amber	Amber			100	100	2.0

Service Area	Description of Saving	Type of Saving	RAG Deliverability	RAG Impact	2018/19 £,000	2019/20 £,000	Total £,000	FTE Impact (Indicative)
	Review of provision of mortuary services on a Manchester or Greater Manchester basis.	Collaboration	Amber	Amber	55		55	
	Electoral Registration Shared Service – explore centralised registration function for cluster of local authorities or at GM level, providing increased resilience and economies of scale.	Collaboration	Amber	Amber	150		150	
	Hand delivery of Electoral Registration Forms and Poll Cards	Efficiency	Green	Green	20		20	
Audit, Risk and Resilience	Staffing reduction in audit and risk team	Efficiency	Green	Green	78		78	2.0
Corporate Procurement	Increased external income from sale of procurement services	Income generation	Red	Amber	54		54	
	Staffing reduction	Efficiency	Green	Green	67		67	2.0
Customer Services	Staffing reduction	Efficiency	Green	Green	50		50	1.0
Financial Management	Reduce supplies and services budget, delete vacant posts and reduce valuation budgets	Efficiency	Green	Green	113		113	5.0
	Reduce funding for vacant Head of Finance post following implementation of lean systems	Efficiency	Green	Amber		100	100	1.0

Service Area		Description of Saving	Type of Saving	RAG Deliverability	RAG Impact	2018/19 £,000	2019/20 £,000	Total £,000	FTE Impact (Indicative)
	Lean Systems : Service review and improved efficiency through ICT developments and changes to finance processes	Efficiency	Red	Green			390	390	10.0
Shared Service Centre	Additional income and deletion of five vacancies	Income generation	Green	Green	322			322	5.0
Revenues and Benefits	Staffing reduction from existing vacancies following efficiencies and transfer of functions to Dept Work and Pensions	Efficiency	Green	Green	448			448	15.0
	Implement charge for managing the City Centre Business Improvement District collection of monies	Income generation	Amber	Green	15			15	
	Improve Council Tax collection rates	Income generation	Green	Green	2,000			2,000	
	Utilise New Burdens funding	Efficiency	Green	Amber	400			400	
Cross Directorate Non Employee Related Budgets	Contract savings across all Directorate	Service Reduction	Red	Amber		750		750	
TOTAL IMPROVEMENT AND EFFICIENCY					4,451	1,575	660	6,686	51.5
SERVICE REDUCTIONS									
Human Resources	Reduction in support for complex cases and social work induction and contracts	Service Reduction	Green	Amber	296			296	5.0
Policy	Further staffing reductions from across the team would reduce capacity for delivering growth priorities	Service Reduction	Red	Red		350		350	8.0

Service Area		Description of Saving	Type of Saving	RAG Deliverability	RAG Impact	2018/19 £,000	2019/20 £,000	Total £,000	FTE Impact (Indicative)
Reform and Innovation	As well as the tiered approach above there is the more radical approach which involves taking the whole team out.	Service Reduction	Red	Red		50	686	736	11.0
Legal and Democratic Services	Business Support Review for City Solicitors	Service Reduction	Amber	Amber	50			50	2.0
	Reduction in the number of proactive prosecutions, saving from staffing	Service Reduction	Green	Amber	25			25	0.5
	Statutory minimum requirements for Electoral Registration – single doorknock canvass to encourage the resident to return their form, do not register residents on doorstep	Service Reduction	Green	Amber	30			30	
Communications	Staffing reduction would impact on service delivery	Service Reduction	Amber	Red	38	12		50	1.0
Performance, Research and Intelligence	Continued delivery of statutory requirements with remaining resource focused on priorities with much less capacity for strategic support, analysis, evaluation and demographic modelling work.	Service Reduction	Amber	Red	90	270		360	8.0

Service Area		Description of Saving	Type of Saving	RAG Deliverability	RAG Impact	2018/19 £,000	2019/20 £,000	Total £,000	FTE Impact (Indicative)
Council Tax Support Scheme	Options are being consulted on for the reduction in spend on the Council Tax Support Scheme. These include increasing the top slice up to a maximum of 80% (so residents pay the first 20%) and band capping options.	Service Reduction	Green	Amber	2,000				
Welfare Provision Scheme	Welfare Provision Scheme awards - continues delivery of a scheme to most vulnerable, £100k saving would remove non-recurrent contingency funding used for food banks in 2016/17	Service Reduction	Green	Amber	100			100	
	Cease Welfare Provision Scheme Awards	Service Reduction	Amber	Red	505			505	3.4
Revised HR policy and processes	If streamlining HR policies were to reduce mainstream employment costs by 1.9 per cent around £3m would be released.	Reform	Red	Red		1,500	1,500	3,000	
TOTAL SERVICE REDUCTIONS					3,134	2,182	2,186	7,502	38.9
TOTAL CORPORATE CORE					7,585	3,757	2,846	14,188	90.4

**Manchester City Council
Report for Resolution**

Report to: Executive –19 October 2016

Subject: Strategic Development Directorate Budget and Savings Options
2017 - 20

Report of: Strategic Director Development

Summary

This report provides a high level overview of the priorities to be delivered in the Strategic Development 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 £400k 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.

Recommendations

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 leadership to support, promote and drive the role and continuing growth of the city centre as a major regional, national and international economic driver; as the main focus for employment growth through a strengthening and diversification of its economic base and through the efficient use of land.
A highly skilled city: world class and home grown talent sustaining the city's economic success	Supporting the delivery of a Schools Capital Programme which will provide new and expanded high quality primary and secondary school facilities for a growing population through the identification of suitable sites which can support our wider transformation proposals for neighbourhoods in the city.

A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	Creating places where residents and partners actively demonstrate the principles of Our Manchester
A liveable and low carbon city: a destination of choice to live, visit, work	Actively manage the impact of a growing population and economy to minimise the city's carbon emissions through planning and working with partners across the City to move towards becoming a zero carbon city by 2050.
A connected city: world class infrastructure and connectivity to drive growth	Contribution to population and economic growth by providing an expanded, diverse, high quality housing offer that is attractive, affordable and helps retain economically active residents in the City, ensuring that the growth is in sustainable locations supported by local services, an attractive neighbourhood and the provision of new and enhanced physical and digital infrastructure.

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

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

Financial Consequences – Revenue

The report contains revenue savings options of £400k for the Strategic Development Directorate budget of £6m over the period 2017/18 to 2019/20.

Financial Consequences – Capital

None

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Background documents (available for public inspection):

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

1.0 Introduction

- 1.1 This report is part of the development of a medium financial plan for the Strategic Development Directorate based on the City Council's current financial assumptions covering the period 2017/18 to 2019/20. The report provides savings options totalling £400k from the Strategic Development net revenue budget of £6m.
- 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 Strategic Development Directorate

- 2.1 The Directorate has a pivotal role in securing new commercial development, attracting inward investment and securing employment growth, along with providing leadership to the Council's Housing function and delivering the City Council's Residential Growth Strategy which seeks to underpin the city's economic growth trajectory. The management of the City Council's land and property assets to promote growth is closely aligned with the management of the City Council's operational and investment estates.
- 2.2 Services within the directorate make a significant contribution to the delivery of the Manchester Strategy in respect of a number of priority outcomes. The Strategy proposes to create a City
- With a competitive, dynamic and sustainable economy;
 - With distinctive strengths in science, advanced manufacturing, culture, creative and digital business, cultivating and encouraging new ideas;
 - With highly skilled, enterprising and industrious people;
 - That is connected, internationally and within the UK;
 - That plays its full part in limiting the impacts of climate change;
 - Where residents from all backgrounds feel safe, can aspire, succeed and live well; and
 - That is clean, attractive, culturally rich, outward looking and welcoming

3.0 Context for the Directorate

- 3.1 The challenge for the future is to drive transformation of the city, to define Manchester as an attractive place to live and further improve the quality of life for all residents and increase their overall social and economic prospects, and enable them to participate fully in the life of the city. Within this context the Directorate will seek:

- to support, promote and drive the role and continuing growth of the city centre as a major regional, national and international economic driver; as the main focus for employment growth through a strengthening and diversification of its economic base and through the efficient use of land.
 - to support investment in transport infrastructure which will lay the foundations to capture new commercial and residential growth opportunities over the next ten to fifteen years;
 - to provide an expanded, diverse, high quality housing offer that is attractive to and helps retain economically active residents in the city, ensuring that the growth is in sustainable locations supported by local services and the public transport infrastructure.
 - To support the delivery of a Schools Capital Programme which will provide new and expanded high quality primary and secondary school facilities for a growing population through the identification of suitable sites which can support our wider transformation proposals for neighbourhoods in the city;
 - to underpin the transformation of the city's district centres with appropriate retail, amenities and public service offer; and
 - to promote investment to secure an internationally competitive cultural and sporting offer and sustaining core lifestyle assets such as parks, leisure facilities and libraries within the City.
- 3.2 Over the next three year's the following areas of activity will frame the Directorate's core priorities.
- 3.3 Delivering a wide range of complex commercial and residential led mixed use developments within the city centre which are currently being progressed, these include amongst others:
- St Johns with Allied London including "Factory";
 - St Michaels with the Jacksons Row Development Partnership;
 - First Street with ASK / Patrizia UK;
 - NOMA with the Co-op/Hermes;
 - Northern Quarter with Ician;
 - Piccadilly Basin with Town Centre Securities;
 - Manchester Central with ASK / Patrizia;
 - Mayfield with U&I;
 - Circle Square with Bruntwood;
 - Oxford Road Station with Bruntwood; and
 - Great Jackson Street with Renaker.
- 3.4 In addition to the above schemes there are new initiatives being shaped as part of planning for the city centre's future growth, these include the Piccadilly Station environs to accommodate High Speed 2 (HS2) and Northern Powerhouse Rail.
- 3.5 Extending eastwards and northwards out of the City Centre two major regeneration opportunities are now being progressed:

- The Eastern Gateway including: Ancoats; New Islington; Holt Town and the Lower Medlock Valley out to the Etihad Campus provides the city with the capacity to create a number of significant new residential led mixed use neighbourhoods. The Campus itself is a major commercial development opportunity which will help define and frame the nature of the development profile along the corridor between the Etihad Stadium, Holt Town and New Islington. Our Partnership with the Abu Dhabi United Group (ADUG) is central to driving these opportunities forward.
 - The Northern Gateway stretching northwards from NOMA into the Irk Valley and from New Cross northwards to Collyhurst. Similar to the Eastern Gateway this area provides the city with the capacity to create a number of significant new residential led mixed use neighbourhoods. At present we are currently in the market to secure an investor partner who, like ADUG can play a central role in driving forward the transformation and growth of this part of the city.
- 3.6 Outside of the City Centre and the Northern and Eastern Gateways commercial led mixed use development opportunities will focus on a limited number of locations where we will have a direct land ownership interest: Central Park; the Airport City Enterprise Zone; Siemens; Wythenshawe Town Centre; and Harpurhey District Centre / Moston Lane. Growth and expansion of the three City Council owned digital assets (The Sharp Project, The Space Project and One Central Park) will continue to be supported. Residential led / mixed use development opportunities will focus on managing existing development agreements and partnerships such as the three Housing PFI Schemes; the transformation of the West Gorton estate; the transformation of the Ben Street area
- 3.7 Other commercial and residential development opportunities will arise where we have no direct land interest – in these instances we will revert to enabling such opportunities where they support our city ambitions. In the short term this would include working with MMU and the Manchester College on the disposal of their surplus estate plus working with Greater Manchester Pension Fund on the development of key assets such as Chorlton District Centre.
- 3.8 In addition to supporting the commercial and residential growth activities set out above the Directorate also has responsibility for managing the City Council's Investment Estate. The Investment portfolio comprises around 4,300 separate interests. The majority of these are peppercorn and income producing ground lease interests but the Council also manages a number of commercial and retail premises and managed buildings. These assets play a key role in helping transform the city as a key driver of the growth and place making agenda whilst at the same time playing an important role in the generation of rental income and capital receipts. The most valuable asset in the Council's estate is Manchester Airport, where the Council has a 58% share of income from the T1 and T2 leases and 100% interest in a separate lease with the Manchester Airport Group. The investment estate generates budgeted net income of £14.457m per annum derived primarily from rents but

also includes fees for the release of restrictive covenants and easements, licences for the short term use of land and property, and interest on investments.

3.9 The management of the City Council's Operational Estate and the delivery of FM services is now aligned with our workforce and IT strategies in order to ensure the efficient use of that asset base in a manner that underpins the delivery of our and other public services. The development of the four year Operational Estates Plan is key to this approach.

4.0 Strategic Development Directorate Vision and Objectives

Objectives

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

- A Thriving and Sustainable City– with great jobs and the businesses to create them
- Highly Skilled – full of talent both home grown and from around the world
- Progressive and equitable – a fair city where everyone has an equal chance to contribute and to benefit
- Liveable and low carbon – a great place to live with a good quality of life: a clean, green and safe city
- Connected - both physically, with world class transport, and digitally, with brilliant broadband.

4.2 In addition to the vision for Manchester, Our Manchester also 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.

4.3 The Growth & Neighbourhoods and Strategic Development Directorates serve the entire population of Manchester: some 560,000 Mancunians, its 20,000 businesses, communities and 994,000 overseas visitors. We have a pivotal role in securing the social, physical and economic future of the City and responsibility for driving residential and economic growth. This includes the development of opportunities to raise skill levels and creation of employment opportunities; the delivery of residential, commercial and cultural development; as well as ensuring that the City is clean and green, well maintained and safe and that residents take pride in their surroundings. Cultural and sporting excellence is at the heart of the growth agenda and will continue to be a major regeneration catalyst, maintaining Manchester's international profile through examples such as Manchester International Festival and of course football,

whilst at the same time bringing significant community benefits to our residents.

4.4 Resident and partner engagement and empowerment will underpin this work and will be a critical part of delivering the sustainable behavioural change Our Manchester requires to effectively support neighbourhoods and manage future services.

