

**Manchester City Council
Report for Resolution**

Report to: Executive – 7 February 2018
Economy Scrutiny Committee - 31 January 2018
Neighbourhoods and Environment Scrutiny Committee –
31 January 2018
Resources and Governance Scrutiny Committee –
1 February 2018

Subject: Strategic Development Budget and Business Planning: 2018-
2020

Report of: Strategic Director, Development

Summary

This report provides a high level overview of the priorities to be delivered in Strategic Development throughout 2018-2020. This report should be read together with the accompanying delivery plans which set out the performance, financial, risk management and workforce monitoring framework.

In the Budget and Business Plan for the period 2017-2020, directorates set out their proposed savings in the context of their objectives. This report sets out both the progress made to date in delivering these savings and the directorate's focus over the next two years of the three year plan. The accompanying refreshed delivery plans provide a framework that will be used throughout 2018-2020 to monitor performance towards objectives, workforce development, risk and financial outturn. Taken together, the five directorate reports and delivery plans show how the directorates will work together and with partners to progress towards the vision set out in the Our Manchester Strategy.

Recommendations

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

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 implications for

- Equal Opportunities
- Risk Management
- Legal Considerations

Financial Consequences for the Capital and Revenue Budgets

The proposals set out in this report form part of the draft revenue budget submitted to the Executive on 7 February 2018.

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Background documents (available for public inspection):

Strategic Development Budget and Business Plan: 2017/18 -2019/20 - Executive – 8
February 2017

1.0 **About the Strategic Development Directorate**

1.1 The Directorate has a pivotal role in securing new commercial development, attracting inward investment and securing employment growth, along with providing leadership to the Council's Housing function and delivering the City Council's Residential Growth Strategy which seeks to underpin the city's economic growth trajectory. The management of the City Council's land and property assets to promote growth is closely aligned with the management of the City Council's operational and investment estates.

1.2 Services within the Directorate make a significant contribution to the delivery of the Our Manchester Strategy in respect of a number of priority outcomes. The Strategy proposes to create a City:

- With a competitive, dynamic and sustainable economy;
- With distinctive strengths in science, advanced manufacturing, culture, creative and digital business, cultivating and encouraging new ideas;
- With highly skilled, enterprising and industrious people;
- That is connected, internationally and within the UK;
- That plays its full part in limiting the impacts of climate change;
- Where residents from all backgrounds feel safe, can aspire, succeed and live well; and
- That is clean, attractive, culturally rich, outward looking and welcoming.

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

- to support, promote and drive the 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 underpin and drive new commercial and residential growth opportunities over the next ten to fifteen years;
- to provide an expanded, diverse, high quality housing offer that is attractive to and helps retain economically active residents in the city, ensuring that the growth is in sustainable locations supported by local services and the public transport infrastructure;
- To support the delivery of a Schools Capital Programme which will provide new and expanded high quality primary and secondary school facilities for a growing population through the identification of suitable sites which can support our wider transformation proposals for neighbourhoods in the city;
- to underpin the transformation of the city's district centres with appropriate retail, amenities and public service offer; and
- to promote investment to secure an internationally competitive cultural and sporting offer and sustaining core lifestyle assets such as parks, leisure facilities and libraries within the City.

- 1.4 Over the next two years of this three year approach the following areas of activity will frame the Directorate's core priorities.
- 1.5 Following the tragic Grenfell Tower fire in June 2017 the Council has taken swift action to assure residents of the safety of the city's tower blocks. Each social landlord has reviewed the insulation and rain screen cladding (if any) on its tower blocks, revisited the latest Fire Risk Assessments and reconsidered its policy in the event of a fire in one of its flats. A decision has been made to install sprinkler systems in all Council owned residential tower blocks and consultation with residents is underway. The service has also coordinated the Council's response to Government including gathering data and information on all private sector tower blocks in the City. The service will continue to coordinate any necessary enforcement action and contribute and respond to the outcomes of the Grenfell enquiry and Government review of social housing.
- 1.6 A wide range of complex commercial and residential led mixed use developments within the city centre are currently being delivered, these include amongst others:
- St John's area working with Allied London including the new Factory Arts Centre which will provide a world class artistic offer not previously available in Manchester at this scale;
 - Revised plans have been submitted for the £200m St Michaels mixed-use scheme in the city centre working with the Jacksons Row Development Partnership;
 - First Street is being further developed with ASK / Patrizia UK to establish over 620 new city centre apartments. The next phase of commercial development at First Street Central is also nearing completion with further phases planned;
 - NOMA with Hermes continues into the next phase of development including residential development at Angel Meadow and continuation of the refurbishment and occupation of the listed estate, providing new commercial and leisure space. The next phase of development is being planned;
 - Piccadilly Basin with Town Centre Securities;
 - Mayfield with U&I;
 - Great Northern, Manchester Central and Castlefield Quay with Ask/Patrizia and Resolution / Peterson Group;
 - Circle Square with Bruntwood;
 - Great Jackson Street with a number of housebuilders; and
 - Corridor Manchester with the Corridor Partnership
- 1.7 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), Northern Powerhouse Rail and Northern Hub. A revised Strategic Regeneration Framework is being produced in order to maximise the opportunities from the proposed transport investment at Piccadilly Station.

