



Communities and Equalities Scrutiny Committee

Date: Thursday, 6 February 2020

Time: 2.00 pm

Venue: Council Antechamber, Level 2, Town Hall Extension

This is a **Supplementary Agenda** containing additional information about the business of the meeting that was not available when the agenda was published

Access to the Council Antechamber

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Membership of the Communities and Equalities Scrutiny Committee

Councillors - Hacking (Chair), Andrews, Battle, Chambers, Collins, M Dar, Doswell, Douglas, Evans, Grimshaw, Hitchen, Kirkpatrick, Rawlins and Rawson

Supplementary Agenda

6. The Council's Updated Financial Strategy and Budget reports 2020/21 5 - 18

Report of the Chief Executive and the Deputy Chief Executive and City Treasurer

This report provides an update on the Council's overall financial position and sets out the next steps in the budget process, including scrutiny of the budget proposals and budget report by this Committee.

Each Scrutiny Committee will receive a budget report aligned to its remit, showing the main changes proposed to delivery and funding. The services to be considered by each scrutiny committee are shown at table five. The report also outlines the proposals for how the Council could deliver a balanced budget for 2020/21, the details of which will be discussed at the relevant scrutiny committees.

6a. Neighbourhoods Directorate Budget Report 2020/21 19 - 36

Report of the Strategic Director (Neighbourhoods)

This report provides a further updated Neighbourhoods Directorate medium term financial plan, and budget proposals for 2020/21. The report has been updated in order to reflect feedback from the January round of scrutiny meetings on the original draft proposals.

Although the report details the whole Neighbourhood Directorate budget proposals, this Committee has Community Safety; Parks, Leisure, Youth and Events; and Libraries, Galleries and Culture under its remit. The report should be read in conjunction with the Council's overarching Business Plan report.

9. Delivering the Our Manchester Strategy 37 - 48

Report of the Executive Member for Skills, Culture and Leisure

This report provides an overview of work undertaken and progress towards the delivery of the Council's priorities as set out in the Our Manchester strategy for those areas within the portfolio of the Executive Member for Skills, Culture & Leisure.

Further Information

For help, advice and information about this meeting please contact the Committee Officer:

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This supplementary agenda was issued on **Friday, 31 January 2020** by the Governance and Scrutiny Support Unit, Manchester City Council, Level 3, Town Hall Extension (Lloyd Street Elevation), Manchester M60 2LA

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Manchester City Council Report for Resolution

Report to: Resources and Governance Scrutiny Committee - 4 February 2020
 Health Scrutiny Committee - 4 February 2020
 Children and Young People Scrutiny Committee - 5 February 2020
 Neighbourhoods and Environment Scrutiny Committee - 5 February 2020
 Economy Scrutiny Committee - 6 February 2020
 Communities and Equalities Scrutiny Committee - 6 February 2020

Subject: Updated Financial Strategy and Budget Reports 2020/21

Report of: The Chief Executive and the Deputy Chief Executive and City Treasurer

Summary

This report provides an update on the Council's overall financial position and sets out the next steps in the budget process, including scrutiny of the budget proposals and budget report by this Committee.

Each Scrutiny Committee will receive a budget report aligned to its remit, showing the main changes proposed to delivery and funding. The services to be considered by each scrutiny committee are shown at table five. The report also outlines the proposals for how the Council could deliver a balanced budget for 2020/21, the details of which will be discussed at the relevant scrutiny committees.

Recommendations

The Committee is asked to consider and make recommendations to the Executive on the budget proposals which are within the remit of this Committee and to comment on initial Budget Reports which have been designed to ensure the Council invests in the services that are valued by its residents achieving both high quality services and outcomes for residents, as well as a balanced budget.

Wards Affected: All

<p>Environmental Impact Assessment - the impact of the issues addressed in this report on achieving the zero-carbon target for the city</p>
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<p>The proposed 2020/21 budget will reflect the fact the Council has declared a climate emergency by making carbon reduction a key consideration in the Council's planning and budget proposals.</p>
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Manchester Strategy outcomes	Summary of how this report aligns to the OMS
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	This report provides an update on the Council's overall financial position for 2020/21 which will underpin all of the Council's priorities as determined through the Our Manchester Strategy.
A highly skilled city: world class and home grown talent sustaining the city's economic success	
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	
A liveable and low carbon city: a destination of choice to live, visit, work	
A connected city: world class infrastructure and connectivity to drive growth	

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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.

- Suite of budget reports to Executive, 13 February 2019

- Spending Round Announcement 2019 report to Resources and Governance Scrutiny Committee – 8 October 2019
- Updated Financial Strategy and Budget Reports 2020/21 to Resources and Governance Scrutiny Committee 7 January 2020
- Provisional local government finance settlement: England, 2020 to 2021, 20 December 2019
- Budget Update report to Executive 15 January 2020

1. Introduction and Approach

- 1.1. This report updates on the overarching revenue budget for 2020/21. The direction for the budget is underpinned by the Our Manchester Strategy for the City, with the Council's updated Corporate Plan setting out the priorities for the Council. The Locality Plan 'Our Healthier Manchester' is also set within the context of the Our Manchester Strategy.
- 1.2. The full suite of budget reports to be presented to February Executive and Resources and Governance Budget Scrutiny will include:
- the Budget 2020/21 Covering Report;
 - the Revenue Budget 2020/21;
 - the Directorate Business Plans;
 - the Housing Revenue Account;
 - the Dedicated Schools Grant;
 - the Capital Strategy and Budget; and
 - the Treasury Management Strategy and Borrowing Limits and Annual Investment Strategy.

These reports together underpin the detailed financial spend of the Council for the coming year and provide a framework for Revenue and Capital planning from 2020/21. A Single Council Business Plan has also been developed, which replaces the individual directorate business plans produced previously. This will also be considered by the Executive in February.