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

4.5.1 **Creating Growth**

- The continuing growth of the city centre as a major regional, national and international economic driver; ensuring growth through efficient use of land for development opportunities, such as: the Airport City Enterprise Zone; the Siemens Princess Road Campus; the eastern gateway and the Etihad Campus; St John's Quarter; and Mayfield. Uphold Manchester's attractiveness as an international investment opportunity to build on the Capital Strategy and innovative models of co-investment in the City's future.
- Utilise the city centre developments coupled with strengthening and diversifying the economic base to drive employment growth. Support businesses to grow and re-invest in Manchester as their City of choice through local recruitment and contributing to social and environmental outcomes.
- Maintain and build confidence in Manchester's reputation as a destination City through the growth and improvement of its retail provision, the opportunities presented by its diverse cultural, sporting and leisure offer, together with its civic functions as a focus for residents and visitors.
- Ensuring residents, neighbourhoods, businesses and goods connect to local, national and international markets. Through working with partners both internally and externally maximise the impact of the provision of new and enhanced physical and digital infrastructure such as High Speed Rail (HS2 and HS3), bus de-regulation, and new walking and cycling infrastructure.
- 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.
- Work with partners to actively manage the impact of a growing population and economy to minimise the city's carbon emissions through planning and working with partners across the City to move towards becoming a zero carbon city by 2050. Adapt our service provision to mitigate the impact of the changing climate.

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

- Maximise employment opportunities for Manchester residents, leveraging, in particular, where the City Council has a strategic development, procurement or commissioning role;
- 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.

4.5.3 Places where people want to live

- Create places where people want to live with good quality housing of different tenures; inclusive neighbourhoods; a good social, economic, cultural offer and environmental infrastructure.
- Support local businesses and residents to maintain and develop thriving district centres with appropriate retail, amenities and public service offer.

4.6 Enablers

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

- Work with partners and other Council Directorates to make best use of the City's total collective public and community assets to support estates transformation and deliver modern efficient services.
- Prioritise and maximise opportunities to collaborate with partners across Greater Manchester to identify new ways of working to increase income generation, investment, develop new funding models and to optimise use of resources. Invest in 'skills for growth' and innovation to support the development of this work.
- Enable the workforce to be more resilient, effective, creative, ambitious and innovative through embedding Our Manchester and developing a culture of trust, honesty and empowerment. Plan for the future workforce, review structures, roles and skills needed for the future organisation and embed the required career pathways and succession plans.
- Increase productivity amongst staff within the directorate through adopting leaner support systems and processes (ICT, HROD, Finance) which enable efficient working. Develop new skills and behaviours required to deliver quality services more efficiently.
- Continue to build relationships, using an Our Manchester approach, through communicating and engaging effectively with all staff, Elected Members and residents ensuring that they are aware of the vision for the City and their role in its successful delivery.
- Be mindful of significant changes beyond our control such as the referendum to leave the European Union and the impact this may have on our partners and residents. Develop robust plans to mitigate the risk of economic

uncertainty building on potential areas of growth through the devolution agreement.

5.0 Strategic Development Directorate Budget

5.1 The Strategic Development Directorate for 2016/17 has a gross budget of £33.490m, net budget of £6.000m and 286.1 FTEs. The current breakdown of the budget and workforce for the Directorate is as follows:-

Business Area	2016/17 Gross Budget £,000	2016/17 Net Budget £,000	2016/17 Budgeted Posts (FTE)
Development	1,297	1,097	20.0
Operational Estate	11,027	8,947	39.0
Facilities Management	13,929	8,971	174.6
Property Rationalisation	150	150	0.0
Investment Estate	4,394	-14,457	27.0
Sharp Project, Space Project, OCP	1,119	4	3.0
Strategic Housing (GF)	1,167	881	17.5
City Centre Regeneration	407	407	5.0
Total Strategic Development	33,490	6,000	286.1

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

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

6.0 Budget Priorities

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

- To embed the principles of Our Manchester into the way services are delivered within our neighbourhoods;
- To secure the delivery of the Planning Frameworks which have been developed across the city centre and in a limited number of areas outside of the city centre that capture very significant commercial and residential growth outcomes;
- To deliver the City Council's Residential Growth Strategy;
- To support work with partners to develop more integrated models for service delivery which can deliver savings through the provision of an integrated estate opportunities;

- To provide a strong, evidenced and coherent strategy, policy and planning framework for the future development and growth of the city;
- For operational and non-operational services that are delivered directly, explore options to determine models of delivery that are cost effective whilst providing a good quality service;
- Maximise income opportunities, through realising the most from our assets as well as reviewing opportunities for charging for services;
- Ensure the right skills and capacity is maintained and developed to enable the City to deliver against its Growth, Place and Skills agenda;
- Explore appropriate opportunities for collaboration across GM, ensuring they continue to provide the right outcomes for the City;
- Maximise the opportunities that Devolution provides for the City in terms of growth, skills and place; and
- Review our internal processes to improve productivity and capacity.

7.0 Budget Conversation – What residents want from our services

- 7.1 This year a Budget Conversation has been launched, this has been 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 can they do to help support or improve it. Whilst the feedback provided through the Budget Conversation focuses primarily on front line services rather than those services delivered by the Strategic Development Directorate there were still important messages from the Conversation about the importance of the priorities of the Directorate.
- 7.2 When asked to rank the services they felt were most important to them residents identified keeping neighbourhoods safe and successful as their fifth priority and regenerating the city, creating jobs and improving skills as their seventh priority. Strategic Development has a key role in developing neighbourhoods of choice and driving the residential and economic growth of the city.

8.0 Delivery of Objectives and Savings

Investment Estate

- 8.1 The composition of the investment estate is not static and changes as land and property is sold and other property is acquired and operational property becomes surplus. The Council is continually considering ways of increasing income from the estate through regular reviews of rents, leases, service charges etc and minimising incidence of vacant properties, to maximise income and capital receipts in the context of the city's priorities.
- 8.2 Although the investment estate has performed well in 2015/16 and is on target for 2016/17, there are financial risks for 2017-20 with the investment estate:
- Potential reduced income from the Arndale due to planned refurbishment work

- A drop in rental income from Wythenshawe Town Centre due to redevelopment works
- Potential reduced airport rental income due to planned redevelopment of terminal 2.

8.3 The Council is in discussions with the owners of the Arndale centre on investment plans. These proposals, if implemented, would have an impact on the Council's income from the asset during and after construction although in the longer term are projected to generate increased income. The drop in rental income from Wythenshawe Town Centre was due to redevelopment works. Plans are progressing for the redevelopment and remodelling of the wider Town Centre. If implemented it could have a short term impact on income but in the longer term would generate increased income. There is the potential of reduced airport rental income due to planned redevelopment of Terminal 2 while the works take place. Discussions with Manchester Airports Group suggest that they will be able to implement these works with only minimal impact on the existing facilities and by good planning the risk can be mitigated. Once the redevelopment has taken place there is likely to be an increase in income as passenger numbers (footfall) are projected to increase and the redevelopment is proposing a net increase in the retail and food and beverage provision.

Strategic Housing and Housing Revenue Account

8.4 The Strategic Housing 2016/17 net budget is £881k which directly funds 17.5 FTEs with a further 26.4 FTEs funded from the Housing Revenue Account. The Housing Revenue Account budget in 2016/17 is £96m funded from rents (£62m), private finance initiative funding (£24m), reserves (£8m) and other income (£2m). Following the announcement in the Chancellor's Summer Budget 2016 that rents for social housing will reduce by 1% per annum over the four year period 2016/17 - 2019/20, the Housing Revenue Account (HRA) will see a significant reduction in its ability to generate income. Work is already ongoing within the Directorate to consider the future requirements and options for social housing in the longer term, however, in the short to medium term savings are required to offset this significant loss of funding and all spending within the HRA will be reviewed with a view to further reductions. Such reductions will include central and specific Directorate recharges which will result in a pressure on the City Council's budgets. The timing of imposing such reductions has yet to be determined but will fall within the three year budget period.

9.0 New Savings Options 2017-20

9.1 Savings options of £400k have been identified to date. The table below summarises the position between service improvements and efficiencies and service reductions. The schedule at Appendix 1 provides further details on each of the savings options.

	Amount of Saving Options
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Strategic Development	2017/18	2018/19	2019/20 +	Total
	£,000	£,000	£,000	£,000
Improvement and efficiency	250	0	0	250
Service Reductions	150	0	0	150
Total Strategic Development	400	0	0	400

9.2 Improvement and efficiency

9.2.1 The Operational Estate and Facilities Management 2016/17 net budget is £17.918m with 213.6 FTEs. The approach to the effective management of the operational estate is to provide a cohesive programme of work to ensure it is fit for purpose, well maintained and provides optimum utilisation for both the Council and partner organisations. This will be achieved through:

- The development and adoption of a five year Estates Strategy
- A five year Carbon Reduction Plan as an integral component of the Estates Strategy.
- An annual estates Asset Management Programme (AMP) which will be defined by stock condition data

9.2.2 The five year Estates Strategy will seek to rationalise those operational property assets that no longer support community or service delivery and to transform those assets that can better support service delivery by ensuring they can be utilised to capacity and provide the necessary facilities for service delivery teams and our partners. The rationalisation and transformation programme as well as the future estates AMP will be informed by stock condition data in order to ensure that the Council effectively prioritises its resources and spend where there is the greatest need in respect of the operational estate. This will require a full appraisal aligned to the Council's future accommodation needs, workforce and ICT strategies and the emerging collaboration and integration opportunities with partners, particularly the integration of health and social care and the development of integrated neighbourhood teams. The outcome of this will enable further savings to be secured from the operational estate and they will be set out within the forthcoming operational estate plan.

9.2.3 The programme of activity will support the efficient delivery of facilities management (FM) through the standardisation of plant and equipment and the provision of a well maintained estate; eventually reducing the demand for reactive repairs and maintenance. The future of FM delivery model requirements will be reviewed with a range of options considered to determine the most appropriate FM service for the Council. The Carbon Reduction Plan will focus on a programme of sustainable technologies to reduce carbon emissions and secure revenue savings where possible and seek to install technologies that will generate electricity and reduce our dependency on the grid as well as securing carbon savings.

9.2.4 At this stage it is proposed that savings of **£250k** in 2018/19 can be realised from the refurbishment of the former Hulme Library and the disposal of the

Claremont Resource Centre. It is envisaged that further rationalisation opportunities will be identified once the stock condition survey has been completed and analysed and the operational estate plan finalised.

9.3 Service Reduction

9.3.1 The Development function has a net budget of £1.097m and 20 FTEs that lead the commercial, cultural and residential growth activities and has responsibility for managing the whole of the Council's investment estate. It is proposed to reduce staff numbers by c 4 FTE, this will realise financial savings of **£150k**. This would significantly reduce the ability to deliver against the City Council's growth agenda.

10.0 **Workforce Impact.**

10.1 The current FTE number for the Directorate is 286.1. Current proposals will result in a net workforce reduction of c 4 FTE over the three year budget period.

10.2 The future of FM delivery model requirements will be reviewed. Depending on the option that is chosen, further impacts on the workforce could be realised if the decision is made to transfer staff to another delivery organisation.

10.3 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.

11.0 **Conclusion and recommendations**

11.1 This report has set out high level overview of the priorities to be delivered in the Strategic Development 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.

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

12. **Key Policies and Considerations**

(a) Equal Opportunities

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

(b) Risk Management

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

(c) Legal Considerations

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

Appendix 1 –Strategic Development 2017/18 - 2019/20 savings options

Service Area	Description of Saving	Type of Saving	RAG Deliverability	RAG Impact	Amount of Saving Options				FTE Impact (Indicative)
					2017/18 £,000	2018/19 £,000	2019/20 £,000	Total £,000	
Efficiencies and Improvements									
Operational Estate and Facilities Management	Refurbishment of the old Hulme Library and the disposal of Westwood St and Claremont Resource Centre. DWP would take out a lease for the whole of the ground floor plus service change. Repairs and Maintenance contract re-tenders	Income Generation	Amber	Green	250			250	-
Total Improvement and Efficiency					250	0	0	250	0.0
Service Reductions									
Strategic Development	Staffing reductions	Service Reduction	Amber	Red	150			150	4.0
Total Service Reductions					150	0	0	150	4.0
Total Strategic Development					400	-	-	400	4.0

**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 Legal Services - Prosecutions

Summary

At the last Resources and Governance Overview and Scrutiny meeting members asked for further details of legal costs awarded to the Council in cases brought to prosecution.

The Council makes an application to recover costs on every prosecution brought in the Magistrates Court. The level of costs applied for varies dependant on the amount of legal work required to prepare the case for Court. Some cases are more complex than others, for example a school prosecution may take longer to prepare and present than a littering matter. Legal services record the time spend on each case and make a submission for costs based on the time spent on the case.

On conviction the Council costs are usually awarded in full but there are occasions when this sum is reduced by the court, for example if the Defendant would suffer severe financial hardship.

The Courts are responsible for collecting the costs awarded in criminal cases, and often individuals are allowed to pay their costs in instalments. Legal services receives a sum of costs monthly from the Court with details of the payments received many of which can relate to cases that are months and years old.

Budget Option

Costs received for all cases (will include cases prosecuted in previous years)

2014	£129,510
2015	£158,673
2016(to end Sept)	£141,563

Costs awarded across littering, school non attendance and blue badge prosecutions per calendar year:

2014	£90,021.38
2015	£99,752.71.
2016 (to 24th Nov)	£101,234.42 (forecast to the end of the year £110,437.54).

As part of its overall budget Legal Services has an income target. For 2016/17 the legal services MCC target is £3,587,385.

Risks and issues

Due to the time lag for payments to be made, as well as the often ad-hoc nature of those payments it is not possible to accurately track what proportion of costs that are awarded to the Council are actually collected by the Court enforcement staff and sent to us, however it is reasonable to assume that any percentage reduction in the numbers of prosecutions taken will result in a commensurate reduction in the amount of costs awarded, and therefore collected.