- 1.8 Extending eastwards and northwards out of the City Centre two major residential - led regeneration opportunities are now being progressed:
- The Eastern Gateway: After a period of hiatus following the economic downturn that commenced in 2008, significant development is now taking place in the neighbourhoods of Ancoats and New Islington; with great impetus being provided by the Joint Venture Partnership established between the City Council and the Abu Dhabi United Group (ADUG) known as “Manchester Life”. The Joint Venture will deliver 302 residential completions during 2017/18, with a further 1,200 units on-site or due to start on site imminently. The aspiration is that the Joint Venture will deliver up to 6,000 new homes in total over the next few years on the eastern edge of the City Centre, connecting the City Centre to the Etihad Campus. The Manchester Life JV, the Council’s existing landholdings and the relationship with One Manchester, the largest Registered Social Landlord in the area, provides great opportunities for housing growth and improvements to existing stock.
 - The Northern Gateway: The adjacent neighbourhoods of Lower Irk Valley, New Cross and Collyhurst comprise a 120 hectare development opportunity which could accommodate in excess of 10,000 new homes over a ten to fifteen year period. The City Council entered into a Joint Venture Partnership with Far East Consortium International Limited in April 2017 to drive forward this opportunity and initial development proposals will emerge during 2018/19.
- 1.9 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 Etihad Campus
 - the Airport City Enterprise Zone (including plans for the HS2 Station at Manchester Airport that integrates with Northern Powerhouse Rail);
 - Siemens Princess Road Campus;
 - Wythenshawe Town Centre; Harpurhey District Centre and 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.
- 1.10 Residential led / mixed use development opportunities will focus on:
- preparing and delivering plans associated with the initial four Housing Affordability Zones (the Central Estates Zone in North Manchester; the Clayton Zone; the Beswick Zone; and the Wythenshawe Town Centre Zone) and ensuring these plans are fully integrated into wider opportunities adjacent to such Zones;
 - managing existing development agreements on key sites across the city with developers such as Redrow Homes in North Manchester and Lovell Homes in East Manchester;
 - managing our partnerships that underpin the Council’s three Housing PFI schemes in Grove Village, Miles Platting and Brunswick; and

- the ongoing transformation of the West Gorton estate, in conjunction with residential development partner Keepmoat Homes.
- 1.11 Other commercial and residential development opportunities will arise where the Council has no direct land interest – in these instances the Council will revert to enabling such opportunities where they support the city’s ambitions. In the short term this would include working with Manchester Metropolitan University and the Manchester College on the disposal of their surplus estate plus working with Greater Manchester Pension Fund on the development of key assets such as Chorlton District Centre.
- 1.12 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 Terminal 1 and Terminal 2 leases and 100% interest in a separate lease with the Manchester Airport Group. The combined rental from the Terminal 1&Terminal 2 Airport leases is circa £9m pa with an additional £1.3m from other MCC Airport leases. The investment estate generates budgeted net total income of £14.457m per annum derived primarily from rents but also includes fees for the release of restrictive covenants and easements, licences for the short term use of land and property, and interest on investments.
- 1.13 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 delivery of the five year Operational Estates Plan is key to this approach.

Budget Consultation

- 1.14 As part of the three-year budget setting process last year, more residents than ever before were involved in a conversation about what mattered to them, over 4,250 people got involved over 3 phases of consultation. This information was used to inform the Council’s spending plans for the next three years.
- 1.15 Although there is no formal requirement to consult on this year’s budget a commitment was made to ensure that the Council continues to inform and engage residents, businesses and council staff in the budget process. One of the ways this has happened this year is through 'Our Manchester Days', these take over days carries on the budget conversation - focusing on the areas that people told us matter most to them in the budget conversation. They highlight

the services commissioned or delivered by the Council and go behind the scenes to meet our staff and partners.

2.0 Strategic Development - Vision

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

3.0 Strategic Development – Objectives

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

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

3.2 An overarching strategic objective is to ensure that the directorate's activity is aligned to the Our Manchester Strategy and that the Our Manchester approach is embedded throughout the directorate. The Our Manchester Strategy provides the overarching framework and priorities for action by the Council and partners from all sectors over the next 10 years. These priorities are known as the 64 'We Wills' and in order to be able to achieve these high-level goals there must be a radical change in the way that the council and other organisations across the city operate. This radical change is the Our Manchester approach.

3.3 The Our Manchester approach is a redefined role for the Council and public services as a whole. It puts people at the centre of everything we do, recognising that people are more important than processes, procedures or organisational boundaries, and changing the way that the council works to reflect this. It is about listening, then learning, then responding. It is about creating the capacity, interest, enthusiasm and expertise for individuals and communities to do things for themselves. Finally it is about working together more, by building long term relationships and having honest conversations which give a say and role to both those who need services and those who provide them.

3.4 The Strategic Development Directorate serves the entire population of Manchester: some 560,000 Mancunians, its 20,000 businesses, communities and 1.2 million overseas visitors. The directorate has a pivotal role in securing

the social, physical and economic future of the City and responsibility for driving residential and economic growth. This includes the development of opportunities to raise skill levels and creation of employment opportunities; the delivery of residential, commercial and cultural development; as well as supporting the Growth and Neighbourhoods Directorate to ensure 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, for example, work to deliver the Factory in St John's and to expand the Etihad Campus, will continue to be a major regeneration catalyst for the city whilst at the same time bringing significant community benefits to our residents. The Northern Gateway will expand the city centre in a northern direction establishing sustainable residential led mixed use neighbourhoods. There is a significant opportunity to work with partners to embed an Our Manchester approach into the development of this new neighbourhood.

- 3.5 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:-

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

- The continuing growth of the city centre as a major regional, national and international economic driver; ensuring growth through efficient use of land for development opportunities, such as: the Airport City Enterprise Zone; the Didsbury Technology Park; the Eastern Gateway and the Etihad Campus; St John's Quarter, Mayfield and the Corridor Enterprise Zone;
- Uphold Manchester's attractiveness as an international investment opportunity to build on the Capital Strategy and innovative models of co-investment in the City's future;
- Maintain and build confidence in Manchester's reputation as a destination City through the growth and improvement of its retail provision, the opportunities presented by its diverse cultural, sporting and leisure offer, together with its civic functions as a focus for residents and visitors;
- Ensuring residents, neighbourhoods, businesses and goods connect to local, national and international markets. Through working with partners both internally and externally maximise the impact of the provision of new and enhanced physical and digital infrastructure such as High Speed Rail (HS2, Northern Powerhouse Rail and Northern Hub), bus reform, and new walking and cycling infrastructure and
- Work with partners to actively manage the impact of a growing population and economy to minimise the city's carbon emissions through planning and working with partners across the City to move towards becoming a zero carbon city by 2050.