- 1.3. At its meeting on 13 February 2019 Executive agreed to the 2019/20 budget, which was the final year in the three year budget strategy for 2017-20. At this point it was expected that there would be a spending review in 2019, resulting in a new multi-year settlement from 2020/21. However, the review did not take place and a one year Spending Round was announced on 4 September 2019. Following this the Provisional Local Government Finance Settlement 2020/21 was released on 20 December 2019.
- 1.4. The budget proposals for 2020/21 will continue to reflect the priorities identified in the three-year budget strategy and as set out in the Corporate Plan. These have been updated to include action required to address the climate emergency declared by the Council. The priorities are:
- Zero carbon Manchester - Lead delivery of the target for Manchester to become a zero carbon city by 2038 at the latest, with the city's future emissions limited to 15 million tonnes of carbon dioxide.
 - Young People - From day one, support Manchester's children to be safe, happy, healthy and successful, fulfil their potential, and make sure they attend a school graded 'good' or better.
 - Healthy, cared-for people - Work with partners to enable people to be healthy and well. Support those who need it most, working with them to improve their lives.
 - Housing - Ensure delivery of the right mix of good-quality housing so that Mancunians have a good chance of quality homes.

- Neighbourhoods - Work with our city's communities to create and maintain clean and vibrant neighbourhoods that Mancunians can be proud of.
- Connections - Connect Manchester people and places through good-quality roads, sustainable transport and better digital networks.
- Growth that benefits everyone - Boost the city's productivity and create a more inclusive economy that all residents can participate in and benefit from, and contributing to reductions in family poverty, as set out in the Our Manchester Industrial Strategy.
- Well-managed Council - Support our people to be the best and make the most of our resources.

1.5. Due to the announcement of a one year Spending Round by government the Council will publish a single year budget for 2020/21, however, it will continue to plan for a three year position based on the best information available. This is critical to demonstrate forward planning and support resilience, ensuring the Council is in the best position to respond to the national funding changes. Work has begun on the budget requirements for 2021/22 and beyond in the context of considerable changes to Local Government funding including the outcome of the Spending Review, changes to how local government funding is distributed, changes to the Business Rates Retention scheme, and the future of Adult Social Care funding.

1.6. This report will provide an update on:

- the position reported to January Scrutiny Committees including the proposed savings and efficiencies
- Council Business Plan feedback and updates
- changes since the January Scrutiny meetings and further updates on funding
- the budget setting process and next steps

2. Position reported to January Scrutiny Committees

2.1. As set out in the budget strategy report to the January Scrutiny Committees the forecast 2020/21 budget position was a small surplus of £256k. This was based on the best information available to date, including:

- Government funding announcements in the September Spending Round and the technical provisional settlement consultation released early October.
- Forecast changes to spend including the impact of expected increases to the National Living Wage, pension contribution costs, the waste levy and other pressures outlined in the scrutiny budget reports.
- Identification of savings and/or efficiencies to support the overall financial position including meeting current budget pressures through the realignment of budgets.

2.2. Savings totalling a net £2.837m, once cost pressures have been met, have been identified in Corporate Core, Neighbourhood Services and Growth and Development Directorates. These are being found through a combination of

efficiencies, income generation and innovation and should not impact on frontline services to residents. In recognition of the challenges faced by Adults and Children's Social Care and the Homelessness Service, any efficiencies identified in these areas will be used to help achieve a balanced budget in 2020/21, with a focus on stabilising the position and preparing for possible changes from 2021/22 onwards.

- 2.3. With regard to homelessness, the service has identified a potential increase in income of £1m in 2020/21 relating to Housing Benefit for temporary accommodation which will be available from DWP based on a small scale transfer of existing properties to be managed by Registered Providers (RPs) by end of March 2020 and increasing incrementally throughout 2020/21, this will reduce the net cost to the Council. The option under consideration would target a transfer of properties outside of the city boundaries and the approach has been agreed in principle with registered providers. The financial due diligence is being undertaken to achieve the first transfer of 100 properties by the end of March 2020.
- 2.4. All proposals were presented to the relevant Scrutiny Committees in January for comment and the table below summarises these by Directorate.

Table One: Net Savings Options 2020/21

	2020/21 Savings/ Income Options Identified	2020/21 Pressures/ Priorities Identified	Net savings options supporting budget
	£'000	£'000	£'000
Homelessness	(1,000)	1,000	0
Corporate Core	(3,449)	2,872	(577)
Neighbourhood Services	(2,324)	754	(1,570)
Growth and Development	(690)	0	(690)
Total Savings Options	(7,463)	4,626	(2,837)

3. Council Business Plan Feedback and Updates

- 3.1. Our Council Business Plan replaces individual directorate business plans produced in previous years. The plan is structured around the eight priority themes of our corporate plan and has been produced following the development of 41 service plans which describe in more detail the achievements, priorities and activities of the 41 services which collectively make up Manchester Council.

3.2. Each priority theme section describes:

- The priority theme, including key strategies and plans which are helping to drive delivery
- Key achievements driving delivery of this priority theme in the last year
- Planned activities and initiatives across council services which will drive delivery of the priority theme in 2020-21
- The key measures which will determine whether the activities have been successful

3.3. The full draft document was presented to all Scrutiny Committees for comment and feedback in January. A number of minor changes have been made to the document following the meetings, many of which were as a result of the queries and feedback which focused on:

- areas requiring clarification/further detail
- specific comments on a number of the metrics included in the document, and
- queries relating to the approach to Equalities, Diversity and Inclusion.

3.4. The Equalities, Diversity and Inclusion section in the Council Business Plan includes detail of the approach taken to meeting the Council's obligations under the Public Sector Equality Duty, building on successes at fostering good relations between Manchester's communities of identity and maintaining fair and equal access to Council functions.

3.5. The changes made to the plan are as follows:

- In the 'measures of success' section in each priority section, the illustrative outturn figures from 2017/18 and 2018/19 have been removed to enable focus on future performance.
- Some wording updates have been made to the Young People and Neighbourhoods sections to ensure accurate read-across and reference to other strategies and plans.
- Notes and changes have been added to some of the metrics to clarify the availability of data, to better articulate trends in the narrative, and for metrics which were previously described as only a 'rate per 1,000' the actual number is now also referred to.
- The 'Healthy, Cared for People' section now includes reference to a number of metrics and has been restructured to more clearly align to the wider health and social care partnership planning arrangements.

3.6. The final document will be presented to the meeting of the Executive on 12th February.

4. Changes to budget position from the January Scrutiny meetings to the current date

4.1. The position shared with Scrutiny Committees in early January was an expected 2020/21 budget surplus of £256k. A balanced budget is now

proposed and the changes are shown in the table below. The details will be set out in the February reports to individual Scrutiny Committees, the Executive and Resources and Governance Budget Scrutiny Committee.