Subject: The Council's Welfare Provision Scheme and Food Bank Funding

1. Background

The Council's Welfare Provision Scheme has been operational since 2 April 2013. The scheme replaced the DWP's Community Care Grant scheme and Crisis Loan Scheme that were abolished by government at the end of March 2013.

The Council's scheme was set up and agreed with the intention that it would be reviewed as take up, impact and resident reaction was monitored and evaluated and to take into account funding levels agreed by government (specific funding was provided for two years, 2013/14 and 2014/15).

From 2015/16 the government does not provide any specific grant to fund this activity and state that this is included as part of the Council's overall grant funding. Although not required by law to do so, the Council has continued to provide a scheme from Council resources.

2. Budget

The following table shows the budget and spend to date against this scheme.

Although the 2015/16 budget was £500,000, the forecasted amount to spend on grants was £400,000. This is because £100,000 was set aside to fund a food poverty exercise working with charities and third sector organisations within communities. This was launched via elected members in June 2016 with £3,000 being made available to each ward in the city.

Funding	2013/14	2014/15	2015/16	2016/17 (Oct 2016)
Scheme budget	£2,721,885	£2,721,885	£500,000	£500,000
Amount spent	£1,300,000	£2,080,000	£392,232	£213,000 £96,000 (food)

Spend for 2016/17 is based on £400,000 in awards and £100,000 to third sector organisations to support the food poverty agenda in Manchester wards.

Administration in terms of system, overheads and staffing costs is £130k. An important role of the team is not just to award grants but to sign post unsuccessful applicants to other forms of support.

3. Objectives and deliverables of the Council's WPS Scheme

The objectives of the Welfare Provision Scheme are to:

- Support Manchester residents who are vulnerable with their immediate hardship needs, enabling them to live an independent life and to complement (but not replace) other specialist care support provided by the Council;
- Prevent short term, exceptional hardship following a crisis or emergency;

- Prevent homelessness;
- Keep families together;
- Support people to live independently in their own home;
- Encourage and facilitate people to return to work whenever possible;
- Help to alleviate debt and encourage better money management;
- Help those who are trying to help themselves;
- Help people through personal crises and unforeseeable events; and
- Reduce benefit dependency where possible.

The Council currently provides financial support in the form of essential furniture packages and grants to Manchester residents who are suffering financial hardship and:

- Have been subject to an emergency or disaster situation, and are at the point of crisis; or
- Have had to move home due to fear of violence, significant health or care needs or as a result of an emergency or disaster, or as part of a supported or emergency rehousing, and their previous furniture is no longer available; or
- Need additional furniture or equipment to enable them to stay within their current home and maintain independent living; or
- Are in a specific vulnerable group and are in extreme fuel poverty in that they are unable to afford immediate heating costs during the winter months or have been disconnected.

The Council also provides support to residents moving into work but who remain on a low income with the provision of a grant to assist with public transport costs for the first month of employment.

4. 2015/16 activity

4.1 Headline statistics

The tables below show the number of applications, approval rate and awards made by presented reason for support.

Number of Applications	Approved	Declined	Percentage Approved
4,201	1,736	2,465	41%

Reason for application approval	Number Approved	Value of Awards
Moving Home/Resettlement	990	£335,328
Disaster	569	£45,938
Other Reason	125	£8,655
Travel	44	£1,851
Providing Care for Others	8	£460
Total	1,736	£392,232

Further detail on the ward and demographic breakdown of awards and some real case studies of residents in the city that have received support from this scheme in the last financial year are provided in appendix one and two.

In summary, of the 1,736 approved applications 1,040 (60%) were paid to people with no children in the household and 447 (26%) were paid to people under the age of 25.

Of the money paid out, £182,265 (46%) was paid to people with no children in the household and £105,842 (27%) was paid to people under the age of 25. £89,512 (24%) was paid to households with one child and £118,736 (30%) paid to households with two or more children.

The following table shows spend across the grant/goods description.

Goods type	Value of Grants approved
White Goods	£199,825
Beds	£105,837
Bedding	£57,332
Cash Grants	£7,260
Utilities	£21,250
Travel	£495
Furniture	£151
other	£80
Total	£392,232

4.2 Support for people leaving hospital or supported accommodation

A significant amount of this budget, £335,000 of the £392,000 paid, supports people moving into new homes in the city, some of which were moving from hospitals and supported accommodation eg hostels, supported accommodation.

Of 751 applications from people in supported accommodation 683 were awarded to a cost of £246,049. Of the 638 awards, 28 grant payments were made to residents leaving hospital.

The combined weekly housing benefit cost of the 683 applicants before they moved from supported accommodation was £120,155 and the housing benefit cost after the move was £55,154.

Of the 683 cases; 643 received a decrease in Housing Benefit (weekly reduction of £67,343) after their move from supported accommodation, 5 remained on the same HB and 35 cases received an increased HB (weekly increase of £2,341) after their move (24 of the 35 received no HB before the move).

97% (665 cases) of those resettled are living at the address that they were settled into, 2 % are living at another address and 1% cannot be tracked. Of the 97% who have remained in their tenancy; the additional Housing Benefit costs if they had stayed in supported accommodation from the date they were resettled, would have been £2.1m.

Of 36 applications where people were leaving hospital, 28 were awarded to a cost of £6,039. All 28 cases (100%) remain within their own home.

4.3 Declined requests

To be able to manage this finite budget, officers have to carefully appraise awards mindful of the scheme's purpose, eligibility criteria and objectives. All cases are considered on their own merits with officers having discretion to support anomalous situations.

The WPS team take care to avoid making payments where there is an alternative and more suitable source of support and will often refer to other agencies or other parts of the Council. This includes the DWP for households affected by benefit sanctions or the Council's No Recourse to Public Funds (NRPF) team for people or families who are not entitled to mainstream welfare benefits due to their immigration status.

Of the 2,465 declined applications, around 50% are refused because the applicant does not meet the Council's high level eligibility (this includes 5% where the applicant is not a Manchester resident and 4% where they are not in receipt of benefits). A further 44% are signposted to the DWP for consideration under alternative schemes (36% budgeting loans, 7% alignment/advanced payments and 1% hardship payment). As part of our role we would advise the applicant of the specific scheme that they might qualify for, the DWP eligibility criteria and the contact and application route.

In addition to the DWP or other parts of the Council. Officers will refer applicants to the utility companies' hardship schemes, advice agencies and other third sector organisations and charities (including furniture recycling charities). The following list shows the range of signposting and organisations that offer additional support (not exhaustive list).

- Wesley (furniture)
- Mustard Tree (furniture)
- Tree of Life (furniture)
- British Energy Trust (white goods)
- SuperBuy Store (if in particular RSLs for furniture)
- Greater Manchester Energy Advice
- Step Change (debt advice, money advice)
- Mind your Money
- CAB
- Government advice - Debt Advice foundation/Help with Rent/Money Advice Services/National Debt line

If an applicant is not satisfied with the decision we have made we will review our decision. Of the 2,465 declined applications, we received 56 requests for a review and upheld the request in 43 cases. This is usually based on additional information being provided and an increased understanding of the specific circumstances.

4.4 2015/16 Processing Times

90% of applications were assessed and completed with a decision communicated to the applicant within one working day. 99% of applications were processed in seven working days.

5. Using WPS to support food poverty in the city

The Council has now run three annual schemes to provide funds to third sector organisations who work to support residents experiencing food poverty.

In previous years this was £250,000 in 2013/14 and £500,000 in 2014/15. For 2016/17, £100,000 has been set aside from the £500,000 budget.

The schemes in 2014/15 and 2015/16 were based on organisations bidding for funding within agreed criteria.

A summary of the schemes is below and a full list of all the organisations that received funding is attached as appendix three and four.

5.1 2013/14 scheme

As part of this scheme the Council awarded £247,000 to 59, third sector agencies. These were mainly small amounts of money used to provide immediate food provision.

The funding did not provide funding for more strategic schemes and did not provide a lot of support to prevent food poverty, support the worklessness agenda or wider council objectives. However, it was generally well received and supported a lot of organisations with a good spread across the city with a range of different schemes.

5.2 2014/15 scheme

For 2014/15 the Council also agreed to release a further £500,000.

The scope and objectives of the scheme were reviewed and it was determined that the scheme should support more strategic objectives, so that there would be some longer term benefit of the significant funding investment.

The scheme therefore specified a new set of objectives and determined that grant applications had to meet at least one of the following objectives:

- Meeting a specific unmet demand for emergency food in your locality or community;
- Offering emergency food as part of a broader anti-poverty package which supports people to acquire skills and prepare for work;
- Providing emergency food alongside activities that will help people sustain a balanced diet in the longer term, improving health outcomes for individuals and their families;
- Providing services to address some of the longer term causes of food poverty such as by improving cooking and budgeting skills, improving access to affordable, nutritious food, and healthy, community eating opportunities.

As part of this scheme, 58 applications were received requesting total funding of more than £1.5m. The Council was able to fund 19 of the applications at a cost of £498,000. The average award paid out was £26,250. The highest award was £48,896 and the lowest was £5,738.

5.3 2016/17 scheme

For 2016/17 there was a smaller pot of money available to support activity across the whole of the city. Due to welfare reform changes it was determined that all wards in the city had some kind of provision and organisations were working within the communities to support households affected by fuel poverty,

As a result the 2016/17 scheme provided for an amount of money (£3,000) to be made available for each of the 32 wards in the city. Ward members then made nominations for organisation to receive the full £3,000 or a share of the money that had been available for each ward.

This scheme recognises the important role of ward councillors and their understanding of issues affecting their residents and communities. As part of this scheme, the role of members was to ensure that this limited pot of money is spent in the most appropriate way, based on members' knowledge of provision and need in their wards and to ensure that local priorities are taken into account.

All payments have now been processed and £96,000 has been provided to a range of local and grass roots organisations across the city. Full details are provided within appendix five.

6. 2017/18 Savings Options

There are two savings options being considered:

- Remove £100,000 of the £500,000 scheme budget, leaving £400,000 to spend on grants.
- Remove full provision of £500,000 and associated administration costs (£105,000 staff and system overheads).

Removal of the £100,000 would mean that there was no contingency within the scheme and would also mean that the Council would not be able to support third sector organisations if required, for example a further food poverty scheme would not be possible.

Removal of the £500,000 grant provision and administration costs of £105,000 would mean that the Council would not be able to deliver a Welfare Provision Scheme from April 2017.

Appendix one - 1 of 2

Additional data on the Welfare Provision Scheme (based on applications from 1/4/15 to 31/3/16)

Awards

Age/Gender Statistics

Age Range	Female	Male	Total	% of Total
25-34	318	214	532	31%
16-24	323	124	447	26%
35-44	214	172	386	22%
45-54	104	169	273	16%
55-64	31	42	73	4%
65-74	10	10	20	1%
75-84	3	1	4	0%
0-15	0	0	0	0%
85+	0	1	1	0%
Total	1003	733	1736	

Family Make-up Statistics

Number of Children	Female	Male	Total	% of Total
0	398	642	1040	60%
1	299	30	329	19%
2	186	33	219	13%
3	81	17	98	6%
4	23	8	31	2%
5	10	1	11	1%
6	3	1	4	0%
7	3	0	3	0%
8	0	0	0	0%
9	0	0	0	0%
10	0	1	1	0%
Total	1003	733	1736	

Appendix one – 2 of 2

Welfare Provision Scheme spend and approved applications by ward

Ward	Spend	Approved Applications
Ancoats and Clayton	£13,670	50
Ardwick	£17,027	79
Baguley	£15,323	74
Bradford	£27,584	114
Brooklands	£6,412	37
Burnage	£6,543	26
Charlestown	£20,304	66
Cheetham	£13,757	52
Chorlton	£1,728	16
Chorlton Park	£8,343	23
City Centre	£1,260	9
Crumpsall	£9,718	69
Didsbury East	£1,327	7
Didsbury West	£1,085	5
Fallowfield	£3,935	18
Gorton North	£40,038	140
Gorton South	£18,785	74
Harpurhey	£35,184	157
Higher Blackley	£12,295	42
Hulme	£11,284	50
Levenshulme	£5,137	23
Longsight	£5,335	29
Miles Platting and Newton Heath	£24,394	108
Moss Side	£13,471	76
Moston	£13,844	53
Northenden	£14,423	52
Old Moat	£5,204	40
Rusholme	£4,863	39
Sharston	£17,089	67
Whalley Range	£6,411	47
Withington	£2,482	11
Woodhouse Park	£10,174	56
Total	£392,232	1736

The Council received 166 applications for support from people who were not living in the city.

Appendix two

2015/16 Welfare Provision Scheme **Examples of Support**

Examples of support that has been provided includes (real examples, names have been changed):

Janet (26 years old) fled domestic violence with her two young children and was supported by MARAC into supported accommodation. The Housing Connect team working with the Family Intervention Project were able to resettle Janet and her two children but the police were only able to secure a certain amount of furniture for their new accommodation which was unfurnished. The Welfare Provision Scheme were able to provide Janet with a three single beds and bedding packages, a fridge freezer, an electric cooker, a kitchen starter pack and a £30 fuel voucher.

Steven (48 years old) is an alcoholic and suffers from depression and anxiety which cause panic attacks and memory loss. Steven receives regular help from the Community Alcohol team and the Mental Health Team. Due to a relapse Steven ended up in hospital and was unable to return his ESA form leading to a cancellation of his benefits. Because of his vulnerable position the registered provider supported Steven with his benefits and completed the Welfare Provision Scheme application form on Steven's behalf requesting a cash voucher. Steven was awarded a £30 cash voucher as he had spent some time in extreme hardship.

Ethan (31 years old) was starting work in Urmston after a long period on Job Seekers' allowance. He was required to travel from Fallowfield to Urmston each day for work but was unable to afford transport for the first four weeks and his new place of work would not give Ethan an advance on his pay. The Welfare Provision Scheme awarded Ethan a £60 voucher to pay for travel to ensure that he was able to start work. Ethan started work in August 2015 and is currently still employed there.