A Highly Skilled city– full of talent both home grown and from around the world

It is important that the City has a work and skills system, which meets the growth needs of all businesses and enables residents from all backgrounds to obtain the skills and attributes that employers require. Whilst Growth and Neighbourhoods will

take the lead, Strategic Development will support this work and recognise that to achieve this there is a need to:

- Maximise employment opportunities for Manchester residents, leveraging, in particular, where the City Council has a strategic development, planning, procurement or commissioning role and
- Ensure that business start-up and growth services deliver a quality offer for the City's businesses and facilitate more of the City's residents to start a business or pursue self-employment.

A Progressive and Equitable City– a fair city where everyone has an equal chance to contribute and to benefit

- Utilise the city centre developments coupled with strengthening and diversifying the economic base to drive employment growth. Provide businesses with the opportunities to grow and re-invest in Manchester as their City of choice through the provision of new workspace across the city.

**A Liveable and Low Carbon City – a great place to live with a good quality of life: a clean, green and safe city and
A Connected City- both physically, with world class transport, and digitally, with brilliant broadband.**

- Create places where people want to live with good quality housing of different tenures; inclusive neighbourhoods; a good social, economic, cultural offer and visitor offer, and environmental infrastructure;
- Contribute to population and economic growth by providing an expanded, diverse, high quality housing offer that is attractive, affordable and helps retain economically active residents in the City, ensuring that the growth is in sustainable locations supported by local services, an attractive neighbourhood and the public transport infrastructure;
- Reducing CO2 emissions through a combination of local action and influencing national policy on energy and transport; this will include Our Capital Strategy and the development of new policy frameworks in areas such as Green and Blue Infrastructure, Residential Design and, at a Greater Manchester level, the GM Transport Strategy 2040, which will drive forward our local actions; and
- Support local businesses and residents to maintain and develop thriving district centres with appropriate retail, amenities and public service offer.

Enablers

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

- Work with partners and other Council Directorates to make best use of the City's total collective public and community assets to support estates transformation and deliver modern efficient services.
- Prioritise and maximise opportunities to collaborate with partners across Greater Manchester to identify new ways of working to increase income

generation, investment, develop new funding models and to optimise use of resources. Invest in 'skills for growth' and innovation to support the development of this work.

- Enable the workforce to be more resilient, effective, creative, ambitious and innovative through embedding Our Manchester and developing a culture of trust, honesty and empowerment. Plan for the future workforce, review structures, roles and skills needed for the future organisation and embed the required career pathways and succession plans.
- Increase productivity amongst staff within the directorate through adopting leaner support systems and processes (ICT, HROD, and 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, seeking out potential opportunities and building on potential areas of growth through the devolution agreement.

4.0 Revenue Financial Strategy for the Delivery of Objectives

4.1 The Strategic Development Directorate has a gross budget of £42.860m and a net budget of £5.639m with 286 FTEs. The current breakdown of both budget and FTEs across services is set out in the table below:-

Service Area	2017/18 Gross Budget £000's	2017/18 Net Budget £000's	2017/18 Budgeted posts (FTE's)
Operational Property	31,370	17,525	205
Investment Estate	4,129	(14,443)	27
Sharp, Space & OCP	1,268	6	3
City Centre Regeneration	2,402	419	13
Strategic Development	1,114	552	4
Strategic Housing	2,577	1,580	34
Total	42,860	5,639	286

4.2 The 2017/18 net budget £5.639m is net of £433k savings that were agreed as part of 2017/18 budget proposals. The Directorate has successfully delivered the majority of the agreed savings with the exception being in relation to the

re-tender of both the repairs and maintenance and the Security contracts, further detail on the pressures arising from this delay are set out later in this report.

4.3 As part of the original three year budget strategy for 2017/18 to 2019/20 a number of priorities were identified that supported the Directorate in delivery of the medium term financial strategy and enabling the service to deliver its priorities within the agreed funding envelope. Progress towards the original priorities is set out below:

- A wide range of complex commercial and residential led mixed use developments within the city centre are currently being delivered including the St Johns area and the new Factory Arts Centre, a world class artistic offer not previously available in Manchester at this scale, the £200m St Michaels mixed-use scheme; further development of First Street to establish over 620 new city centre apartments and NOMA continuing into the next phase of development. Corridor Manchester with the Corridor Partnership, Mayfield with U&I and Piccadilly Basin with Town Centre Securities are also progressing towards delivery. Planning for major transport schemes at Piccadilly Station and regeneration of the surrounding area is also being taken forward.
- Manchester Metropolitan University has agreed to establish its sports academic base and associated requirements on the Etihad Campus – the Manchester Metropolitan Institute of Sport - within a new Sports and Innovation Zone that will create employment opportunities and act as a catalyst for the transformation of East Manchester.
- The Space Project expansion including Outer Space and the Managed Workspace Units has been completed. The expansion of the TV and film production site in West Gorton brings in 275 jobs and sees the site deliver a £10m a year economic boost.
- The delivery of the City Council's Residential Growth Strategy and the Housing Affordability Policy that ensures we have appropriate housing tenure and community facilities to meet this growth is progressing well. Over 3,000 new homes are expected to complete in 2017/18 representing significant growth over the past few years (15/16 - 1,524 and 16/17 - 1,654)
- In October 2017 the Executive approved the designation of four Housing Affordability Zones across the city that will deliver in excess of 2,000 new affordable homes. Additional zones will be added in 2018.
- In April 2017 a joint venture partnership was launched between the council and Far East Consortium to support the development of the Northern Gateway and into the Irk Valley. The first schemes are already on site and will provide 750 new homes.
- Supporting staff to be able to work in an Our Manchester way through developing skills and knowledge through opportunities such as Listening in Action and the Our Manchester experience.
- The delivery of the Strategic Regeneration Frameworks which have been developed across the city centre and in a limited number of areas outside of the city centre to support place planning and capture very significant commercial and residential growth outcomes continue to be progressed;
- In West Gorton residents were actively engaged in the co-production of a comprehensive plan for their area. New homes are being completed and sold

daily along with a new medical centre, pharmacy and local shop were completed in August 2017 and new funding has been secured to develop a larger park;