Table Two: Impact of changes since January scrutiny meetings

	2020/21 £000
Estimated Surplus (reported to Scrutiny Committees early January)	(256)
Additional New Homes Bonus Grant	(662)
Revised Inflation on Settlement Funding Assessment	165
Revised Inflation on Public Health Funding	36
Updated Statutory National Living Wage from 1 April 2020	550
Increase to Waste budget to reflect reduction in trade waste disposed through the Levy	283
Application of waste contingency	(134)
Reduction in Council Tax Support Admin Subsidy	18
Additional pressure - Children's Services	1,701
Increase in Business Rates income - final NNDR	(3,780)
Contribution to Business Rates Reserve	2,079
Net Budget	0

Local Government Provisional Finance Settlement

4.2. The 2020/21 Local Government Provisional Finance Settlement was announced on 20 December 2019, delayed from the expected date of 5 December due to the December general election. With the delay in both the Fair Funding Review and reform of business rates, combined with a one-year spending round, the 2020/21 funding is largely a roll-over settlement with some inflationary increases and specific increases for Social Care as announced in the Spending Round. The provisional settlement confirmed all announcements in the 2020/21 Spending Round including:

- Increasing Settlement Funding Assessment (SFA)¹ in line with inflation from £14.6bn to £14.8bn
- Confirming the proposals for Council Tax referendum limits for 2020/21

¹ Settlement Funding Assessment (SFA) consists of: local share of retained business rates, plus Revenue Support Grant plus top-up or less tariff.

- An additional £1 billion Social Care Grant for both adult and children's services and maintaining improved Better Care funding at 2019/20 levels
 - £900m top slice to pay for New Homes Bonus in 2020/21 and maintaining the growth threshold at 0.4%
- 4.3. New Homes Bonus (NHB) will continue for another year, however the government intends to phase it out by 2023/24. There is no change in the operation of the scheme in 2020/21 and the threshold has been retained at 0.4%.
- 4.4. The impact of the announcements on the Council's budget position are:
- New Homes Bonus is £0.662m higher than budgeted following the baseline threshold remaining at 0.4%.
 - Settlement Funding Assessment is £165k less because Government have inflated by 1.63% rather than 1.7% originally assumed as per the CPI announcement
 - Public health (CPI + 1%) has not yet been confirmed within the figures, however, bearing in mind the level of inflation used above, it is considered prudent to include an increase of 2.63% (rather than 2.7%) which is £36k lower than originally assumed. For the Council Public Health expenditure is not currently grant funded but is now met from retained business rates. The Council's business rates tariff payment to the government should be reduced accordingly. The funding announcements made assume that the Council will fund this out of the devolved budget, which is a council decision.
- 4.5. The Council has submitted a response to the settlement consultation which was published alongside the settlement, and closed on 17 January 2020.

Statutory National Living Wage

- 4.6. On 31 December 2019, the Government announced the new statutory National Living Wage of £8.72 per hour to apply from April 2020. This was slightly higher than the original hourly rate assumptions within the budget and resulted in a further budget requirement of £0.550m.

Council Tax referendum principles

- 4.7. The budget assumes that the Council will increase the council tax precept by 3.99%, made up of a general precept element of 1.99% and the specific social care precept element of 2%. The Council is consulting on the 2% Adult Social Care precept increase.
- 4.8. The overall council tax increase to Manchester residents may be higher as the total council tax payable will also include changes to the Greater Manchester Mayoral precept and the Police precept. No referendum limit is proposed for Mayoral Combined Authorities in 2020/21.

Council Tax Base

- 4.9. It is to be noted that the Deputy Chief Executive and City Treasurer, in consultation with the Executive Member for Finance and Human Resources, has agreed under her delegated powers to set the tax base for Council tax setting purposes in accordance with the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012.
- 4.10. This calculation has to be based on data available on 30 November 2019 and the decision must be made between 1 December 2019 and 31 January 2020. The Council has to notify the precepting authorities of its calculation for 2020/21 by 31 January 2020. The tax base for tax setting purposes for the year 2020/21 was agreed on 8 January 2020 at 118,864.8. This is in line with the existing assumption.

Decisions for Council Tax Surplus and Business Rates Surplus

- 4.11. The Council Tax surplus of £5.988m for 2019/20 has been declared, of which Manchester will retain £5.028m. The Business Rates surplus is £12.202m and Manchester will retain £12.080m. These are reflected in the budget as set out in table three below. All budget changes will be detailed in the reports to the Executive and Resources and Governance Budget Scrutiny Committee later in February.

5. Revised budget position 2020/21

- 5.1. The changes outlined above would enable a balanced budget to be achieved for 2020/21 as shown in the table below. As requested by Resources and Governance Scrutiny Committee both the original and revised budget for 2019/20 are shown.
- 5.2. The provisional cash limit budget for each directorate is shown in the table below

Table Three: Budget Position 2019/20 (Latest) and 2020/21 (Proposed)

	2019/20 Original	2019/20 Revised	2020/21 Proposed
	£000	£000	£000
Resources Available:			
Business Rates Related Funding	314,653	314,653	339,547
Council Tax	166,507	166,507	174,465
Other non-ring fenced Grants	54,426	65,752	66,717
Dividends and Use of Airport Reserve	62,390	62,390	62,890
Use of other Reserves	12,859	12,859	21,481
Total Resources Available	610,835	622,161	665,100
Resources Required			
Corporate Costs:			

Levies/Statutory Charge	69,990	69,990	71,327
Contingency	1,600	850	860
Capital Financing	44,507	44,507	44,507
Transfer to Reserves	7,067	18,393	18,338
Subtotal Corporate Costs	123,164	133,740	135,032
Directorate Costs:			
Additional Allowances and other pension costs	10,030	10,030	9,580
Insurance Costs	2,004	2,004	2,004
Inflationary Pressures and budgets to be allocated	9,945	1,764	10,271
Directorate Budgets	465,692	474,623	508,213
Total Directorate Costs	487,671	488,421	530,068
Total Resources Required	610,835	622,161	665,100
Shortfall / (surplus)	0	0	0

- 5.3. The provisional cash limit budget for each directorate is shown in the table below:

Table Four: Cash Limit budgets 2019-21

	Original Budget 2019/20	Revised Budget 2019/20	Proposed Budget 2020/21
	£'000	£'000	£'000
Children's and Education	120,434	120,432	130,320
MHCC Pooled Budget	194,050	193,604	216,864
Adult Social Care - Services out of scope of Pooled Budget	4,213	4,303	4,389
Homelessness	13,375	13,933	15,285
Corporate Core	67,838	69,554	69,960
Neighbourhoods	60,267	66,981	63,751
Growth and Development	5,515	5,816	7,644
Total	465,692	474,623	508,213