Philip (40 years old) was a hospital in-patient, following major surgery being supported by the MPath team to a tenancy that also provides care due to the Philip's medical conditions. Prior to being admitted into hospital, Philip was accommodated in short stay B&B for a short period. He had been rough sleeping in a tent for 2-3 months, since his property was repossessed. This was due to his benefits being sanctioned and he was unable to cover the cost of the service charge on his property, which eventually resulted in it being repossessed and him becoming homeless. The customer was awarded a double bed due to their medical conditions, kitchen starter pack, and a microwave.

Fred (46 years old) was in supported accommodation as a result of mental health issues and alcohol dependency and was moving into his own accommodation. Fred resided in residential accommodation from January 2015 till June 2015. Since June 2015 he has been in furnished, semi-supported accommodation provided by a registered provider. Fred was diagnosed with fibromyalgia which prevents him from engaging in 'normal' day to day activities. Too much exertion can lead to pain, fatigue, and insomnia which can result in Fred being bed-bound some days. Fred

was awarded a kitchen starter pack, a washing machine, a microwave, and a fridge freezer to help him settle into his new home.

Ben (42 years old) had been sleeping rough before being housed in a homeless charity project. He was evicted from his previous tenancy after being made redundant from work. The Welfare Provision Scheme awarded a fridge, microwave and kitchen starter pack that enabled the customer to set-up his new independent home. Since Ben set-up his new home he has moved off of Job Seeker's Allowance into work and no longer claims Housing benefit.

Mary (20 years old) was in the care of the Council's Children's services until the age of 18 and was referred by the Leaving Care service to Temporary Accommodation. Mary made an offer on accommodation with People First Housing Association and the Welfare Provision Scheme awarded Mary a single bed, a fridge, a microwave and a kitchen starter pack to help her set up her new independent home. Having set-up the home in April 2015 Mary started a full-time course of education.

Appendix three
2013/14 Scheme

Food Poverty Grants, Details of organisations receiving grants

<u>Agency Name</u>	<u>Scheme</u>	<u>Area of city covered</u>
Mustard Tree	Tackle food poverty	North, East and Central Manchester
The Fed	Food Parcels	Crumpsall, Blackley, Collyhurst and all Manchester residents
Wai Yin Society	Food provisions	Cheetham Hill and Ardwick and surrounding wards including Crumpsall.
Boaz Trust	Emergency basic food, toiletries and household cleaning products.	Rusholme, Levenshulme, Moston, Harpurhey, Gorton and Blackley.
Tree of Life	Food provision and toiletries.	Wythenshawe
Northwards Housing	Food Parcels	Manchester residents
St Chrysostoms Church	Emergency food provisions.	Rusholme and Longsight
Chrysalis Manchester	Food bank	Moss Side, Whalley Range, Hulme, Fallowfield Rusholme and Longsight.
Home-Start Manchester North	Emergency food aid and toiletries.	North East and Central East Manchester.
Karate CIC	Food parcels	Newton Heath, Miles Platting and Moston
Highway Hope	Food bank	Gorton South, Longsight, Ardwick and Levenshulme.
Chorlton & Didsbury Food bank	Food supplies and essential toiletries.	Chorlton, Chorlton Park, Didsbury,
Compassion Food bank	Emergency food parcels	M14, M15 and M16 but would give city wide.
Just Life	Emergency meals and food parcels. Cooking workshops for the vulnerable /homeless.	Bradford Ward mainly – other wards include Gorton South, Whalley Range, Levenshulme, Longsight and Gorton North.
Creative Support	Food poverty	South, North and Central Manchester.
CSTAR	Food bags	Newton Heath
4CT Ltd	Food bags	Berwick
MASH	Emergency food provisions	Manchester City Centre Ward
Fallowfield & Withington Food bank	Food bank	Withington, Old Moat, Fallowfield, Rusholme and Didsbury East

St Vincent De Paul Society	Emergency food distribution.	Baguley, Brooklands and Woodhouse Park
Booth Centre	Food café for the vulnerable.	Cheetham Ward and vulnerable Manchester residents.
Food Cycle	Food provisions and supplies	Longsight
Barnabas	Food provisions for the homeless	Manchester City Centre
Lifeshare	Food parcels	M1 and M4
City South	Emergency food provision.	Hulme, Fallowfield, Moss Side and Whalley Range.
Northern Moor Community Church	Food parcels	Baguley
Vine Life Church Manchester	Food bank / soup kitchen	Rusholme, Fallowfield, Moss Side, Hulme, City Centre, Chorlton on Medlock.
Bridging the Gap	Food bank / essential toiletries	Hulme, Moss Side and Whalley Range.
George House Trust	Food parcel scheme	Ardwick
The Chatterbox Project	Food supplies	Charlestown and Blackley
Church of God (Seventh Day), Longsight	Food and Fareshare membership	Longsight, Ardwick, Levenshulme and Victoria Park.
WAST (Women Asylum Seekers Together)	Fareshare membership and hygiene supplies	Gorton, Harpurhey, Hulme, Cheetham Hill, Levenshulme and Longsight
Sanctuary Supported Living	Tinned food for food parcels	Bradford
Harpurhey Community Church	Food distribution	Harpurhey
St Luke's Benchill	Food parcels	Sharston
Christ The Vine Church	Emergency food provisions	Harpurhey
Rainbow Haven	Food provision – food parcels and toiletries.	Gorton
People First Housing Association	Food bank	Hulme
Manchester Settlement	Food and drink provision	Openshaw
Mental Health and Social Care Trust	Food bags	Moss Side, Whalley Range, Chorlton, Longsight, Levenshulme and Gorton
The Oasis Centre	Emergency Food provision café, food parcels	Ancoats and Clayton, Ardwick, Gorton North and South, Levenshulme, Longsight, Rusholme,

		Miles plating and Newton Heath.
The Pankhurst Centre	Food bank	All wards particularly Longsight, Levenshulme, Rusholme, Hulme, Moss Side, Fallowfield and Ardwick.
Command Prayer Centre Ministries	Food Bank	Ardwick, Longsight and West Gorton.
Christian Restoration Manchester (CRM)	Emergency food supplies for distribution	Ancoats, Miles Platting, Beswick and Openshaw (other wards included)
Manchester Central Food bank	Emergency food supplies for food bank and hygiene essential items.	City Centre, Ardwick and Longsight

Appendix four

Welfare provision Scheme, Food Poverty awards 2014/5		
Organisation	Paid in 2014/15	Description of support provided
Community Forest Trust	£13,325.00	Development of community growing project in Gorton. Includes training in food growing and healthy cooking skills. Celebration event.
4CT Limited	£44,020.00	Expanding the existing food bank and including further services to advise people and help them access work. Cooking classes. Partnership work with CAB, Zest and others. Based in Beswick.
Adactus Housing Association	£5,737.65	Joint project with Moss Side Community Allotments, expanding growing. Also courses in growing etc and cooking courses.
Booth Centre	£20,266.00	Community café, volunteering, advice, employment training for homeless people. Based just north of city centre.
Caritas Diocese of Salford (Lalley Community Centre)	£26,825.00	Food bank with job club, cookery classes and information service. Collyhurst based.
EMERGE 3Rs	£49,896.00	Partnership bid. Increasing capacity of food banks by bulk buying. And provision of cookery courses.
FoodCycle	£14,667.00	Expansion of existing work at the Roby in Longsight and new partnership in the city centre. Promoting healthy eating through communal dining. Also hot meals for street homeless.
George House Trust	£33,062.00	Emergency food parcels and nutrition training for people living with HIV. Based Ardwick.
Manchester Action on Street Health	£7,100.00	Snacks, emergency packs, food skills and starter packs etc for women sex workers. City Centre based.
Manchester Mind	£40,450.00	Batch cooking sessions and emergency food provision for people with poor mental health. Operating in Hulme and in Beswick.
Mustard Tree	£38,766.00	Food parcels, community cooking, cookery demonstrations, personal development and employability. Based in Ancoats.
North Manchester Black Health Forum	£17,180.00	Community café, food training, shopping trips, outreach, employability. Cheetham Hill. BME focus.
Northmoor Community Association	£8,589.57	Volunteer led cooking classes and community café. Longsight.
Sow the City	£17,150.00	Community growing and healthy eating promotion in Old Moat. Includes working with Children's centre and primary school.

The East Manchester Community Association (Rainbow Haven)	£28,793.00	Food parcels, catering courses for new arrivals and emerging communities in East Manchester, mainly Gorton.
Wai Yin Society	£49,390.00	Food and fish farm in Cheetham Hill. Extension of existing food bank. Community café. Volunteer training programme
Warm Hut UK	£23,770.00	Weekly food parcels, keep fit sessions, cookery course, personal development. For French speaking African background especially refugees and asylum seekers. Based Levenshulme, work with refugees from most areas of the city.
Women Asylum Seekers Together	£14,380.40	Expansion of food bank, drop in, fridge. Service for women asylum seekers. City Centre base.
Wythenshawe Community Housing Group	£45,307.69	Hub to develop long-term strategy to address food poverty in 12 pilot areas across Wythenshawe. Food distribution and cooking and food education sessions.
Total	£498,675.31	

Appendix five
2016/17 Food poverty awards

Ward	recipients
Ancoats and Clayton	Mustard Tree £3,000
Ardwick	Coverdale and Newbank Community Association for the summer kids lunchbox scheme
Baguley	Real Food £3,000 – combined grant across Wythenshawe £15k includes Brooklands, Woodhouse park, Northenden, Sharston and Baguley
Bradford	4CT £1,000 Revive £1,000 The River Manchester £1,000
Brooklands	Real Food £3,000 – combined grant across Wythenshawe £15k includes Brooklands, Woodhouse park, Northenden, Sharston and Baguley
Burnage	Quids in Foodbank via Southway housing
City Centre	Barnabus £1,000 Streetsupport.net £1,000 Big Change £1,000
Chorlton	Reach out to the community £1,000 Chorlton and Didsbury Foodbank £2,000
Charlestown	Whitemoss Youth Club- age friendly luncheon club £1,500 St John Bosco mother and toddler group £1,500
Chorlton Park	Quids in fareshare scheme (Southway) £1,000 Barlow Moor Community Association – breakfast club £2,000
Crumpsall	Rainbow Surprise Community group £3,000
Cheetham	The welcome centre (Wai Yin) £1,000 The Lalley Centre £1,000 The Booth centre £1,000
Didsbury East	Chorlton and Didsbury Food bank £1,000 Fallowfield and Withington Foodbank £1,000 Pankhurst Centre £1,000
Didsbury West	Chorlton and Didsbury Foodbank £3,000
Fallowfield	Fallowfield and Withington Foodbank £3,000
Gorton North	Rainbow Haven £1500 Oasis £1500
Gorton South	Highway Hope £1000 Just Life (Inspire) £1000 Oasis £1000
Harpurhey	African Voices £1,500 Harpurhey neighbourhood project £1500
Higher Blackley	St Clare's Church £1,500 Northwards £1,500
Hulme	M/c Central Food bank £3,000
Levenshulme	Pankhurst – Emmeline's Pantry £1,000 Boaz £1,000 Just Life £1,000
Longsight	Women's voices and Gtr Mcr Pakistan Community centre £1,250 Food cycle £500 Northmoor Community Association £1,250

Miles Platting & Newton Heath	CStar £3,000
Moston	African Voices £1,500 Harpurhey neighbourhood project £1500
Moss Side	Moss Side Community allotment £2,000 Yellow Bird (Compassion) £1,000
Northenden	Real Food £3,000 – combined grant across Wythenshawe £15k includes Brooklands, Woodhouse park, Northenden, Sharston and Baguley
Old Moat	Fallowfield and Withington Foodbank £1,500 Quids in Foodbank via Southway Housing £1,500
Rusholme	The Anson Community Shop £1,000 Manchester central Foodbank £1,000 St Chrysostom's Church £500 Foodcycle £500
Sharston	Real Food £3,000 – combined grant across Wythenshawe £15k includes Brooklands, Woodhouse park, Northenden, Sharston and Baguley
Woodhouse Park	Real Food £3,000 – combined grant across Wythenshawe £15k includes Brooklands, Woodhouse park, Northenden, Sharston and Baguley
Whalley Range	Barakah Food Aid £1,500 St Edmunds Church £1,500
Withington	Fallowfield and Withington Foodbank £1,500 Quids in Foodbank via Southway Housing £1,500

Subject: Budget Option for ICT – Service Reduction

1. Summary

- 1.1 At its meeting on 8 November, Resources and Governance Scrutiny Committee requested further information regarding the potential impact of Budget Options for ICT on the service's capacity to support the realisation of savings. This note provides further detail on the ICT operating model and approach to enabling business change.
- 1.2 There are a number of technology projects progressing that will enable the business to change to achieve the Council's savings targets. In the event of an increase in scale and pace of business change a flexible ICT operating model will ensure that this technology can be successfully delivered.

2. ICT Operating Model

- 2.1 The ICT operating model consists of four functions, Service Operations, Delivery and Test, PMO and Enterprise Architecture, made up of 161fte permanent posts of which 10 are vacant. ICT have reduced the operating model by 4fte, from 165fte. This is specifically enabled by the implementation of the IT Service Management Tool, and will not impact the implementation and delivery of the change portfolio require to support budget savings.
- 2.2 In addition, the department has a flexible pool of 32fte temporary contract resources the majority of which support project delivery and are deployed within Delivery and Test.
- 2.3 ICT will continue to assess the appropriateness of the Operating Model against the level of business change required to support the Council and will refresh and/or flex when necessary.
- 2.4 The relative mix will depend on the nature of service being delivered by ICT and the value for money imperative, this model allows the department to flex up or down the resource profile, although an increase in permanent staff is not anticipated at this point. As a general principle, Council staff support service operations or business-as-usual services while time-limited development or project work may require external skills through contracting.
- 2.5 A cost recovery model supports this structure and allows up to £1 million of permanent staff costs to be capitalised. For ICT to support its recharge objectives more colleagues will work on chargeable projects.