- To provide a strong evidence and coherent strategy, policy and planning framework for the ongoing development and growth of the city;
- Continue to explore options for improving service delivery models to ensure that they are cost effective, whilst providing high quality services is being realised through a wide range of initiatives from restructuring the senior management arrangements to more closely align residential growth and strategic housing through to new models of delivery by our Facilities Management and housekeeping teams;
- Maximise income opportunities, through realising the most from our assets as well as ensuring any additional opportunities are identified;
- Ensure the right skills and capacity is maintained and developed to enable the City to deliver against its Growth, Place and Skills agenda; and
- The directorate is dedicated to reducing CO2 emissions to support the Council's priority to be carbon neutral by 2050 and are therefore exploring the potential of procuring specialist technical services for the delivery of the Carbon Reduction Programme.

Savings Proposals

4.4. Although there are no additional savings proposals for 2018/19 and 2019/20 Strategic Development will continue to review all areas of service delivery to ensure that the most efficient model of service delivery is in operation. Where possible work will be undertaken to ensure that any budget pressures are mitigated from within the service existing revenue budgets.

4.1 Key Changes and Savings

4.1.1 The Strategic Development budget is relatively stable and the 2017/18 outturn position is likely to be at or around breakeven. As referenced earlier in the report there have been delays in the retendering of both the security and the repairs and maintenance contract with the contracts now likely to be re-let in October 2018. The delays will lead to a budget risk of £144k in 2018/19, and this will be mitigated through careful management and prioritisation of facilities management expenditure in 2018/19.

4.1.2 There remains an ongoing risk in relation to both the operational and investment estate budgets, and the Strategic Development service continually looks at ways to effectively manage the estate through regular reviews of rents, leases and service charges whilst minimising the instances of vacant properties. This will continue during 2018/19 to ensure that any risks are mitigated.

4.1.3 The existing capital programme 2017/18 to 2019/20 includes investment to support priorities in Corporate Property, Public Sector Housing through the HRA and development programmes, specific schemes include the following;

- Town Hall Refurbishment
- Digital Asset Base - One Central Park
- Northern Gateway
- Civic Quarter Heat Network
- Extra Care Housing
- Medieval Quarter public realm improvements phase 4a
- Lincoln Square

4.2 Technological Support to Implement Changes

4.2.1 The importance of technology, systems and data should not be underestimated if the City Council is to achieve the aspirations of growth, reform and health and social care integration from both a Council and GM perspective. Additional ICT investment has been agreed as part of the three year budget strategy and a five year capital plan with 2018/19 being the second year of this investment programme.

4.2.2 During 2017/18 ICT investment has been made in the areas listed below. The initiatives are a mixture of systems to underpin departmental transformational agendas, the implementation of fit for purpose systems or to establish compliance in line with the ICT strategy.

- City Centre Assessment
- Universal Housing application
- Selective Licensing

4.2.3 Key priorities for 2018/19 will include:

- To replace the end of life (and non PSN compliant) NSC application with a supported fit for purpose product. This piece of work needs to be completed to maintain compliance and reduce risk to the authority.
- To deliver a new online system for HMO licensing. This will enable the service to meet increased demand by moving away from a time consuming paper based process.
- Complete delivery of the Universal Housing application. This initiative will make use of technology to transform the operation of housing management services to generate efficiencies, improve the customer experience and offer increased functionality.
- Develop proposals for the replacement of the current security system Grantfen. This has reached end of life and requires updating.

4.2.4 The above projects are prioritised against directorate and corporate objectives. For example, through the adoption of new technologies for how we housing stock we will be improving the customer experience and helping to create more comfortable, and fit for purpose housing stock.

4.2.5 ICT will continue to work closely with the Directorate in order to identify solutions that comply with the information and ICT design principles and to develop robust business cases to support their development.

4.2.6 In addition to the service specific projects above a large number of staff from across Strategic Development will benefit from the go live of Universal Access which is ongoing and expected to be complete by April 2018.

4.3 Investment Proposals, Budget Growth & Pressures

4.3.1 As outlined earlier in the report, the investment estate is a major source of income for the directorate and the Strategic Development service continually looks at ways to effectively manage the estate and maximise income through regular reviews of rents, leases and service charges whilst minimising the instances of vacant properties.

4.4 Impact on Residents Communities and Customers

4.4.1 Manchester has a diverse and rapidly changing population and it is important that the Council is able to manage its business priorities with due regard for the wide-ranging and complex priorities and needs of the City's residents. The business planning process helps the Council to consider and communicate how it will fulfil the requirements of the Public Sector Equality Duty in the development of its business priorities. The Council will continue to use its Equality Impact Assessment framework as an integral tool to ensure that all relevant services have due regard of the effect that their business proposals will have on protected groups within the City.

4.4.2 The Council is proud of its accreditation as an excellent authority against the Equality Framework for Local Government and is committed to maintaining this standard. Ensuring that Directorates' equality considerations and priorities are clearly articulated through the business planning process is a crucial part of achieving this commitment.

4.4.3 In 2017 the directorate established an Equalities Working Group which is responsible for ensure progress against the directorate delivery plan and corporate priorities. This work is detailed in the Equalities Delivery Plan attached.