6. Other budget Issues

- 6.1. There remains some potential movement in the 2020/21 position and further changes are anticipated following the publication of the Final Local Government Finance Settlement expected in February and other funding announcements, these include:

- Confirmation of the redistribution of the surplus held in the national levy account in 2019/20, which should be confirmed in the final settlement
- Confirmation of the allocations for the remainder of the government funding for homelessness support
- Public Health allocations are yet to be confirmed. The Spending Round announced a real terms increase to the Public Health Grant budget, expected to be 2.63%, an increase of £1.328m.
- The Spending Round announced an additional £40m funding for Discretionary Housing Payments to tackle affordability pressures in the private rented sector in England and Wales. The authority level allocations are yet to be announced. The Council currently receives £2.2m in Discretionary Housing Payments Grant.
- The Conservative Party manifesto announced £500m funding for a Potholes Fund. Local Authority level allocations have not yet been published.

7. Scrutiny of the Draft Budget Proposals and Budget reports

- 7.1. The service budget reports and Council Business Plan are attached for the Committee's consideration. These reports contain details of how services will support the delivery of the Council's priorities as set out in the Corporate Plan. The reports have been tailored to the remit of each scrutiny as shown in the table below.
- 7.2. The Committee is invited to consider the options which are within its remit, alongside the draft business plan and to make recommendations to the Executive before it agrees the final budget proposals.

Table Five: Scrutiny Reports

Date	Meeting	Budget Paper
4 February	Resources and Governance Scrutiny Committee	Report covering the Corporate Core and the relevant parts of Growth and Development Directorate (Operational and Investment estate and facilities management) Housing Revenue Account
4 February	Health Scrutiny Committee	Adult Social Care and Population Health This is supplemented by: <ul style="list-style-type: none"> • Draft MHCC Plan on Page, Joint Budget Report 2020/21 and refreshed Manchester Locality Plan
5 February	Children and Young People Scrutiny Committee	Children and Education Services Dedicated Schools Grant

5 February	Neighbourhoods and Environment Scrutiny Committee	Report covering Neighbourhoods and Relevant services from Growth and Development (Housing and Residential growth)
		Homelessness report
6 February	Economy Scrutiny Committee	Report covering Growth and Development and the relevant parts of Neighbourhoods (Business Units) and Housing and Residential growth
6 February	Communities and Equalities Scrutiny Committee	Report covering Neighbourhoods

8. Next Steps

- 8.1. Recommendations from the February Scrutiny Committees will be considered by the Executive at its meeting 12 February 2020 where it will agree its final budget recommendations. These recommendations will be considered by the Resources and Governance Scrutiny Committee at its special budget meeting on 24 February. Chairs of the other five Scrutiny Committees will be invited to attend this meeting to articulate the views of their Committee regarding the proposals. The Council will then make its final decisions and will set the budget on 6 March 2020.
- 8.2. The timeline is detailed below.

Table Six: Remaining Budget Timeline

Date	Event
4 - 6 February 2020	Scrutiny Committees receive budget reports and associated savings proposals
12 February 2020	Executive - proposes budget - suite of budget reports (revenue and capital) Final Corporate Plan
24 February 2020	Budget Resources and Governance Scrutiny - Revenue and Capital
6 March 2020	Budget Council

9. Budget Position from 2021/22

- 9.1. Work is ongoing to establish the budget requirements for 2021/22 and beyond. This is in the context of considerable changes to Local Government Funding including the outcome of the Spending Review, a review of local authorities relative needs and resources (also known as the Fair Funding Review) which will consider how local government funding is distributed, reform of the Business Rates Retention scheme, and the government proposals on the future of Adult Social Care funding and interaction with the NHS 10-year long term plan. The government is expected to make a budget announcement on 11 March 2020 which may give some clarity on the direction of funding for Local Government.
- 9.2. With regard to the Fair Funding review, little detail is, as yet, available on the potential impact. However, on 24 January 2020 the Local Government Association released an exemplification for adult social care funding based on research by the Personal Social Services Research Unit (PSSRU); and which is expected to inform the individual Local Authority allocations. This calculation has been widely reported and shows a potential reduction in funding of c14% overall for Manchester. At 2018/19 national spend levels (on which the exemplification is based) this would equate to a cut of around £22m, though it is noted the weighting of Adults in the 2021/22 formula is yet to be determined. It is recognised that this is just one element of the overall funding envelope for Local Government, but nevertheless is very concerning for Manchester. It is expected that there will be time limited transition funding. However, at this stage, the Government is yet to announce its formal funding proposals.

10. Conclusions

- 10.1. The Council remains committed to the priorities within the Our Manchester strategy and the Council's revised corporate plan. The proposed 2020/21 budget reflects changes arising from the Spending Round announcements, the Provisional Local Government Finance Settlement 2020/2, forecast pay awards, notifications from GMCA and a robust review of all council service spend to realign budgets and identify savings options.
- 10.2. The draft budget is based on the best information available to date, however there will be potential changes arising from the outcome of the Final Local Government Finance Settlement and other government funding announcements.

11. Recommendations

- 11.1. The recommendations appear at the front of this report.

**Manchester City Council
Report for Information**

Report to: Communities & Equalities Scrutiny Committee - 6 February 2020
Executive - 12 February 2020

Subject: Neighbourhoods Directorate Budget Report 2020/21

Report of: Strategic Director (Neighbourhoods)

Summary

This report provides a further updated Neighbourhoods Directorate medium term financial plan, and budget proposals for 2020/21. The report has been updated in order to reflect feedback from the January round of scrutiny meetings on the original draft proposals.

Although the report details the whole Neighbourhood Directorate budget proposals, this Committee has Community Safety; Parks, Leisure, Youth and Events; and Libraries, Galleries and Culture under its remit. The report should be read in conjunction with the Council's overarching Business Plan report

Recommendation

The Committee and the Executive are each invited to review and comment on the directorate budget 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 and highways
A highly skilled city: world class and home grown talent sustaining the city's economic success	Ensuring residents 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 and effective use of the highways network; 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 implications for

- Equal Opportunities
- Risk Management
- Legal Considerations

Financial Consequences for the Capital and Revenue Budgets.