3. ICT Portfolio

- 3.1 The ICT portfolio of work is a made up of significant operational service change, initiating concepts or the pipeline of project work, and the project portfolio. The work within both the pipeline and project portfolio are grouped by directorate, although work which cross cuts directorates is identified as Universal.

- 3.2 Currently there are 74 projects within the pipeline of work, 39 active projects within the project portfolio and a number of significant operational changes within service. Significant effort within the project portfolio includes, but is not limited to ICT - Digital Workplace Strategy (DWS, Windows 7 Migration Project), ICT - Platform Hosting – (Part of the Disaster Recovery and Compliance Programmes), IT Service Management Tool (ITSM), Collaboration Platform (Google for Work), Printer Rationalisation and Budget Centralisation
- 3.3 The pipeline of work feeds new work into the project portfolio, already anticipated large scale projects on the departments horizon include PARIS replacement, HR Transformation, eLearning, eRecruitment, Libraries Transformation, Town Hall Restoration, Core Infrastructure refresh and the new Social Care system.
- 3.4 The amount of technology which enables business change that can be successfully delivered by the current operating model will be dictated by:
- the totality of change at the time
 - pace of change
 - priority of change (to be determined by directorates and overseen by the ICT Project Prioritisation Group)
 - type of change either ICT change, software hardware upgrades etc. or ICT enabling business change which leads to achieving saving targets

4. Project Prioritisation Group (ICT PPG)

- 4.1 The PPG ensures that ICT continue to support the key priorities for Manchester City Council and work on an agreed order to deliver projects and programmes. The ICT PPG provides high level leadership, direction and decision making for projects within MCC and is accountable to the ICT Board. It is this group that recommend the priorities (project and programmes) that ICT work on in order of organisational significance balanced against resource and financial constraints.
- 4.2 ICT PPG is fundamental to consistently and objectively assessing the relative commercial and strategic merits of projects competing for investment, ensuring that they have consistent and objectively defined Business Cases. An intelligent and transparent prioritisation process will create a balanced portfolio of projects and offers a key communications vehicle between ICT and the Council's business stakeholders. Via members of the ICT PPG rationale, outcomes and decisions are communicated and disseminated to the wider body of staff.

5. Enabling Business Change and approach to achieving savings targets underpinned by the delivery of technology

- 5.1 As an organisation, the Council is developing an embedded benefits realisation culture which recognises the critical role of both ICT and individual services, with ICT delivering the technology to supports the business to achieve savings targets, and services having ownership of business change and savings targets themselves.
- 5.2 Where change is ICT centric, infrastructure, software or hardware upgrades which require no business change to deliver benefits, the ability to deliver this will depend on the totality of change at that point, the priority and whether the change aligns to the infrastructure architecture roadmap. Where ICT change is an enabler to business change and the technology will play a leading role in achieving savings targets, ICT delivery is not a silver bullet as the success is also highly reliant on the business behaviour change which underpins it. An example of this is Google for Work collaboration application suite, where wrap around support for the implementation of the project will be critical, for example communications, training and development.
- 5.3 ICT has a long term approach to strategic workforce planning supported by project planning, therefore resource requirements can be proactive. However circumstances can at times require a reactive and flexible approach to resourcing. This ability to quickly flex the ICT operating model is an essential factor in enabling ICT to deliver technology changes which underpins the achievement of the Councils savings targets by the business, particularly if the scale and pace of change by the business increases. This may require a specialist IT recruitment partner (s) to manage the recruitment process, ensure that the most suitable temporary staff are quickly sourced and best value is achieved. Should the Council need dramatically increase the scale or pace of business change from the current as-is to achieve savings targets, then the ICT operating model can flex upwards accordingly and obtain additional staff from the market place.

Subject: Budget Option for HR Policies and Collaboration - Further Information

Summary

At the November meeting, Members considered the budget options for achieving savings through a review of HR Policies and their application, and the potential for working in collaboration with other local authorities on HR related processes. This note sets out further detail.

Budget Option

Within the budget options considered, the opportunity to maintain a good basic wage and reduce the inconsistencies and variability of entitlements could save the Council around 2 per cent of its total wage bill. Specific proposals will require a negotiation with the trade unions about our complex terms and conditions of employment and seeking to harmonise entitlements and enhancements across the workforce to create a fairer, simpler set of terms and conditions. By doing this, we can reduce our operational overheads and save money without impacting on the basic wages of staff.

We remain committed to implementing fully the Manchester Living Wage to ensure our lowest paid staff receive a decent wage for the work they do and a consistent wage to help plan their finances.

Rationale and Impact

The first stage of collating baseline information on terms and conditions, policies and processes, to form the basis of discussions with the trade unions is complete.

To provide useful context and comparison research is being conducted on what measures other Local Authorities and local organisations have employed to reduce workforce spend, including what are doing, getting into the detail of what this has meant in practice and what impacts there have been. Manchester City Council still wants to be an attractive employer, whilst ensuring we remain competitive.

An initial planning session with the trade unions will be held early in the New Year to ensure we work jointly to identify areas where we could work better or improve the fairness of our terms and conditions; additionally we will look at the work generated by our current policies and procedures to see if we can focus on better outcomes and less paperwork.

In these meetings we will:

- Agree a joint baseline of information, so that the employer and staffside have the same information and understanding of the expenditure on staff.
- Agree an early set of joint proposals and ascertain what more information is required, and whether there is scope to add other items, terms and conditions and/or policies and processes might be useful to include, where simplification or changes could lead to cashable efficiencies.

- The best way to organise ourselves to capture, manage and model baseline information, propose new ideas and consider counterproposals
- The best way to track changes, relate to efficiencies etc

We then propose to enter into formal negotiations with the trade unions with a specific set of proposals and an agreed objective for savings related to this budget option, to be concluded by the budget setting meeting of the Council.

Subject: Greater Manchester Combined Authority (GMCA)/Association of Greater Manchester Authorities (AGMA) Budget - Further Information

Summary

At its meeting on 10 November, the Resources and Governance Scrutiny Committee requested information on the budgets of the Greater Manchester Combined Authority (GMCA) and the Association of Greater Metropolitan Authorities (AGMA) and the arrangements for budget review, including savings, and scrutiny.

Budget Option

There are currently no savings options linked to the District funding for either the GMCA or AGMA.

1. Background

1.1 Within Greater Manchester both the Greater Manchester Combined Authority (GMCA) and the Association of Greater Manchester Authorities (AGMA) hold budgets available for use across the City Region. Both are funded, in part, through District Contributions with the GMCA also levying a charge on Districts in respect of Transport.

1.2 Both GMCA and AGMA budgets provide investment towards the achievement of the GM Strategy 2013-2020 and the twin pillars of growth and reform, with the stated vision:

“By 2020, the Manchester city region will have pioneered a new model for sustainable economic growth based around a more connected, talented and greener city region where all our residents are able to contribute to and benefit from sustained prosperity and enjoy a good quality of life”.

1.3 The ‘Our Manchester’ Strategy for the City Council will also support the achievement of the GM Strategy acknowledging that the achievement of these objectives will bring benefits to the residents of Manchester.

2 Budget Process

2.1 Both the GMCA and AGMA budgets are currently reviewed and set annually.

2.2 The budget process and timetable is shown in the table below:

Month	Activity
August-December	<ul style="list-style-type: none">• Review of Priorities and Pressures• Detailed budget proposals for all AGMA and GMCA functions, levies and precepts• Start of Scrutiny Process (November)• Autumn Statement (November 23rd)

Month	Activity
January	<ul style="list-style-type: none"> • Completion of Scrutiny Process • GMCA/AGMA budgets approved by GMCA and AGMA Joint Executive
February	<ul style="list-style-type: none"> • Budget presentation to Scrutiny Pool covering all budgets

3 Scrutiny Arrangements

Scrutiny of Budget Proposals

- 3.1 The GMCA and AGMA budget proposals are scrutinised by the Leaders and Treasurers of the GM Districts listed below:
- GMCA Transport – Bury and Wigan
 - GMCA/AGMA Non-Transport – Tameside and Trafford
- 3.2 Budget scrutiny meetings commenced in November with meetings continuing through December and January prior to the budget proposals be presented to the GMCA and AGMA Joint Executive in January 2017.
- 3.3 As part of the Scrutiny process services are required to seek savings and assess the impact of any reductions. Any pressures identified will also be challenged.
- 3.4 It is intended that a report on the findings of the scrutiny process will be presented to the GMCA and AGMA Joint Executive in December.

GMCA and AGMA Joint Scrutiny Pool

- 3.5 The Scrutiny Pool consists of three elected members from each of the 10 Districts. It considers the AGMA, GMCA and Joint Authority budgets at its meeting in February.
- 3.6 It is felt that the Scrutiny Pool adds value to the process as the Executive is limited in the amount of time and hence detail that it can devote to detailed inspection and examination of proposals and decisions.

GMCA and AGMA Joint Audit Committee

- 3.7 All local authorities (including combined authorities) are required by law to have an audit committee as set out in the Accounts and Audit (England) Regulations 2015. Greater Manchester's Audit Committee helps ensure that the management of the GMCA and AGMA's finances are conducted to the highest standards of openness, integrity and accountability.
- 3.8 The Joint Committee's seven elected members and one independent member have five main areas of work:
- **Oversight of Internal Audit:** making sure that internal audit resources are used to review the areas of work and that any issues or concerns raised are responded to appropriately;

- **Oversight of External Audit:** ensure that any recommendations of the external audit made in the annual audit and inspection letters are responded to appropriately;
- **Internal Controls:** making sure that the financial procedures set out in the GMCA's constitution (which includes oversight of Transport for Greater Manchester as well) are followed; that risk is managed appropriately; that an anti fraud culture is promoted; and that all of this is accurately reflected in the annual governance statement and in its code of corporate governance;
- **Approves the Accounts:** approves the GMCA and AGMA's statement of accounts.
- **Challenge GM's performance management arrangements:** to make sure that the GMCA and AGMA resources are being spent effectively on delivering GM's stated priorities as set out in the Greater Manchester Strategy

3.9 The Joint Audit Committee's detailed functions are set out in its terms of reference

3.10 All reports are available on the GMCA/AGMA website.

4 Revenue Budgets for AGMA and GMCA in 2016/17

GMCA Revenue Budget 2016/17

4.1 The GMCA revised revenue budget 2016/17 totals £256.4m of which transport equates to £228.3m and non transport functions £28.1m.

4.2 The funding for transport in 2016/17 represented a cash standstill from the previous year. In 2015/16 there was a 1.5% decrease in the Transport Levy, with an increase of 1.5% in respect of the Greater Manchester Transport Fund being more than fully offset by a reduction of 3% for the remaining transport budget.

4.3 The majority of non transport functions were set a savings target of 10% in 2016/17, which most achieved. The savings target prior to this was 12.4% over the two year period 2014-16.

4.4 The underlying principle for the review of GM budgets each year is to ensure that funded activities meet the objectives of the Greater Manchester Strategy, maximise value for money and that resources are identified to meet new investment priorities, whilst recognising that Districts are facing significant budget reductions.

Transport Budget 2016/17

4.5 The transport budget of £228.3m is funded through the Transport Levy, government grants and reserves. The Transport Levy of £189.3m provides a grant to Transport for Greater Manchester (TfGM) as well as funding to

support transport related capital financing costs. There is also further funding of £39.0m from government grants and reserves.

- 4.6 The Levy budget was reduced by £5.8m in 2016/17 matched by an increase in the District contributions for the Economic Development and Regeneration budget in order to fund the contribution to the Business Support Hub (see paragraph 4.10). The reduction in transport funding through the Levy was met from transport reserves.
- 4.7 The forecast outturn for 2016/17 is currently in line with budget following contributions to earmarked reserves.

Non-Transport Budget 2016/17

- 4.8 The budget for Non-Transport functions in 2016/17 totals £28.1m and consists of:

	Revised Budget 2016/17	Funded By				
		Base District Charges	Short Term Change to District Charges (para 4.10)	Grant Income	Funded from Reserves	Other Income
Call on Resources	£m	£m	£m	£m	£m	£m
Various grant related schemes (Youth Contract, AGE, City Deal, European Social Fund, ERDF)	14.39			5.65	8.74	
Land and Property Programme	0.30	0.15		0.15		
Business Support Hub	3.90		3.90			
Planning & Housing Team	0.30	0.26		0.04		
Investment Teams (Core and Low Carbon)	1.87	0.35		0.40	0.10	1.02
New Economy	0.70	0.70				
Manchester's Inward Investment Agency (MIDAS)	1.02	1.02				
Marketing Manchester	0.35	0.35				
Secondees to New Economy	0.18	0.18				
Contribution to Reserves	1.90		1.90			
Other Costs and Priorities	3.21	1.00		0.25	0.38	1.58
TOTAL	28.12	4.01	5.80	6.49	9.22	2.60
Manchester's District Charge		0.72	1.10			

4.9 The current forecast outturn as at quarter two (end September 2016) is a minor underspend of £0.14m after contributions to earmarked reserves.

4.10 At its meeting in May 2015 GMCA approved financial assistance of £5.8m for the Business Support Hub over a period of two years, £1.9m in 2015/16 funded in-year from reserves and £3.9m in 2016/17 (and potentially further sums thereafter). The overall budget set aside in 2016/17 allows for both the 2016/17 requirement of £3.9m and the reinstatement of the reserves utilised in 2015/16 (£1.9m). This has been met from an adjustment to the Transport Levy, which has been reduced, and a corresponding increase in the District charge for non-transport functions. This resulted in a net nil impact on charges to individual Districts overall.

4.11 The proportion of the GMCA budget met from District Charges in 2016/17 is 34.9%. This is higher than recent years due to the time limited adjustment as a result of the financial assistance to the Business Support Hub referred to above. Without this Districts would fund c18% of the overall budget.