4.5 Workforce Impact

4.5.1 The Directorate's workforce is approximately 286 FTE. There are no workforce reductions proposed in savings for 2018/19.

4.5.2 Key priorities for 18/19 will include:

- Continuing to develop the skills of the workforce to enable them to deliver the Our Manchester strategy.
- The b-heard survey consistently reveals that a key factor in engaging and motivating the workforce is ensuring there is strong and positive relationship with managers. The Directorate will continue to focus on ensuring leaders at all levels are embedding the Our Manchester behaviours and that they have the right tools and skills to create and maintain a motivated, happy and well managed workforce.

- The Directorate will offer apprenticeship opportunities to internal staff and external applicants wherever suitable in order to facilitate development, succession planning and to maximise spend of the apprenticeship levy. Apprenticeships also creates great accessibility to many local residents that have limited skills to offer the employment market.
- The Directorate will continue to offer access and training to staff on using MCC systems through the Universal Access (UA) project. UA will enable staff to easily access development opportunities and improve their engagement to feel part of the Council.

Appendix 1: Summary Budget Position and Savings Schedule

Service Area	2017/ 18			2018/ 19			2019/ 20		
	Gross Budget	Net Budget	Budgeted Posts (FTE)	Gross Budget	Net Budget	Budgeted Posts (FTE)	Gross Budget	Net Budget	Budgeted Posts (FTE)
	£,000	£,000		£,000	£,000		£,000	£,000	
Operational Property	31,370	17,525	205	31,370	17,525	205	31,370	17,525	205
Investment Estate	4,129	(14,443)	27	4,129	(14,443)	27	4,129	(14,443)	27
Sharp, Space & OCP	1,268	6	3	1,268	6	3	1,268	6	3
City Centre Regeneration	2,402	419	13	2,007	419	13	2,007	419	13
Strategic Development	1,114	552	4	1,114	552	4	1,114	552	4
Housing & Residential Growth	2,577	1,580	34	2,577	1,580	34	2,577	1,580	34
Total	42,860	5,639	286	42,465	5,639	286	42,465	5,639	286

FTE figures reflect funded posts

Service Area	2017 / 18	2018 / 19			2019 / 20		
	Net Budget 2017/18	Growth and other Budget Changes	Savings	Net Budget 2018/19	Growth and other Budget Changes	Savings	Net Budget 2019/20
	£,000	£,000	£,000	£,000	£,000	£,000	£,000
Operational Property	17,525	0	0	17,525	0	0	17,525
Investment Estate	(14,443)			(14,443)			(14,443)
Sharp, Space & OCP	6			6			6
City Centre Regeneration	419			419			419
Strategic Development	552			552			552
Housing & Residential Growth	1,580			1,580			1,580
Total	5,639			5,639			5,639



Strategic Development Delivery Plans 2018/19 – 2019/20

Delivery Plan 1 – Financial Plan

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

Subjective Summary

Subjective Heading	2017-2018 Budget £,000	2018-2019 Indicative Budget £,000	2019-2020 Indicative Budget £,000
Expenditure:			
Employees	10,576	10,576	10,576
Running Expenses	31,491	31,491	31,491
Capital Financing Costs	0	0	0
Contribution to reserves	75	75	75
Total Subjective Expenditure	42,142	42,142	42,142
Less:			
Other Internal sales	(5,752)	(5,752)	(5,752)
Gross Expenditure	36,390	36,390	36,390
Income:			
Government Grants	0	0	0
Contributions from Reserves	(7,541)	(7,541)	(7,541)
Other Grants Reimbursements and Contributions	(480)	(480)	(480)
Customer and Client Receipts	(22,730)	(22,730)	(22,730)
Other Income	0	0	0
Total Net Budget	5,639	5,639	5,639

Delivery Plan 2 – Performance Plan

This performance plan shows progress towards the objectives of the Strategic Development Directorate. Progress towards these indicators is monitored through the Strategic Development Performance Framework which is submitted to the Directorate Management Team for consideration on a quarterly basis.

Our Manchester Outcomes	Our Manchester 3 Year Priorities	State of the City Key Indicators	Objectives	Indicator (high level / outcomes)	Actual Performance (2016/17)	Target Performance			Contributing Indicators (lower level / operational)
						2017/18	2018/19	2019/20	
A thriving and sustainable city	-Work and skills for better pay	Total number of people in employment (ONS - 381,500 - 2016)	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. 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. Ensuring residents, neighbourhoods, businesses and goods connect to local, national and international markets.	Number of job vacancies (Burning Glass)	14,318 (June '17)	N/A	N/A	N/A	
				Businesses indicating growth in employees (Business Survey)	21% (Aug '17)	N/A	N/A	N/A	
				Office Take Up (CBRE)	479.9 (000s ft2) H1 2017	N/A	N/A	N/A	Office Availability and Prime Rents
		Estimated visitor numbers (STEAM - 1.152m - 2015)	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.	Hotel Occupancy rates (STR Global)	80% 16/17	N/A	N/A	N/A	Growth in Hotel Stock
A highly skilled city	-Better school results -Work and skills for better pay	% of the workforce with no formal qualifications (11%), skilled up to level 2 (73%) and skilled up to level 4 (39%) (ONS, 2016)	Maximise employment opportunities for Manchester residents, leveraging, in particular, where the City Council has a strategic development, planning, procurement or commissioning role.	% of the Council's procurement spend with local suppliers. (CLES)	73.6% - (15/16)	N/A	N/A	N/A	Activity generated through Social Value
A liveable and low carbon city	-Cleaner, greener place -Better and more homes -More recycling and less waste -Fix road, bus and cycle lanes	Our Manchester Residents Survey: % of respondents rating their area a good or very good as a place to live (52% 2017)	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.	Total Business Rate Value of District Centres (Academy)	£22.9 mill (Sept '17)	N/A	N/A	N/A	
			Support local businesses and residents to maintain and develop thriving district centres with appropriate retail, amenities and public service offer.	% of empty commercial properties (Academy)	5.24% (April 2017)	N/A	N/A	N/A	