The proposals set out in this report will be considered as part of the Council's preparation of the 2020/21 budget which will be submitted to the Executive on 12th February 2020.

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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.

Growth and Neighbourhoods Budget and Business Planning: 2018-2020 - Executive
– 7 February 2018
Neighbourhoods Directorate Business Planning 2019/20 - Executive 13 February
2019

1. Introduction

- 1.1 This report sets out the proposed 2020/21 revenue and capital budget proposals for the Neighbourhoods Directorate. As part of drafting the proposals a comprehensive review has been undertaken across all service areas in order to ensure that the existing budget is realistic and sufficient to ensure that the service area can deliver its objectives in supporting the Council's Corporate Plan priorities.
- 1.2 The report also includes those areas of service which are in the remit of Neighbourhood and Environmental Scrutiny Committee but not within the Neighbourhoods Directorate, namely Housing and Residential growth from within the Growth & Development directorate and details of these areas is set out in section 8 of the report.
- 1.3 The current budget proposals are a one year budget plan to reflect the Government's Spending Round for local government, although this plan does form part of a longer term budget strategy that seeks to protect front line services. In order to provide this protection the main areas of review for identification of efficiencies are through either growing the commercial opportunities to increase the levels of income, or improving internal processes to ensure functions are delivered more efficiently.

2. Background and Context

- 2.1 The Neighbourhoods Directorate ('the Directorate') has a pivotal role to play in delivering the Council priorities of working with Manchester's communities to create and maintain clean, safe and vibrant neighbourhoods that the citizens can be proud of. In addition to this, Highways service will ensure that there are good connections across the City through good quality roads and the ongoing traffic management.
- 2.2 The Directorate provides a key role in supporting the broader Council priorities as set out in the Corporate Plan. Working collaboratively with partners to enable people to be healthy, well and safe and reduce demand by integrating neighbourhood teams that are connected to other services and assets locally to deliver new models of care. Within the city centre both the licensing and out of hours and anti-social behaviour teams are working very closely with the rough sleepers team on an outreach approach to support better outcomes for those who may be homeless.
- 2.3 Libraries, art galleries, leisure centres, parks, play areas, events and youth services all support our children and young people, to be happy, healthy and successful; fulfilling their potential and contributing to their educational attainment.
- 2.4 The Directorate is fully committed to Zero Carbon Manchester and to reducing carbon throughout all programmes of work and raise awareness of carbon usage and looking for 'greener' alternatives. Key initiatives include driving forward the introduction of electric fueling infrastructure, plant and equipment

for all Council services and ensure all fleet vehicles, including the waste fleet, meet the required emissions standards in preparation of the introduction of the Greater Manchester Clean Air Zone, delivering high quality green and blue infrastructure to reduce atmospheric CO2 concentration; developing highways improvements to ease congestion contributing to the GM Clean Air plan.

- 2.5 The Directorate strives to be well managed, to balance our budgets and to provide additional savings and efficiencies to support the overall Council budgets. Over recent years we have reviewed our approach to commissioning and contracts, looking for additional commercial opportunities to increase income. We are supporting our partners and the broader supply chain, delivering services on our behalf, to explore the added social value they can contribute to the city and ensuring the growth of the city benefits our residents. The Directorate also actively supports the Our Transformation programme and embeds the Our Manchester behaviours with our staff, partners and residents.

3. Measuring Impact

- 3.1 In order to facilitate and support the delivery of these priorities for the City and its residents, the Directorate will continue to address some key challenges. The quality of our highways, number of potholes and gully cleansing remains a priority for our residents and road resurfacing is now happening at a greater scale. We are currently on target to deliver year 3 of the 5 year highway investment programme. In the two and a half years of the investment programme, we have now treated over 1,200 roads and footways comprising over two million square metres. The highways service has gone through a service redesign in 2019/20 and in order to ensure ongoing delivery of the priorities additional staffing capacity has been agreed and the recruitment is currently underway. The years 4 and 5 carriageway and footway resurfacing investment programme are being developed and the sites have been identified and agreed. The additional capacity agreed as part of the service redesign will ensure that there is sufficient internal capacity and there are a number of frameworks available that are currently being re-tendered in order to ensure there is sufficient external capacity.
- 3.2 Waste and recycling is the largest budget area for the Directorate but we are pleased to have achieved our highest overall levels of recycling (40%) and lowest levels of residual waste over the last 10 years. However, as the City grows this is having an impact on the demand for these services which need to be managed. As part of the proposed 2020/21 budget there is an element of growth included to reflect the growth in the City. We are continuing to improve performance focusing on areas of lowest performance (i.e. recycling in properties with shared communal containers in high density terraced areas and apartments) whilst also working with developers and planning to ensure good recycling facilities are included in the initial design. The Council aims to reduce incidents of litter and fly tipping: education, engagement and enforcement remains pivotal in our approach to working with residents and communities. The partnership established with Keep Britain Tidy to deliver the

'Keep Manchester Tidy' commitment and a 'Litter Taskforce' made up of communities including young people, businesses and public bodies will continue to drive this activity with the Council continuing to take a robust approach to enforcement in order to underpin this approach.

- 3.3 As part of the 2019/20 budget there was growth of £0.5m approved in order to support activity around further tackling issues of flytipping and working with businesses across the City to improve business waste management practices. This activity is ongoing but the volume of flytipping reports reduced again in October and remains significantly down on the previous 12 months.
- 3.4 The Greater Manchester Combined Authority (GMCA) acts as the waste disposal authority and there is an agreed basis for the allocation of all the GMCA's costs for waste disposal. This is known as the levy allocation management agreement (LAMA) and this was agreed by all authorities in February 2017. The LAMA is used to allocate both the fixed and variable costs of waste collection and management. Following GMCA awarding the new waste contract to Suez in June 2019, it has been necessary to revise the LAMA to reflect the new agreed payment mechanism. A report was taken to December Executive to get Council endorsement to the new proposed, and this will go to the February meeting of the GMCA for final sign off prior to being implemented from April 2020. There remain significant risks to the value of the levy for future years due to the potential contamination of recyclates streams, stability of recycling markets and potential waste strategy changes (Resources and Waste Strategy for England, 2018).
- 3.5 Adopting the new LAMA will have minimal impact on the waste disposal costs for Manchester City Council. However, it will bring more certainty to the levy due in a given financial year, with any adjustments for changes to tonnages being made in the following year. The overall financial implications to the levy are set out in section 7.
- 3.6 Working with our residents to enable them to do more for themselves, prevent problems and tackle complex issues together is a key priority for the Directorate. The Neighbourhood teams have been leading this work, with colleagues in Reform and Innovation, to develop a model: Bringing Services Together for People in Places. This model aims to bring together and better connect workforces from across Early Years, Early Help for children, young people and their families, Neighbourhood Teams, Neighbourhood Policing Teams, Housing Providers and the Local Care Organisation, in 13 neighbourhoods across the city. It aims to join up our resident engagement activity where we can better use our combined collective knowledge and insight and strengthen the role and capacity of our communities. Now the model has been established our priority is to manage the successful delivery, by putting people and places at the centre, to achieve better outcomes for Manchester residents. A review of the current capacity within our Neighbourhood teams will take place, utilising existing resources, to ensure alignment with the neighbourhood model and that sufficient capacity is provided to teams to support the work required for the future.