AGMA Budget 2016/17

4.12 The AGMA budget for 2016/17 totals £25.94m and consists of:

Call on Resources	Revised Budget 2016/17 £m	Funded By			
		District Charges £m	Grant Income £m	Funded from Reserves £m	Other Income £m
AGMA Units County Records (£0.24m), S48 Grants (£3.31m), Trading Standards (£0.07m), Archaeology, Waste and Minerals and Ecology Units (£0.30m)	3.92	3.87			0.05
Priorities					
- PSR (Main Fund, Development Fund and Troubled Families)	13.01	0.91	8.31	3.79	
- Transformational Challenge Award	5.64		0.81	4.83	
- Low Carbon Hub	0.23	0.23			
- GM Spatial Framework	0.40	0.20		0.20	
- Procurement Hub	0.14	0.14			
- Other Priorities	1.58	0.06		1.52	
Other Costs, primarily GM Integrated Support Team (GMIST)	1.02	0.85	0.07		0.1
TOTAL	25.94	6.26	9.19	10.34	0.15
Manchester's District Charge		1.15			

- 4.13 The forecast outturn as at quarter two (end of September 2016) is a minor underspend of £0.01m after contributions to earmarked reserves.
- 4.14 District contributions represent 24.1% of the overall AGMA budget in 2016/17.
- 4.15 The most significant District funded budget relates to Section 48 grants which have been reviewed for the three year period 2015-18. The Section 48 grants fund is designed to support groups whose work can help deliver community-focused elements of the Greater Manchester Strategy; and contribute to the region's economic growth.

5 District Funding Arrangements

- 5.1 The Transport Levy is distributed in proportion to resident population based on the mid year population. In 2017/18 this is equivalent to a c19.24% share for Manchester. In 2016/17 it was c19.04%.
- 5.2 In relation to the GMCA Non Transport functions the Combined Authority Order provides that the Constituent Councils must meet the GMCA's costs reasonably attributable to the exercise of these functions. The amount payable by each Council is determined by apportioning the costs between the Councils in such proportions as they (unanimously) agree or, in default of such agreement in proportion to the resident population. The Order provides flexibility to deal with the apportionment of costs in respect of the functions.
- 5.3 The same principle is adopted for meeting the cost of the AGMA budgets as that for the GMCA Non Transport budgets.

5.4 The contribution to GMCA and AGMA from Manchester in 2016/17 was £39.01m, consisting of a Transport Levy of £36.04m and District Charges of £2.97m.

6 GM Budgets 2017/18 Onwards

6.1 The budget proposals for 2017/18 are currently undergoing scrutiny involving the Leaders and Treasurers of the GM Districts in accordance with Section 3 of this report.

6.2 There are significant changes proposed for the GMCA from 2017/18, as a result of the appointment of an elected Mayor and the further devolution of powers. It is recognised that the greater devolution of powers brings a number of opportunities for GM, including:

- Bus Franchising
- Housing Investment Fund of £300m over 10 years
- Further powers over Planning including the power to make Mayoral Development Corporations
- Creation of a GM Land Commission
- Enabling the Elected Mayor to take on the role of the Police and Crime Commissioner
- Transfer of the GM Fire and Rescue Authority to the Elected Mayor

6.3 Officers are working through the transition arrangements and establishing new structures and systems to support the organisation moving forward. This includes moving the CA on to a new financial system. Amendments to the Statutory Order for the CA are currently being drawn up by Government which will also influence the final position.

6.4 Inevitably there are a number of financial pressures that have arisen from the requirements for Combined Authority moving forward and the Authority is working to finalise these through the budget process with the intention to meet them from within the existing resources available to the CA, which will include savings and the use of reserves.

Key Announcements for GM from the Autumn Statement

6.5 The Government's Autumn Statement was published on 23 November and whilst they remain committed to devolution to localities, there were very few announcements regarding further devolved powers. However, it was confirmed that the budget for the national Work and Health Programme will be devolved to Greater Manchester (and also London), subject to meeting certain conditions, including co-funding.

6.6 The Government will begin talks on future transport funding with Greater Manchester. This is in response to Greater Manchester's ask within its Autumn Statement submission to open discussions regarding the establishment of a second GM Transport Fund. Government will also make funding available to enable the business case for an extension of the Metrolink

- network from its current terminus at the Airport Rail station to serve the Airport's Terminal 2.
- 6.7 The Chancellor announced also that of a total £1.8bn available nationally for the third round of the Growth Deals, £556m will be paid to Local Enterprise Partnerships (LEPs) in the North of England, with the allocation to individual LEPs being set out in the next few weeks.
- 6.8 The Autumn Statement included a new £23bn National Productivity Investment Fund (NPIF); within this there is £7.3bn for housing including a £2.3bn Housing Infrastructure Fund to be allocated to Local Government on a competitive basis. The Fund is intended to "provide infrastructure targeted at unlocking new private house building in areas where housing need is greatest". The criteria for "need" is yet to be confirmed and GM would be seeking support to reach its house building aims as set out in the GM Spatial Framework.
- 6.9 The Chancellor has also announced funding of £1.4 billion to deliver an additional 40,000 affordable housing starts by 2020/21 and of particular significance to GM is a commitment to "relax restrictions on grant funding to allow providers to deliver a mix of homes for affordable rent and low cost ownership, to meet the housing needs of people in different circumstances and at different stages of their lives." This responds directly to one of the asks of the GM Autumn Statement submission, which sought a "lighter regulatory framework" that would allow local areas in GM to adjust tenure to accommodate real demand in the marketplace.
- 6.10 There was also £1.7bn announced to accelerate construction on public sector land. Limited details are available but GM will consider that it is well placed to access this funding through its GM Land Commission role of site assembly, facilitating planning processes and ensure the progress of developments.
- 6.11 GMCA and other Mayoral combined authorities will also be given the power to borrow for their new functions, allowing increased investment in infrastructure to support economic productivity. This will be subject to a borrowing cap being agreed with HM Treasury.
- 6.12 In addition to and alongside the 2016 Autumn Statement, Government has also published a Northern Powerhouse Strategy (NPH Strategy). This responds to the work that Greater Manchester has undertaken over recent months to ensure that the Northern Powerhouse is fully recognised and embedded within the Government's policy framework.
- 6.13 The NPH Strategy identifies the *Prime Capabilities* that will drive productivity across the North, and highlights the four key areas of connectivity skills, innovation and trade as priorities for further work.
- 6.14 The Strategy explicitly recognises existing Government commitments to the Northern Powerhouse and identifies a number of areas for further work, including:

- working with northern city regions to explore options for improving delivery of early years outcomes;
- working with the North to ensure that local priorities are fed into the provision of careers advice, so that it is employer-led, integrated and meets local needs;
- working with northern city regions to support them to work with employers and providers to develop an ambitious, locally-owned plan for promoting the take-up of apprenticeships.

7 Conclusions

- 7.1 The report provides an overview of the budget process for both the GMCA and AGMA including the scrutiny arrangements.

Subject: Budget Option for Work of the Performance, Research and Intelligence, Policy, Partnerships and Research and Reform and Innovation Teams

1. SUMMARY

- 1.1 This report responds to the request of this Committee at its meeting on 10th November 2016 that officers "Explore the potential of a savings option which could be achieved by combining and streamlining the work of the Performance Research and Intelligence, Reform and Innovation and the Policy, Partnerships and Research teams. To include details of any posts-part funded by other organisations.
- 1.2 Section two of the paper describes what the three teams do and how they have been streamlined over the last five years of budget reductions. As requested an annex showing structures is attached.
- 1.3 Section three of this paper provides information on the savings options for these services. All opportunities to make efficiencies by streamlining these teams have been explored and options for further efficiency savings are included in the budget papers. The only way to make significant savings beyond this is to reduce the services provided. Options to do this are set out. This paper explains the consequences of implementing these options. The Committee is asked to consider this when indicating which savings options should only be considered by the Executive should the overall levels of savings required exceed £40m or if all options have to be taken.
- 1.4 Section four responds to the Committee's request that officers explore combining the three teams. The three teams already work together within the corporate core. Section four gives examples of this joint work. Combining these teams into a different configuration within the corporate core will not add to this joint work. Section four also comments on options to combine these teams with the Combined Authority or other GM Local Authorities or public services. This section also comments on the alternative of using external consultants for some of the work of these teams.

2. WHAT THE THREE TEAMS DO

2.1 Policy, Partnerships and Research

51 FTE staff. £2.5m budget. Attracts £670k external income and manages over £60m of externally funded programmes. The team was formed in 2011 by combining ten different policy teams from across the Council. This centralisation lead to significant reductions in staff over the last five years. The options in the budget papers for service reduction will not be possible without ceasing work on key areas of policy (see section three). The team supports the Our Manchester Strategy by developing evidence-based economic, social, environmental and cultural policies and strategies. The team supports the Our Manchester Forum, the Council's international connections (key post Brexit) and input to Core Cities.

The team manages external funding programs including ERDF and ESF on behalf of both the council and the Combined Authority. The team also manages the Clean City programme, the AGMA section 48 grants programme and the ERF fund. The team coordinates the Council's input to the Triangulum and City Verve projects.

The team works closely with New Economy, Transport for Greater Manchester and the Combined Authority to ensure that Manchester's interests are reflected in key policies that will affect the long term future of the city such as the Greater Manchester Spatial Framework and Transport 2040.

2.2 Reform and Innovation

14 FTE staff, plus 5 associate staff funded from other parts of the Council. £791k budget¹. This team replaced the previous Transformation Team which at one stage had 140 staff but which had shrunk to 30 by the time it was replaced by Reform and Innovation in 2015. The only option to make further substantial savings is to close the team. This is included as an option in the budget papers. The implications of doing this are set out in section three below.

This team provides strategic challenge and support on all aspects of public service reform. A report on this team was considered by this Committee in January 2016. That report gave examples of the impact of this team which included early help (£6m recurrent savings within the Autumn 2014 Children's Services investment model, plus further £2.4m identified in Autumn 2015), the development of Working Well (to date around 80 long-term workless people with health conditions have found work), Domestic Abuse (new strategy), DCLG Transformation Funding (£758k income for Manchester) and GM Social Work Academy (£455k income). Since then the team has become central to the Council's input to the health and social care reforms.

2.3 Performance Research and Intelligence

75.8 FTE. £3.4m budget. This team was formed five years ago by centralising performance and research staff across the Council. The total number of staff was halved. The option for further service reductions set out in the budget papers would require the service to focus on delivering only statutory/regulatory requirements. The work of this team in supporting policy and reform would reduce significantly and may cease in a number of areas. The implications of this are explained in section three of this report.

This team is responsible for the Council's data and knowledge systems, providing statutory and regulatory services to Directorates by managing statutory returns, support to inspections, and running the business planning and performance monitoring process. The team also runs the corporate complaints process which is regulated by the Local Government Ombudsman.

¹ £791k is the budget for the Core R&I team for 2016/17. Note the overall budget for R&I, which is c£1m, includes the office of the Deputy Chief Executive (People), but this is not a savings option

The work is underpinned by technical data management and reporting (including mapping).

This team has delivered innovations such as iBase, Cost Benefit Analysis for public service reform, the Manchester City Council Population Forecasting Model and the annual State of the City reports. This work has won awards and contributed to the Council's excellent reputation in the field of data sciences.

2.4 Examples of work of the three teams are given below:-

- Our Manchester approach. The Reform and Innovation team provides support to Our Manchester by leading engagement with partners, staff, members and the public, developing the narrative, principles and behaviours, and coordinating the first phases of activity e.g. embedding Our Manchester within health and social care and a place-based approach in Wythenshawe.
- The Our Manchester Forum is supported by Policy, Partnerships and Research who together with Performance Research and Intelligence have jointly developed a performance framework to oversee the implementation of measures to ensure that the "We Will" statements set out in the strategy will be delivered. The work reflects the multi disciplinary nature of implementing Our Manchester and is not duplicated across the teams.
- Performance, Research and Intelligence combining with Policy, Partnerships and Research lead on the production of the annual State of the City report, identifying and analysing key indicators to detail how the City has changed and developed over time; providing all stakeholders with an insight in to the progress against the City's strategic priorities.
- Policy, Partnerships and Research are supporting work on the development of the Greater Manchester Spatial Framework and the Transport 2040 documents and ensuring that the City's interests are represented as they are taken forward. Mapping is enabled by Performance, Research and Intelligence.
- Policy, Partnerships and Research are supporting a wide range of partnerships including the Core Cities Network and the Eurocities Network of major European Cities.
- Reform and Innovation drafted the Manchester bid to GM Health and Social Care Transformation Fund and worked together with Performance Research and Intelligence, Finance and Health partners on Cost-Benefit Analysis for the Local Care Organisation which shows recurrent savings of up to £51 million by 20/21, by reducing demand for acute services. Similar analysis is now under way for the Single Hospital Service. Performance Research and Intelligence provides the data on activity and performance which is the main input to the CBA. Reform and Innovation and Performance, Research and Intelligence are part of the core team leading the first phase development of the LCO, in particular a three-year financial plan, and development of new models of care. Performance, Research and Intelligence is developing the performance framework which will enable tracking of the investment and the impact it is having.

- Reform and Innovation provides the programme team for the Director of Children's Services to manage the Council's preparation for Ofsted re-inspection, develop new Children and Young People's Plan, manage the Improvement Board, develop a single Service Plan, review early help, review edge of care, and develop Signs of Safety. Performance, Research and Intelligence provides the data tracking and performance monitoring to the improvement board, the management team, Ofsted and DfE. It also models the impact of the investment made by the council.
- Reform and Innovation is supporting work on rough sleeping and begging, the new Manchester Domestic abuse strategy, driving the integration of reform programmes, developing new approaches for adults with complex lives and leading lean systems reviews. Reform and Innovation and Policy Partnerships and Research recently produced the Budget Strategic Narrative, and various business cases for the budget options. Performance, Research and Intelligence provides the data and analytics that informs this work.
- Aside from the work already stated, Performance Research and Intelligence maintains the mapping agreement with Ordnance Survey so that systems such as CRM can include maps. The team also produces documents such as the Annual Governance Statement which forms part of the Accounts and the register of key partnerships which provides a source of assurance on key partnership risks, produces Ward profiles, discharges the statutory duty on open data (the Transparency Code) and maintains the Local Land and Property Gazetteer.