				Footfall in district centres (Springboard)	To be measured in 2018	N/A	N/A	N/A	
		Expected Housing Completions (1,654 - 16/17 - MCC EC List)	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.	Number of residential property sales	6,524	N/A	N/A	N/A	Sales prices (Manchester Ex CC / City Centre) (New Build / All); Average rents for 2 bedroom properties in City Centre / Rest of City
		CO2 Emissions - Reduction from 2005 Baseline (2016 - 33% reduction, MACF)	Reducing CO2 emissions through a combination of local action, including delivery of the Green and Blue Infrastructure Strategy, Parks Strategy and the Tree Action Plan, and influencing national policy on energy and transport.	Air quality (NO2) in Piccadilly and Oxford Rd (Air Quality Monitoring Stations)	2016 - 40 Piccadilly 2016 - 66 Oxford Rd	35	35	35	
Enablers	All	N/A	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.	% of Stage 1 and 2 complaints answered within 10 working days. (CP&C)	100%	96%	96%	96%	
				% of complaints upheld by the Ombudsman. (CP&C)	0%	Below 10%	Below 10%	Below 10%	
				% of Freedom of Information Act requests responded to on time (CP&C)	84%	90%	90%	90%	
			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.	Average days lost per FTE in the standard working month (mean monthly result over the year) (SAP)	0.82	N/A	N/A	N/A	
			Reducing CO2 emissions through a combination of local action, including delivery of the Green and Blue Infrastructure Strategy, Parks Strategy and the Tree Action Plan, and influencing national policy on energy and transport.	Reduce Direct CO2 Emissions from Buildings by 41% from 09/10 baseline	24.9%	41% reduction from 9/10 baseline by 2020	41% reduction from 9/10 baseline by 2020	41% reduction from 9/10 baseline by 2020	

Delivery Plan 3 – Equality Overview and Action Plan

The 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 physical and economic growth of the City. This includes the delivery of residential growth; increasing housing provision including a significant proportion being affordable for Manchester residents; enabling transport connectivity internationally (airport) nationally (HS2) and locally (second city crossing); and, developing attractive commercial spaces to support both business and employment growth in the city. Cultural and sporting excellence is also at the heart of the growth agenda and will continue to be a major regeneration catalyst with major developments including the new Factory Arts Centre and expand the Etihad Campus in east Manchester.

Services delivered by Strategic Development are largely delivered with partners before users access the homes or facilities however the Directorate remains committed to ensure that communities are engaged in decisions that affect them. The Directorate also seeks out opportunities to support specific communities to ensure they have access to quality provision that meets their needs; such as, the older peoples housing specifically for Manchester's LGBT community announced in 2017. The directorate also ensures that it clearly demonstrated how equalities impacts are considered during the planning and delivery of any new developments ensuring compliance with national guideline and legislation. The behaviours and principles of Our Manchester are embedded throughout our approach to service delivery and meeting the needs of our customers. We are proud and passionate about Manchester and will endeavour to deliver the best possible services.

Review of Proposed Changes and Activities

The Strategic Development Directorate intends to increase income through improved use of the **operational estate** and review of rents, leases and occupancy within the **investment estate**.

Planned improvements to the security and repairs and maintenance contracts have been delayed however this will have no equalities impact as existing provision is still in place until the new contract is agreed.

New and emerging projects will be planned with due consideration and compliance to national guidelines and legislation. At present no Equality Impact Assessments have been identified for the directorate however this will be reviewed by each service on an ongoing basis.

Proposal	Proposed EIA Completion Date	Decision Date	Senior Management Lead	Comments on initial potential impacts
N/A	N/A	N/A	N/A	N/A

Monitoring of the Delivery Plan

The Directorates Equality Champion, Paul Beardmore, will update this delivery plan to update Directorate Management Teams and the Corporate Equalities Champions Group each quarter on progress. Progress on the delivery of this plans is also reported to the Communities & Equalities Scrutiny Committee.

In addition to this delivery plan Strategic Development Directorates has also established an equalities working group with membership from each service area to embed equalities within the ongoing service planning and delivery. The group manages the delivery plan, embeds equalities within ongoing service planning /delivery and also manages delivery against the corporate priorities. Progress against the Corporate Priorities to date includes:

Knowing Manchester Better: Take the time to listen and understand;

Data mapping workshops and agreement to create a central repository signposting to data, policies, and guidelines to support services understand and meet equalities commitments.

Improving Life Chances: We own it and are not afraid to try new things;

Sharing best practice through case studies and debating approaches to equalities planning and monitoring to inspire new practice across services.

Celebrating Diversity: Proud and Passionate about Manchester's communities

Work is beginning on a joint events and activities calendar to celebrate diversity and identify opportunities for better promotion, gaps in provision and/or areas of duplication.

Delivery Plan 4 – Workforce Plan

The 'Our Manchester' approach is the foundation of how the Council will deliver its services and engage with residents; it is a key driver along with the People Strategy aims of connecting, inspiring and empowering the workforce.

This section sets out the workforce plan for Strategic Development; a small but important directorate which is made up of employees engaged in professional roles to colleagues undertaking manual work, therefore development activity needs to be appropriately managed to meet workforce needs.

A number of employees in Facilities Management have recently obtained access to MCC intranet therefore communication and personal development can be a challenging issue but it's crucial that all parts of the workforce are engaged.

Workforce Strategy

In order to deliver the Directorate's vision along with the 'Our Manchester' approach, the priorities will focus on building key skills which are listed below:

- Leadership and Management Capability
- Strengths based conversations
- Customer Care
- Strategic Thinking
- Project Management
- Matrix Management and Partnership Working
- Commercial Skills
- Client and Contract Management
- Political Awareness

There will be a continued focus on performance management including attendance, development, and performance with an increased focus on strategic workforce planning. The Directorate will continue to promote About You discussions to ensure that workforce development needs are identified and align with the service plans.