- 3.7 Visits to libraries (over 3.4m), galleries (c.624k), and sports and leisure centres (3.47m) over the period October 2018 to September 2019 are all performing above target. Work is continuing to widen participation to ensure that the users of our community services reflect the diverse communities of Manchester. Additionally, we recognise that our world class offer also contributes to the vibrancy of the City and our neighbourhoods. Measures have been put in place over the last 12 months to track progress on these important priorities and a report was provided to Communities and Equalities Scrutiny Committee in November 2019 setting out the progress made over the last year.
- 3.8 The Commercial Strategy for the Directorate continues to be developed with a focus on increasing income and making more effective use of existing assets. The primary objective has been to offset the costs of providing front line services, such as Parks, which provide essential services and contribute to the vibrancy of neighbourhoods. Work is also planned around developing the commercial strategy in line with the carbon reduction initiatives through the adoption of electric vehicles and associated infrastructure alongside the maximisation of opportunities, such as the Civic Quarter Heat Network, linked to carbon reduction measures.
- 3.9 There remain a number of challenges within Trading Services which incorporate Markets, Bereavement, Pest Control and School Catering. All of the services have reviewed the cost base and the opportunity to increase fees and charges to cover the annual increases in operating costs and contribute towards other core services. The School Catering Service has been repositioned as a social value proposition, prioritising nutritional standards. The service will continue to use the remaining reserves to minimise proposed meal price increases for 20/21. Pest Control and Bereavement Services have reviewed fees and charges to remove some subsidies and generate additional income. The Markets Service continues to deliver a budget surplus, however, the level of surplus that can be generated is in decline due to the current condition of New Smithfield wholesale market, the declining popularity of the Sunday car boot market and in terms of retail markets the continuing poor performance of Wythenshawe market.
- 3.10 The Community Safety Team in the Directorate has taken on the additional responsibility of the Channel Coordination Team for Greater Manchester. This function has been transferred to the Local Authority from Counter Terrorism Policing North West as a part of the national 'Dovetail' pilot and includes 6 posts to deliver the service across Greater Manchester. The team is funded by the Home Office and the funding is ongoing into 2020/21. A further one off £400k Home Office funding has also been received via Greater Manchester Combined Authority to deliver a violence reduction programme in 2019/20. The programme has been developed in conjunction with colleagues from Manchester Health and Care Commissioning and Children's services and is on track to deliver in line with the grant conditions.
- 3.11 The Directorate is on track to deliver the 2019/20 approved savings of £4.951m. As part of the budget preparation work all budgets have been

reviewed in order to ensure that they are realistic. As part of this exercise pressures of £0.754m have been identified, and a combination of efficiencies and increased income generation of £2.324m have been identified to offset the pressures and also contribute £1.570m to support the overall Council budget position. The £2.324m will be achieved through a combination of furthering its work on maintaining and increasing income through making best use of our assets and trading services, in addition to finding efficiencies through contract management and looking to replace long term agency staff with permanent posts.

4. Revenue Strategy

- 4.1. The Directorate has a revised gross budget of £166m, and a revised net budget of £98m, with 1,442 full time equivalent employees. The net budget has increased by £2.6m, and this is mainly due to the following adjustments, £1.3m pay inflation to cover the costs of the current years pay award, non pay inflation £0.45m, £0.75m from the waste contingency and £100k other adjustments. The table below provides breakdown by service area, and also sets out both the original and revised budgets for each service area.

Table 1: 2019/20 Base budget

Service Area	2019/20 Original Gross Budget £'000	2019/20 Revised Gross Budget £'000	2019/20 Original Net Budget £'000	2019/20 Revised Net Budget £'000	2019/20 Budgeted Posts (FTE) £'000
Compliance and Community Safety	15,467	15,800	10,475	10,763	290
Highways	28,224	28,717	15,825	16,006	208
Libraries, Galleries and Culture	12,097	12,767	8,999	9,260	270
Management and Directorate Support	964	1,118	964	1,118	19
Neighbourhood Teams	2,599	2,518	2,481	2,518	52
Commercial and Operations	81,076	82,233	49,119	50,900	527
Other Neighbourhoods	2,082	3,107	476	455	4
Parks, Leisure, Youth and Events	22,861	19,812	7,503	7,475	72
Grand Total	165,370	166,072	95,842	98,495	1,442

- 4.2. The revised 2019/20 cashlimit budget is £98.495m and this is net of the £4.951m savings that were approved as part of the 2019/20 budget process. The Directorate is on target to deliver the proposed savings and the Directorate is currently forecasting an underspend of £1.586m in 2019/20. This is primarily due to the overachievement of income of £1.257m in Highways and a net underspend on staffing of £329k across the Directorate.
- 4.3. As part of the 2019/20 budget process additional investment of £1.325m was approved, and work is progressing in ensuring that the investment priorities

are achieved, a summary of the progress made during 2019/20 is set out below.