3. BUDGET OPTIONS

3.1 Options for Efficiency Savings

Every option has been explored to make further efficiencies short of substantially reducing or stopping the services of these teams. The options for streamlining and becoming more efficient included in the budget papers are:

- Policy, Partnerships and Research. £100k in 2017/18 by deleting vacant posts, reducing supplies and services budgets and reviewing the research budget.
- Reform and Innovation. £55k in 2017/18 by removing one post and not renewing three time limited posts
- Performance Research and Intelligence. £90k in 2017/18 by charging the Combined Authority for the contribution of senior roles to GM work such as GM Connect and reducing the running expenses budget which may remove flexibility to meet in year demand issues

3.2 Options for Service Reductions

3.2.1 Policy, Partnerships and Research. £350k in 2018/19

If implemented this would delete 8 (out of 51) posts. A substantial portion of staff of this team (19) support programmes which are externally grant funded (e.g. ERDF £60m). Reductions in this part of the service would not make

sense as it would put at risk substantial funding. The reductions would therefore have to be concentrated on the following areas of policy:

- Work which supports case-making with government for the further devolution.
- Support for Our Manchester, particularly the "we will" statements and support for the Our Manchester Forum. Matching.
- Supporting the relationships with the Core Cities network. The Core Cities network has been very influential in raising the profile of the largest cities in the UK outside London with Government. The network is currently supporting the Inclusive Growth Commission and has argued for the greater integration of policy to support the particular needs of the nations largest cities.
- As the negotiations commence on the terms by which the UK will leave the EU it will be vitally important that the particular impacts on cities such as Manchester are understood and represented in the debates that will take place. The PPR team will need to support this process working with Greater Manchester colleagues and with the Core Cities group. The team also supports the city's links with the Eurocities network of major European cities and this connection will become ever more important as the UK prepares to leave the EU. Budget reductions would impact on the capacity available to undertake this work.
- Management and further development of the Council's international relationships, again a key requirement post Brexit. The city already benefits from a strong network of relationships with cities in continental Europe and further afield; these require nurturing and further development if the benefits that they offer are to be maximised.. For example the city's sister city relationship with Wuhan in China has just seen its thirtieth anniversary and has begun to generate opportunities for Manchester's universities and companies to collaborate with their counterparts in the Chinese city. The City Council also hosts a significant number of senior delegations from business, academia and national and local governments from around the world. These offer an opportunity for the city to enhance its international profile and offer the opportunity to foster closer relationships between Manchester's businesses and other institutions. This work is coordinated by the PPR team and budget reductions would impact on the team's ability to support this work.
- Land use planning policy. This will be critical over the three years as the GM Spatial Framework is taken forward and the city reviews its Core Strategy.
- Work to ensure that cultural strategy is mainstreamed in the city's policy approaches, managing the relationships with the City's major cultural organisations and managing grant agreements with these organisations.
- Work to develop and implement the Council's environmental policies including overseeing the delivery of the City's Climate Change Action Plan and liaising with Manchester a Certain Future to ensure that by 2020 Manchester is on track to be a zero carbon city by 2050. The team is also responsible, with environmental health colleagues, for servicing the recently established Task and Finish Group on Air Quality.
- Work on transport policy at the time in the city needs to work with Transport for Greater Manchester and Transport for the North to ensure

that the transport ambitions of the Northern Powerhouse are taken forward. Representing the city's interests as GM takes over bus franchising and support for the Cycling Forum will also be at risk.

3.2.2 Reform and Innovation. £686k in 2019/20

This would remove the entire team. If this is taken forward there would be no central resource to drive public service reform. This would remove:

- Support for the development of Our Manchester.
- Support for the implementation of health and social care reform. For example the Council would have no technical capacity to support and challenge the design of the new service models of the Local Care Organisation.
- Support the Children's Services improvement journey.
- Work to further develop public service reform. For example opportunities to streamline staff and systems across early years, Early Help Hubs, Integrated Neighbourhood Management and Neighbourhood Teams for health and social care.

Note there is also an intermediate option of **£50k in 2018/19** which would reduce the team by a further 1 FTE post, and make a commensurate reduction in the volume of work the team could undertake

3.2.3 Performance, Research and Intelligence. £270k in 2018/19

The majority of the team's capacity is deployed on the regulatory and statutory work required by government, including the technical, cleansing and reporting processes that underpin it. The Local Authority is a diverse business and regulation is therefore wide ranging, including Government Departments, Independent Regulators such as Ofsted and the Local Government Ombudsman as well as External Audit. Enough staff would be retained to meet the Council's legal duties to submit data, reports and responses but there would be no data cleansing before submission or publication leaving the Council open to significant reputational risk and the potential for intervention. The reductions would remove the capacity for the more creative parts of the service.

There would be limited or no support for a number of areas such as:

- the business planning and internal performance management work
- Corporate work on complaints other than responses to the Ombudsman (the need for which would be likely to increase).
- Work on CBA which underpins our public service reform programmes.
- Population forecasting which underpins service planning across the Council and preparation for Censuses.

4. COMBINING THE WORK OF THE THREE TEAMS

- 4.1 Combining the work of the three teams would not create further savings as the work is not duplicated. The teams are already working together and are flexible in creating task and finish groups which combine staff from the three teams, and staff from other parts of the core and service directorates.

Examples of how the three teams have combined the different skill sets include:

- Reform and Innovation and Performance, Research and Intelligence jointly developed the CBA for the health and social care Local Care Organisation and are now supporting the detailed benefits case for the Single Hospital Service. The scope and scale of this work is without parallel within Greater Manchester.
- Policy, Partnerships and Research and Reform and Innovation are jointly developing the new Family Poverty Strategy for the city. This articulates how the city will support more residents to reach their potential, in particular through sustainable employment as the best way of reducing poverty, and ensuring all children have the right home environment, parenting, and access to healthcare.
- Performance Research Intelligence and Policy, Partnerships and Research jointly supported Democratic Services with mapping and population forecasting and with drafting the submission to the Boundary Commission review of Manchester wards.
- Policy, Partnerships and Research and Performance, Research and Intelligence combine to produce the State of the City report and progress with Our Manchester.

4.2 Both Performance, Research and Intelligence and Policy, Partnerships and Research have research staff. Research in Policy, Partnerships and Research supports policy development focussed on growing the City's economy, housing, land use planning and transport. Performance, Research and Intelligence carries out primary research, leads the evaluation of flagship programmes and develops forecasting models and predictive analytics to inform the Council's future investments and risk mitigations. Research in Performance, Research and Intelligence also relates to technical data management and reporting, including mapping. There is no overlap between the two teams.

4.3 Combining these staff would involve structural reporting changes but would not in itself result in the ability to generate significant further savings and may put at risk key benefits from the current arrangements. For instance, moving either the whole or part of Performance, Research and Intelligence from Corporate Services to the Chief Executive's Department (assuming that Policy remains a Chief Executive's function) could diminish the benefits from the close relationship between performance and finance. Data on performance outcomes is greatly enhanced when costs are included. The bringing together of such information is a cornerstone of the assurance framework for Members and Strategic Directors in order to inform effective decision making and manage risk. Furthermore work on data governance has to relate to financial information as well as service data. The Performance, Research and Intelligence/Finance relationship has over the past five years produced better management information combining service performance with financial analysis.

4.4 The current arrangements have worked well with Finance, Performance Research and Intelligence, and Reform and Innovation combining to develop

the CBA methodology which underpins the City's public service reform programmes, especially health and social care, investment in Children's services and Social Impact Bonds.

- 4.5 The Committee asked for information on posts part funded by other organisations. These are:
- £670k from the Combined Authority and other partners for the work of project management posts in the Policy, Partnerships and Research team.
 - £115k from the Youth Justice Board and Connexions to fund specific posts in Performance, Research and Intelligence. In addition, there are a number of posts funded by other Directorates for specific agreed work.
 - £20k from MMU for work of a post within the Reform and Innovation team on new training for social work.
 - £9k from AGMA for Performance, Research and Intelligence support to the CBA work.
 - A post in Policy, Partnerships and Research supporting Nuclear Free Local Authorities and the Mayors for Peace group is fully funded from contributions from participating Councils.
- 4.6 There is a close working relationship between these three teams and the Combined Authority, New Economy and the Core Cities team. Where possible work by the Manchester team is re-charged to the Combined Authority and other bodies (see above). Manchester benefits from the work of the Combined Authority in driving devolution and influencing government. However the Council needs its own capacity to deliver policy, reform and research to implement strategy to benefit Manchester people and the Council's budget. For example, health and social care reform in Manchester cannot be delivered by GM organisations.
- 4.7 These three teams give the City the ability to take the opportunities for growth and reform created by Greater Manchester and to turn these into better outcomes and lower costs for Manchester people.
- 4.8 Officers have calculated the cost of replacing the services of these teams with external consultancy. Using the spatial planning part of the Policy, Partnerships and Research team as a benchmark (because there is good like-for-like data) the cost of consultancy would be significantly greater than the savings from reducing the service, even after allowing for a 25% reduction in service level (£425k costs vs £350k savings in the Policy team). Another direct comparison in Performance, Research and Intelligence is that a £40k technical role costs at least £550 a day in consultancy (approximately £120k per annum). Previous cuts have already led to the need for such cost to be incurred.

5. CONCLUSION

- 5.1 An option of combining and streamlining the work of the Performance Research and Intelligence, Reform and Innovation and Policy, Partnerships and Research teams is feasible. However it would not add significantly to the way these teams work together as part of the corporate core, nor would there

be substantial additional savings. The only way to achieve substantial savings within these services beyond the streamlining options that have been brought forward will be service reductions. The Committee is asked to consider the implications of the options for service reductions.

Subject: Savings option for Business Units – Bereavement Services and Markets

Introduction

At its meeting on 10th November, the Resources and Governance Committee requested further information on the income streams of Bereavement Services and Markets. This further information is presented below.

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	
IMPROVEMENT AND EFFICIENCY									
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 REDUCTIONS									
Business Units	Review of viability and operating models for Wythenshawe & Harpurhey Markets	Service Reduction	Amber	Red	150			150	

Bereavement Services

Bereavement Services generates income from three work streams:

- Cremation services
- Burial services
- Memorial sales

Over recent years new ways of working, including a commercial approach to service delivery and generic workforce roles, have resulted in significant improvements to the quality of the cemetery grounds, pathway network and buildings infrastructures. In particular, the facilities at Blackley Crematorium have been subject to considerable improvement to meet the changing needs of the bereaved with new décor and furnishings within the chapels and new sound and visual media facilities.

These improvements have resulted in increases to the number of cremation services being carried out, sale of memorial products and purchase of graves. The larger workload volume has been delivered without increasing employee resourcing levels.

Bereavement Services' regularly carries out benchmarking exercises with industry organisations such as the Association of Public Service Excellence (APSE) and the Chartered Institute of Public Finance and Accountancy (CIPFA) along with a comparator annual review of fees and charges with AGMA, other local authorities and the private sector. These exercises have established that the service is a high performer and provides value for money for residents, particularly when compared with cremation fees being charged by private sector competitors

Each year business modelling is carried out to look. Mortality trends, projected service volumes and capacity, operating costs and the impact of inflation are all considered. The exercise forms the basis of the annual review of fees, which are then discussed with the executive member for approval. The fee charging model includes a range of options for the bereaved along with a discounted burial and grave purchase prices for Manchester residents.

Due to the continual increase in service volumes and subsequent income levels, along with the annual fee increases it is anticipated the service will generate an additional £60k of savings annually.

However, due to the need to introduce new working practices and associated legal documentation to protect both the Council and bereaved families in relation to the legal transfer of graves there is a requirement for additional employee resources in 2017/18 and thereafter. This will incur additional costs of £20k in 2017/18 but in future years these costs will be covered by future trading.

Income stream	2014/15 Income	2015/16 Income	Forecast 2016/17 Income
Cremations	£659,396	£673,517	£710,714
Memorial and other ancillary sales	£253,829	£277,783	£282,000
Grave purchases and burials	£1,828,647	£1,862,252	£1,872,368
Total Income	£2,741,872	£2,813,552	£2,865,082

Wythenshawe Market

- **Overview**

Wythenshawe Market first opened in 1974 and was situated on a large plot of land adjacent to Rowlandsway, which is currently occupied by McDonalds and KFC. The indoor food hall and outdoor market became outdated and the market was relocated to The Birtles in 1997 as part of the town centre master plan. The indoor market hall and outdoor market are situated in the quieter end of the town centre and a slow decline in trader numbers and footfall has continued until the present day.

Despite some physical improvements to the premises, initiatives aimed at increasing footfall, financial incentives for new traders and positive marketing and promotion; the market is currently in a state of gradual decline in terms of footfall, decreasing trader numbers and unsustainable losses.

The Markets team are currently working through the impact of a number of operating models including part closure, reductions in trading days, full closure and the potential for the market to be operated under a market rights licence by a cooperative or 3rd party

- **Physical Improvements**

August 2012 - Additional signage was installed on the Etrop Court side of the market and large banners erected on the front and back of the indoor market. Initially this raised awareness of the presence of the market which improved footfall slightly; however, traders have reported this has not impacted on daily sales.

March 2014 – A project to enhance the indoor market trading environment and increase trader profitability was undertaken by Manchester Markets. The cosmetic improvements included building a new glass fronted entrance to enhance natural light, replacing the floor area, creating 5 new units, new signage, lighting and redecoration at a cost of £35k from the Repairs and Maintenance budget.