Our Manchester Approach

The 'Our Manchester' approach provides collaborative and innovative approach to resident engagement. The Directorate's aim is to develop a resident focused workforce, who understand and are accountable for the impact of their decisions and actions on the lives of residents using a 'strengths based' approach. The Our Manchester Experience sessions will help build employees' understanding of the approach.

Leadership and Management Development

Feedback from managers and directors confirmed that the need to build management capability (and capacity) in areas such as conflict management, handling difficult conversations, improving motivation in the team and absence management were pivotal in delivering business plans. The

b-heard survey further confirmed that in order for staff to feel connected and empowered, managers need to lead by example and understand how to motivate their teams even by small acts such as remembering to say thank you for a job well done.

Corporate leadership programmes such as 'Our Manchester Leadership' and 'Raising the Bar' will help facilitate management development.

Apprenticeships

The introduction of the Apprenticeship Levy has provided opportunities for the Council to deliver apprenticeships in a totally different way. The Directorate has ambitious targets to improve the skills and employment of young people in Manchester as well as increasing technical, management and higher level skills of its own workforce. The Directorate will offer roles for all levels including those coming in at an entry level for unemployed Manchester residents through to higher and degree level apprenticeships for upskilling existing employees where there are skills shortages in the Directorate such as Chartered Surveyors and Town Planning.

Workforce Development Plan

The Directorate has an active Workforce Development Group drawn from across its services. To complement apprenticeships and leadership and management training provided corporately, there are meetings annually with service managers to identify priority training needs within their areas. The Directorate will support encourage managers to ensure their team members have access to training, specifically mandatory and service specific development activity which allows services to develop an advantage over their competitors (especially in Trading Services) or provide new or improved services to residents and the community.

Learning Lunches

Employees shared that they want a better understanding of what other services areas across the directorates deliver. The workforce development group will continue to programme 1-2 hour learning lunches for colleagues to attend and these will be delivered during the year. The lunches will cover a wide range of topics delivered by various staff across the Council on a three to four weekly basis to facilitate the sharing of expertise and knowledge.

Team Development

The development of strong and high performing teams is a priority for Directorate and as such the Workforce Development Group will develop a suite of options to promote this including outdoor team building events, classroom style to competitive fun activities to suit different team learning styles.

Workforce Priorities

A summary of the Directorate's priorities is provided outlined below.

The Directorate will:

- Work to ensure the Our Manchester approach is further embraced and adopted by all employees.
 - Continue to develop leadership and management capability.
 - Enable succession planning and development for employees by maximising apprenticeship opportunities (for new and existing employees).
 - Understand and respond to the outcomes of the BHeard survey with the aim of continually improving employee engagement and satisfaction levels.
 - Identify and deliver skills and training for the Directorate through the creation of a Workforce Development Plan. This plan will provide added value/complement the corporate organisational development approach.
- Develop clearer career pathways and progression opportunities for staff including 'Grow Your own' approach.
 - Improve and strengthen team working (including across service areas) to ensure the best possible service is provided to residents.
 - Continue engaging employees and ensure there is strong communication with the workforce via the delivery of staff conference(s) and weekly Directorate broadcasts.
 - Improve the operation of an agile workforce by the promotion of 'Our Ways of Working' and flexible working practices.
 - Work to reduce employee sickness absence.
 - Continue to reduce reliance on agency and consultants and ensure that the Directorate develops the required talents in-house.

Delivery Plan 5 – Strategic Risk Assessment and Register

Directorates should work with Internal Audit and Risk Management and undertake a risk assessment to identify the most significant high level strategic risks which threaten the delivery of the objectives defined in section 3.0 of the Budget and Business Plan. The table below should then be populated to form this delivery plan and provide assurance that risks to the directorate's strategic objectives are being managed.

ID	Category	Risk Description	Existing Controls	L	I	Risk Score	Response Actions/Progress	Risk Owner
1		Workforce development and apprenticeship offer does not progress at the required rate to ensure the Directorate has the skills and experience necessary to deliver against its objectives.	<p>Workforce Development Plan</p> <p>Regular scrutiny and discussion at Workforce Development Meetings and DMT</p> <p>Directorate quarterly HR dashboard tracks progress of apprenticeships and workforce development spend.</p> <p>Monitor workforce budget spend throughout year</p>	4	2	8: Medium	<p>Regular communication to employees and service</p> <p>Ensure process to arrange development is easy, accessible and shared with service areas</p> <p>Maximise use of apprenticeship levy.</p>	HR Business Partner
2		<p>The operational estate does not meet the Council's needs in the context of required capacity and transformation and opportunities for co-location with partners (on corporate risk register).</p> <p>The emerging nature of demands and requirements could potentially mean that the service cannot meet the requirements as well as being safe, secure and effective within timescales, resulting in ongoing/planned work having to be deprioritised.</p>	<p>The restructure of the Strategic Development Directorate has been successfully implemented this includes the full introduction of the Corporate Landlord, and moving Estates and Facilities into a single function, with appropriate resourcing to deliver estates rationalisation and transformation. Corporate estates have been focusing on utilising MCC assets to their optimum potential to accommodate staff during the Town Hall decant and mitigate external rental commitments.</p> <p>Furthermore the setting up of strong governance arrangements through the Estates Board and Executive Member Estates Board ensures corporate oversight and priority is given to this work.</p> <p>Planned programmes of security awareness training for all staff. High level governance ensures high prioritisation of maintenance of the operational estate, stock condition surveys have significantly enhanced knowledge and used to inform planned work programmes, enhanced business continuity delivery programme to support Property Rationalisation Strategy, Control processes agreed with Facilities management.</p>	3	4	12: Medium	<p>Stock surveying that determines content, scope and condition have been undertaken.</p> <p>Deliver against clearly articulated 5 Year Estates strategy that reflects corporate priorities, which includes how we approach Integration and co-location.</p> <p>Plan for potential impacts of any required Town Hall decant (both Estates & FM impacts) to support renovation and change of use.</p> <p>Deliver planned refurbishment programmes necessary to prepare for releasing the poorer quality assets. delivery of business continuity plan refresh, leading to the development of building continuity plan (Dec 18). Continue to identify refurbishment schemes that attract capital funding rather than delivery through the Asset Management Plan.</p>	Director of Development and Corporate Estate
3		Failure to deliver the spatial framework, GM Strategy and Our Manchester targets for attractive and increased housing offer, infrastructure improvements attracting new	Residential Growth Board, Numerous joint ventures including Manchester Life (Eastern Gateway), Far Eastern Consortium (Northern Gateway), Spinningfield, Mayfield, St Johns,	4	3	12 Medium	Continued emphasis on gathering sophisticated market intelligence re market conditions, enabling prediction of market changes and adaptation as a result. Influence the policy direction of the GM Spatial Framework for planning.	Strategic Director for Development