- The £0.5m to tackle and reduce fly tipping issues across the City has been used to provide a combination of target hardening at key hotspots and also increase the resources in order to work better with businesses around waste management.
 - £0.675m was approved in order to increase the staff resources within the directorate to provide additional food safety capacity and also increase resources within the Anti Social Behaviour team in order to address the increased number of anti social behaviour cases across the City. It is anticipated that the full benefits of this investment will be realised in 2020/21 once recruitment is fully complete and staff have undertaken all the necessary training.
 - £150k additional Youth funding to support the service following the transfer to Neighbourhood Services.
- 4.4. As part of the budget preparation work staff have been reviewing all budgets in order to ensure that they are realistic and that any pressures are identified. The key areas reviewed have included existing income targets, areas where either service reviews or demographic changes may have impacted upon the budgets.
- 4.5. As part of the 2019/20 budget process the advertising budgets were consolidated and transferred into Growth and Development Directorate as part of the investment estate. During 2019/20 the Director of Commercial and Operations has taken on an increased level of work in terms of looking to manage both the existing contracts and the ongoing procurement exercise and it has been agreed that in order to ensure the Council's advertising portfolio is managed effectively, and the maximum returns are achieved then the whole of the advertising portfolio will transfer to the Neighbourhoods Directorate from 2020/21.

5. Budget Pressures

- 5.1 As part of the budget preparation work and the review of all budgets overall pressures of c£0.754m have been identified that will need to be considered as part of the overall budget proposals, further detail on the pressures is set out in the paragraphs below.
- 5.2 New Smithfield Market (NSM) is the largest Wholesale Market in the North West and an important regional, sub-regional and local wholesale market. It is a key component of the secondary food supply chain. It currently employs c600 people and generates around £16.3m gross value added to the Manchester economy. A report has been commissioned around the potential redevelopment of the market which is expected to be brought forward for consideration in 2020/21. This would ensure a modern, fit for purpose, facility that can further enhance the economic value of the site. The current wholesale market halls are in a state of disrepair which limits the income generating potential of the site and substantially increases the annual running

costs. The forecast gross budget pressure is c£0.504m per annum, it is anticipated that c£87k of this can be mitigated through increased service charge income in 2020/21, this leaves a net pressure of c£417k.

- 5.3 The Sunday morning car boot sale has seen a steady decline in the annual customer footfall in recent years, and this has resulted in 240,000 less customers per year than five years ago. This decline which is reflective of wider societal changes has also seen a reduction in the number of traders, there are currently 160 to 180 market stall traders on any given operating day, although there are 546 trading spaces. The reduction in traders has been dropping consistently over recent years and this has left the market looking sparse in some areas which can result in further decline. Despite this decline the Sunday car boot market continues to make an overall net surplus and in 2019/20 this is forecast to be c£190k, although this is c£262k lower than the current approved budget and it is proposed to mitigate this as part of the current budget proposals.
- 5.4 The overall performance of the retail markets is positive, with a budget contribution of £0.5m to the Neighbourhood Services net budget. However this does include a subsidy of c£120k in relation to Wythenshawe market. An economic impact report has been completed in respect of the district retail markets which has identified a number of issues with Wythenshawe, particularly around the location of the current market. These considerations will be taken into account in any plans around the redevelopment of the Town Centre.
- 5.5 In addition to the pressures above there is a further £75k in relation to the increased costs of the additional canal barriers placed in the city centre to increase public safety and the ongoing costs of managing and maintaining those barriers (£25k). During 2019/20 there has been an increased number of protests and marches within the City centre and there has been additional costs of managing the events including traffic management and increased security (£50k) it is proposed that both these budgets are made permanent from 2020/21 onwards.

6. Efficiency and Income Generation Proposals

- 6.1 As part of both the wider Council budget strategy of identifying efficiencies to support the Council budget, and looking to mitigate the identified budget pressures, all budgets have been reviewed in order that any efficiency savings or opportunities for increased income are identified and included for consideration by members. Overall the Neighbourhoods Directorate has identified proposals amounting to £2.324m and further details on these proposals are set out below, with table 2 providing an overall summary.
- 6.2 Compliance - £105k through additional income from a combination of proposals that include increasing the FPN for littering and removing the early payment discounts from a range of FPNs for other environmental offences.

- 6.3 Highways Services savings proposals total £1.610m, and they are made up of:-
- The existing car parking joint venture (JV) which pays the Council an annual rental for use of the car parks that are included within the JV arrangement. The total rental income received in 2019/20 was £3.8m and under the terms of the contract the annual rental receivable is subject to an annual uplift in line with RPI. Based on latest estimates the forecast RPI increase for 2020/21 will be c£300k.
 - Highways service issue permits for a number of uses of the highway, this includes but not limited to the erection of scaffolding, placing of skips, temporary hoardings, it is proposed to increase the permit charges by c3.5% and this will realise increased external income of c£35k.
 - Capital programmes undertake the design and programme management function for the Highways capital programme and charge fees for the time that is spent on each programme. The fees are charged against the capital programme and it is proposed that as part of the annual review of the fees increased fee income of £75k is proposed for 2020/21.
 - The Council's lease arrangement for the Manchester arena car park expires in March 2020 and it is proposed to not renew the arrangement. The lease currently cost's a net c£1.2m per annum, and this will be an efficiency saving to the Council in 2020/21.
- 6.4 Libraries, Galleries and Culture - £97k of planned savings this is made up of £40k savings from reducing the costs of putting on Gallery exhibitions. This will be achieved through exploring the establishment of a separate wholly owned company who will be able to claim galleries tax relief on the eligible costs. In addition £57k increased income from printing, increased retail income through the shop, venue hire and donations.
- 6.5 Parks, Leisure, Youth and Events - £50k increase in income including £20k from increased pay and display revenue across the Sport and Leisure Estate and £30k additional income as a result of the commercial strategy at Heaton Park.
- 6.6 Grounds Maintenance are scheduled to review the existing machinery requirements and through better utilisation of machinery it is forecast that £20k efficiency can be achieved
- 6.7 Specialist Markets - £86k from the continuation of the revised operating model at Piccadilly Market which involved opening for an extra day per week for the first half of 2019/20 and then increasing this to an additional two days for the remainder of the year continuing into 2020/21, an increase in pitch fees for 2020/21 and a negotiated reduction in storage costs for markets equipment.
- 6.8 Trading Services/Business Units - £112k additional income with £21k from Pest Control as a result of additional commercial fees and £91k from an overall increase in volume and fees for Bereavement Services.

- 6.9 Currently all staffing budgets are set based on the salary at the top of grade, with a 2.5% reduction then applied to allow for vacancies and staff turnover. However, underspend against budget may occur where natural turnover is higher than this percentage and/or staff have not yet reached the top of grade. As part of the work to realign budgets and set a realistic staffing budget to meet the likely costs of the approved structures, it is proposed that the approach to budgeting for posts is changed in a small number of discrete service areas. This will enable £244k of resources to be realigned to offset pressures elsewhere within the service; but it will not reduce the number of posts established for the service. The position will be retained under review throughout the year, and reviewed annually as part of the budget process.