- **Initiatives to support the market**

Throughout 2015/16/17 the Market Manager worked closely with St Modwen to promote the market by way of a number of events including the Garden City Festival,

Manchester Youth Market, Halloween Event and Christmas entertainment. Halloween and Christmas prize draws took place and some excellent prizes were given to the community including a flat screen TV, Xbox, bicycle and hampers. Wythenshawe 'Christmas Lights Switch On' event took place on Friday 25 November.

In addition, Markets made £3k available during 2015/16 and £7k available during 2016/17 to spend on events or ideas to promote the market. We delivered a number of marketing initiatives aimed at improving trader numbers and footfall levels including listing on Manchester Markets website, promotion of traders by use of social media and distribution of posters and flyers to the local community.

Promotional high level wall mounted market banners and signage has been erected in and around the market area. Signage has also been purchased to slot over bollards in the outdoor market and to direct visitors to the market on the walkway from the Metro.

Balloon making equipment and balloon sculptures have been made to promote market events. This has been well received by the traders and customers.

As part of The Real Food Project, a unit in the market hall was fitted out as a kitchen. This is used regularly to promote healthy eating initiatives for local residents.

In December 2015 following feedback a new initiative to carry customers shopping to their cars, or the bus/tram interchange for free was introduced. This was instigated, funded and facilitated by the market team, but only resulted in a small take up by customers. In addition an extensive Christmas marketing campaign delivered in conjunction with the Council's Communications Team in 2015 had no real impact on market performance.

A temporary free public car park was created on the site of the old bus station. The car park operated from 7 December 2015 to 17 August 2016. Whilst the parking facility was initially popular with customers it appears to have made very little real difference to the market. The uneven surface was such that without significant signage and 'policing' by the market staff the facility presented a risk to the City Council, as evidenced by the receipt of a claim for damages by a user who had tripped in the area.

An Action Plan has been agreed with the Wythenshawe Neighbourhoods team to raise customer awareness of the market location. The Action Plan includes:

- New directional wayfarer signage leading towards the market from the interchange.
- Erection of a billboard on the small area of Council land next to the interchange.
- Large banner to be erected on the vacant building, (previously utilised as a gymnasium), to direct footfall into the entrance to the market.
- Foot prints on the tarmac areas heading towards the market – to be discussed.
- Refurbishment of two signs above the market perimeter fence around the outdoor market, adjacent to the tram lines.

- Relocation of large market sign above market lock up units facing the Birtles.

The team have now confirmed that £5k is available to fund part of the above.

- **Financial Overview**

Currently the indoor food hall has 9 traders, which is more than at any time in the last three years. Manchester Markets have encouraged new traders by offering financial incentives and ongoing business support and advice in retailing. The outdoor market continues to struggle in terms of occupancy levels. There are 42 stalls available to rent and currently there are 8 regular traders.

In 2014 the Markets team introduced rent incentives including, 'Free Rent on Fridays' and 'Trade for a fiver on any market day' to attempt to attract new traders. These initiatives are still on offer but there has been poor take up by any potential new traders.

The outdoor lock up units and kiosks are trading well with the exception of the fruit and vegetable trader. Markets have supported this trader with a rent concession to maintain the offer and provide a balance of the traders on the market.

The market has operated at a loss for the last 6 years and is currently forecast to make a loss of £130k in 2016/17. As a result this market is currently being subsidised to continue to operate.

	Out turn		
	Total Income including Service Charge Charges	Service Charge Costs	Performance @ cash limit (loss)/surplus
2010/11	£318,276	£392,201	(£74,735)
2011/12	£300,716	£359,902	(£61,760)
2012/13	£312,940	£306,203	(£47,262)
2013/14	£265,910	£411,813	(£131,691)
2014/15	£287,905	£449,914	(£161,929)
2015/16	£267,067	£386,196	(£118,989)

Harpurhey Market

- **Overview**

Harpurhey Market first opened in 1976. The original market was located at the junction of Rochdale Road and Church Lane. The site consisted of an indoor food market hall and outdoor market.

- **Previous Physical Improvements**

In 2004 a major refurbishment to update the market stalls and install a new roof was undertaken, as part of the redevelopment of the District Centre. Improvements of

£1.22m were funded via capital as a loan and paid back by Manchester Markets. The covered outdoor market consists of 20 lock up units and 72 stalls.

Following this investment Manchester Markets have spent c£10k per annum on the upkeep of the market. In addition, minor works are undertaken by the environmental operatives based at the market, c£31k was spent on repairing the floor to eradicate the risk of accidents and new high level signage was recently installed on the roof area.

- **Challenges**

Since Harpurhey Market re-opened in the current location the Council encountered early design issues. The outdoor stalls situated on the 'Y' frame became difficult to let due to poorly designed overhangs and inadequate weather protection. The poor lighting under the outdoor market roof cover has recently been replaced with more eco friendly energy saving lighting units. The general market is subject to specific areas of flooding in times of inclement weather as a result of the design.

Some traders have struggled to maintain their business as they have found themselves in direct competition with national retail outlets based in the shopping centre. A number of projects have been explored by the markets' team to improve the market. However, no major investment projects have progressed as they have not been viewed as commercially viable.

- **Initiatives to Support the Market**

The markets' team work closely with traders and partners to maintain and improve the markets' performance. Various marketing and promotional activities and events have been held. There are initiatives to improve quality standards on the market and the team works in collaboration with the town centre manager, North Manchester Neighbourhood Team and other agencies to promote the market, the town centre and to establish a Retailers Network and Town Team.

Electronically recorded footfall data is not available, but the feedback from traders is that footfall has slowly declined over the past two years and whilst the market's lock up units are currently fully occupied, there has been a general reduction in trader occupancy rates. New traders have received financial incentives and ongoing business support. The under cover regular market is 57% occupied. The current occupancy rates for the markets are as follows:

Monday	Mixed Market	50% (Opened 2014)
Tuesday, Friday and Saturday	Regular Market	57%
Thursday	Mixed Market	83%

Initiatives to drive footfall and increase trader numbers have not had any discernable or sustainable impact on footfall or increased trader numbers.

Market Management are working closely with North Manchester Neighbourhoods team, Habro Town Centre Management and other partners and agencies to improve the facilities and the trading conditions for the market and the town centre. The

markets team are active members in the newly formed Harpurhey Town Team and Retailers Network and work in conjunction with local G&N Officers and the Neighbourhood Manager.

Operational and site management are working closely with the traders to raise quality standards and improve the retail offer and customer service. Thus increasing customer confidence and attracting additional footfall onto the market. We actively encourage and offer incentives to new traders attending the market with diverse products and services reflecting the changing demographic profiles of the Harpurhey and surrounding neighbourhoods.

- **Financial Overview**

Whilst the market has made a small surplus at cash limit over the last 5 years, it is budgeted to make a small loss in 2016/17. At period 7 the projected out turn for the market is a loss of c£44k.

	Out turn		
	Total Income including Service Charge Charges	Service Charge Costs	Performance @ cash limit (loss)/surplus
2011/12	£393,734	£342,503	£51,231
2012/13	£398,274	£387,973	£10,301
2013/14	£382,235	£357,719	£24,516
2014/15	£364,110	£344,256	£39,854
2015/16	£369,190	£337,896	£31,294
2016/17 *	£294,516	£338,223	(£43,707)

* Projected out turn at period 7

Aspirations for the future include being part of any wider development proposals for the North City District Centre aimed at improving the market and surrounding public realm. This has included exploring the potential for a third party to take ownership of the market. This would provide greater synergy, ensure that the market is better 'positioned' within the district centre and allow the third party to control the pace of development and investment needed to ensure a sustainable market for the future. Positive discussions are progressing to further develop this proposition.

Subject: Budget Option for Strategic Development – Proposed Service Reductions

Summary

The principal focus of Strategic Development is to secure new commercial development, attract inward investment and secure employment growth, along with delivering the City Council’s Residential Growth Strategy which seeks to underpin the city’s economic growth trajectory and housing affordability requirements. The Directorate works closely with the Work and Skills team to maximise both apprenticeship and local employment benefits for Manchester residents. The Directorate also has responsibility for ensuring that the management of the City Council’s land and property assets promote growth through the management of the City Council’s operational and investment estates.

The Strategic Development annual budget for 2016/17 is £6.614m with 303 FTEs of which, 173 FTEs are responsible for the delivery of FM services. As part of the 2017/18 – 2019/20 Budget process the Directorate has been requested to identify savings of £150,000 from mainstream budgets for the 2017/18 – 2019/20 budget period.

The note sets out the key functions currently delivered by Strategic Development and then describes the impact of the proposed service reduction of £150,000 per year.

Savings Option:

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									
Strategic Development	Staffing reductions	Service Reduction	Amber	Red	150			150	4.0

Strategic Development: Promoting Commercial and Residential Development

Over the next three year budget period the following areas of activity will frame the Directorates core priorities:

1. Within the defined city centre there are a wide range of complex commercial and residential led mixed use developments being progressed. These, for example, include: St Johns with Allied London including “Factory”; St Michaels with the Jacksons Row Development Partnership; First Street with ASK / Patrizia UK; NOMA with the Co-op/Hermes; Northern Quarter with Ician; Piccadilly Basin with Town Centre Securities; Manchester Central with ASK / Patrizia; Mayfield with U&I; Circle Square with Bruntwood; Oxford Road Station with Bruntwood ; Great Jackson Street with Renaker. New initiatives are also being shaped as part of planning for the city centre’s future growth

such as the Piccadilly Station environs to accommodate HS2 and Northern Powerhouse Rail.

2. Stretching eastwards and northwards out of the City Centre two major regeneration opportunities which are now being progressed:
 - The Eastern Gateway including: Ancoats; New Islington; Holt Town and the Lower Medlock Valley out to the Etihad Campus provides the city with the capacity to create a number of significant new residential led mixed use neighbourhoods. The Etihad Campus itself is a major commercial development opportunity which will help define and frame the nature of the development profile along the corridor between the Etihad Stadium, Holt Town and New Islington. Our partnership with the Abu Dhabi United Group (ADUG) is central to driving these opportunities forward.
 - The Northern Gateway stretching northwards from NOMA into the Irk Valley and from New Cross northwards to Collyhurst. Similar to the Eastern Gateway this area provides the city with the capacity to create a number of significant new residential led mixed use neighbourhoods. At present we are currently in the market to secure an investor partner who, like ADUG can play a central role in driving forward the transformation and growth of this part of the city.
3. Outside of the City Centre and the Northern and Eastern Gateways commercial led mixed use development opportunities will focus on a limited number of locations where we will have a direct land ownership interest: Central Park; the Airport City Enterprise Zone; Siemens; Wythenshawe Town Centre; and Harpurhey District Centre / Moston Lane. In addition to place based developments the Directorate also supports the continued growth of the three City Council owned digital assets (The Sharp Project, The Space Project and One Central Park). Residential led / mixed use development opportunities will focus on managing existing development agreements and partnerships such as the three Housing PFI Schemes; the transformation of the West Gorton estate; the transformation of the Ben Street area
4. Other commercial and residential development opportunities will arise where we have no direct land interest – in these instances we will revert to enabling such opportunities where they support our city ambitions. In the near term this would include working with MMU and the Manchester College on the disposal of their surplus estate plus working with Greater Manchester Pension Fund on the development of key assets such as Chorlton District Centre.

Strategic Development: Managing Our Investment Estate

In addition to supporting the commercial and residential growth activities set out above the Development Team also have responsibility for managing the City Council's Investment Estate which includes, for example, our interests in industrial estates such as Sharston and Roundthorn. The Investment portfolio comprises around 4,300 separate interests. The majority of these are peppercorn and income

producing ground lease interests but the Council also manages a number of commercial and retail premises and managed buildings. These assets play a key role in helping transform the city both a key driver of the growth and place making agenda whilst at the same time playing a important role in the generation of rental income and capital receipts.

Strategic Development: Managing the Corporate Estate

With regard to the Corporate Property Estate the last 18 months has seen a significant amount of work being progressed in order to introduce a robust Property Asset Management approach. The aim of the approach is to move from a re-actively maintained approach to a proactively managed approach in line with industry best practice, mitigating risks from a poorly maintained estate and delivering a low/zero carbon corporate estate. Over the next 9 months work will continue to refine and embed these new practises as part of the standard service delivery model and the development of the five year Operational Estate Plan.

In addition to the development of the Operational Estate Plan , that will ensure that estates assets are properly maintained and managed, further work will be undertaken on the FM Client/Contractor model. As such the future of FM delivery model requirements will be reviewed with a range of options considered to determine the most appropriate FM service for the Council in the future.

Service Reduction Option

Over the last 30 years, the City Council has invested very significantly in helping to create the necessary conditions needed to reverse the post war economic decline of the city and today, as the market recovers from one of the deepest economic recessions any of us are likely to experience, Manchester has recovered better than most of our peer UK cities and, in comparison to those cities, we have put in place an unmatched platform for further growth. The city has a strong asset base, unparalleled opportunities arising from the Devolution agenda to create an even stronger leadership framework, and, as a result, we have created a strong reputation nationally and internationally as a place to invest.

The Strategic Development Directorate has a pivotal role in securing new commercial development, attracting inward investment and securing employment growth, along with providing leadership to the Council's Housing function and delivering the City Council's Residential Growth Strategy which seeks to underpin the city's economic growth trajectory and housing affordability requirements.

This note has provided a very brief overview on the breadth of the growth initiatives and the opportunities that the Directorate is currently dealing with, and is anticipating to deal with, over the next decade and beyond. At the heart of these issues lies the matter of developing the necessary capacity required to bring forward what is a very significant portfolio of highly complex transformational growth related initiatives.

In respect of the option to reduce the Strategic Development budget by £150,000 and the 4 FTE roles associated with this proposal the posts in scope would be in the Development related function and Strategic Housing function. There is no doubt that

a service reduction of up to 4 FTE roles would erode the capacity of the Strategic Development Directorate to service the broad range of commercial and residential growth related activities it is currently working on, and it is planned to address. It is impossible to quantify the impacts at this juncture but given the range of development being promoted and potentially in the pipeline there is a case for further investment into the Directorate to service these demands rather than reducing the existing capacity.