		businesses and improving skills impacts on pace of growth in the city and achievement of future financial assumptions over NNDR and council tax income.	Eastlands Strategic Development Company. Review of the Manchester Local Plan and officer influence over the GM agenda					
4		Failure to put in place the necessary arrangements to enable our target of a minimum of 25,000 homes over 10 years to 2015 and which will also meet the political priorities associated with the affordability of those homes.	The Residential Growth Strategy is live and sets out how the residential pipeline necessary to maintain the City's economic growth will be met. Residential growth governance arrangements are in place to ensure a strong set of project boards that ensure delivery of residential growth are in place. The Affordability policy was approved by Executive in December 2016.	3	3	9: Medium	Strategic Development are now resourced to take direct responsibility for delivering the key actions within the delivery plan that accompanies the residential Growth Strategy. Develop strategy and priorities for further growth in the tax base to maximise income generation Numbers on site now exceed 2,500 per annum for the next two years. Pipeline of approved schemes suggests that we will continue to exceed 2,500 average providing development continues to follow the approvals	Director of Housing and Residential Growth
5		Requirements for registered housing providers to reduce rents over the next four years leads to a deficit emerging within the HRA generally and Northwards Housing specifically.	A full review of the HRA will be undertaken over the next year which will not only look at how Northwards can be more sustainable in a climate of reduced rents but alternative arrangements to an ALMO managing council housing stock is considered.	4	3	12: Medium	A draft HRA business plan has been produced and as part of the review process consideration will be given to the level of HRA funding that supports other Council services including Housing, other parts of Growth and Neighbourhoods and overhead charges for services provided by the Corporate Core – finance, HR, IT etc. The review will also determine the future management of the HRA stock. Review is overdue but corporate finance are working on the numbers. HRA Board is sighted on this.	Director of Housing and Residential Growth
6		The management of the investment property estate fails to achieve the income targets set within the 3 year budget strategy. Less profitable parts of the portfolio are not offset by opportunities to increase income elsewhere.	Work will continue to be undertaken to manage the risk associated with those parts of the investment estate. The re-tender of the Jacobs contract ensures a more robust management of the investment estate but a sharing of risk and reward.	2	3	6: Low	Following a detailed business case reviewing the Asset , A significant investment in Heron House commenced in Jan 18.We already have strong occupier interest in 50% of the space. Further work around the airport, Wythenshawe Town Centre will ensure that opportunities to increase income are maximised. Further work will be undertaken to increase the City's digital assets.we closely monitor risks to robustness of the income arising from onerous legacy leases on a small but financially sensitive number of assets .eg Armdale centre.	Director of Development and Corporate Estate
7		Factory Manchester is not completed to time and to budget. This is a highly complex capital scheme which will deliver a state of the art international arts venue. Inability to deliver will significant put the city's reputation as a cultural centre at risk.	Board in place, with regular activity being reported back through DCMS	2	4	8: Medium	Activity plan will be presented back to government at regular points. Transition funding being sought to support the setup of the new organisation that will have responsibility for the building.	Head of City Centre Growth and Regeneration
8		Financial pressures on the Facilities Management Budgets. There are two savings related pressures and one income related pressure. The service has put forward savings based on the re-procurement of the Security Contract and the MWL Contract. Delays in the procurement process are likely to result in the level of anticipated savings not being achieved due to the delay. In respect of the Income pressure - the Manchester Central contract arrangements will change due to the future closure of the Town Hall. A reduced target of £250k has been included in the FM budgets, however, the	There has been a delay in the reprocurement of both the security and Mears contract. Previously identified savings have not been delivered and the spend has been managed accordingly to maintain budget. As a consequence the council has had to secure a further extension for the Mears/MWL contract and agreed to a 2% price increase. It is anticipated that the overall impact will be a shortfall of £148k for the 6 month period.	4	4	16:High	It is the intention to manage this shortfall by requesting a carry forward of budget under spend and additional income, (in excess of income target) For the 2018/19 financial year.	Director of Development and Corporate Estate.

		basis of the payment is on an 'net income' basis. There are no guarantees and therefore this is a potential risk.					
9		Inability to develop, design and deliver major infrastructure projects across highways linking with strategic development plans, to time, quality and on budget.	Arrangements to ensure senior officer and member engagement through project boards; major project governance structures include SMT level Senior Responsible Officers and project boards; Financial approval and reporting on budget and spend via revised / strengthened capital gateway processes, SMT leadership of Capital Investment Board; Reports to Executive and Scrutiny Committee	3	3	9 medium	Ongoing involvement in senior level boards Strategic Director for Development.