7. Investment and Other Changes

- 7.1 Overall investment and other changes amounts to a budget reduction of £3.123m and these changes are shown in both table 3 below with further narrative provided on each of the adjustments in the following paragraphs.
- 7.2 As part of the 2019/20 approved budget, 3 year funding was approved for additional resources within the anti social behaviour team. 2020/21 will be year 2 of that investment and in order to reflect the full year budget requirements of the increased capacity an increase of £120k is included.
- 7.3 As part of the move to consolidate all advertising income under the Director of Commercial & Operations in order to maximise the commercial benefits to the Council, the existing approved income budget of £2.363m will be transferred from Growth and Development to the Neighbourhood Service budget. This will become effective from April 1st 2020.
- 7.4 The 2020/21 waste levy charge from GMCA is to reduce by £1.463m, this is a combination of lower costs of waste disposal following the move to the new arrangements and revised volumes as part of the LAMA arrangement.
- 7.5 A budget increase of £0.583m has been allowed for in respect of changes to the costs of waste collection and this is made up of £300k to allow for increased costs of collection arising from the growth in households across the City, and £283k to reflect the reduced income because of lower trade waste volumes.

Table 2: Efficiency Proposals 2020/21

Service Area	Description of Efficiency/Increased Income/Realignment	Amount £,000	FTE Impact (Indicative)
Compliance and Community Safety	Increase income generation through review of fees and charges across compliance	(105)	0
Highways	Apply the annual Inflationary increase for car parks Joint venture	(300)	0

Highways	Increase permit/license fees (skips, hoardings, scaffold etc) by 3.5%	(35)	0
Highways	Increase capital programme fees by revising fee model	(75)	0
Highways	Cease existing car park lease arrangement	(1,200)	0
Libraries, Galleries and Culture	Galleries exhibition tax relief	(40)	0
Libraries, Galleries and Culture	Increase income generation across libraries and galleries.	(57)	0
Parks, Leisure, Youth and Events	Increase pay and display car park income at Heaton Park	(20)	0
Parks, Leisure, Youth and Events	Increase income from Heaton Park	(30)	0
Commercial and Operations	Grounds Maintenance - Rationalisation of machinery	(20)	0
Commercial and Operations	Revised operating model at Piccadilly Market	(86)	0
Commercial and Operations	Increase volume of external commercial income in pest control	(21)	0
Commercial and Operations	Increase volume and fees in Bereavement Services by 3.9%	(91)	0
Directorate Wide	Review of staffing budget below top of grade as appropriate	(244)	0
Total Efficiencies		(2,324)	0

Table 3: Proposed budget 2020/21

Service Area	2019/20 Revised Net Budget	Efficiency & Income Proposals	Budget Pressures	Investment and other changes	2020/21 Net Budget
	£'000	£'000	£'000	£'000	£'000
Compliance and Community Safety	10,763	(349)		120	10,534
Highways	16,006	(1,610)		0	14,396
Libraries, Galleries and Culture	9,260	(97)		0	9,163
Management and Directorate Support	1,118	0		0	1,118
Neighbourhood Teams	2,518	0	25		2,543
Operations and Commissioning	50,900	(218)	679	(3,243)	48,118
Other Neighbourhoods	455	0		0	455

Parks, Leisure, Youth and Events	7,475	(50)	50		7,475
Grand Total	98,495	(2,324)	754	(3,123)	93,802

8. Capital Strategy / Programme

- 8.1 The capital programme for the Neighbourhoods Directorate amounts to £188.8m, this includes the Highways Investment Programme, standalone Highways projects, and programmes for Environment, Leisure and Libraries. A summary of the current proposed capital budget is shown in the table below, and details of the individual projects will be found in the Capital Strategy and Budget report for Executive in February:

Table 4: Capital Programme 2019/20 Onwards

	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m	Future Years £m	Total £m
Highways	55.4	58.8	24.6	0.0	0.0	138.8
Environment	2.6	5.0	0.0	0.0	0.0	7.6
Leisure	5.5	11.1	17.1	3.9	2.9	40.5
Libraries	0.5	0.6	0.8	0.0	0.0	1.9
Total	64.0	75.5	42.5	3.9	2.9	188.8

- 8.2 During the 2019/20 financial year to date, works on the Highways Investment programme have continued, with maintenance, drainage, resurfacing and gully works ongoing. A number of walking and cycling schemes are being brought forward, utilising external funding. Similarly, new proposals for works to the Aquatics Centre and the National Cycling Centre are currently being drafted.
- 8.3 The Capital Strategy and Budget represents a continuation of the existing approved capital budget. The report to Executive will provide information on the expected future investment requirements for the Council, for example in the leisure and library estate, and to support the drive to reducing the Council's carbon output.

9. Workforce

- 9.1 The framework for how the Council supports its workforce is set out in the People Strategy. As the 2020/21 budget is a roll forward from 2019/20 there are limited changes to the agreed priorities, budget and workforce implications agreed last year.
- 9.2 Key workforce priorities for 2020/21 will include:
- The detailed staff survey (BHeard) results are due to be released in late January and once available, the Directorate will review the outcome in

order to identify actions to be taken in order to help to build on the strong and positive relationship between staff and managers.

- The Directorate will continue to offer apprenticeship opportunities to internal staff and external applicants wherever suitable in order to facilitate skills development, succession planning and to maximise spend of the apprenticeship levy. Apprenticeships also provide greater accessibility to many local residents who may otherwise have barriers to accessing the employment market.

9.3 There are no further implications for the workforce arising from what is set out in this report.

10. Equalities

10.1 We will continue to ensure that the Council meets its obligations under the Public Sector Equality Duty, building on our successes at fostering good relations between Manchester's communities of identity and maintaining fair and equal access to Council functions. Through ongoing customer monitoring, satisfaction and engagement approaches, we will strengthen and utilise our growing evidence bases within the Directorate to identify the differential experiences of individual identity groups in Manchester accessing Council services, and proactively respond to make these as fair and equitable as possible.

11. Risk Management

11.1 The Directorate will seek to manage all expenditure within the approved budget available and performance against budgets will be monitored and reported to members on a regular basis, this will include a risk register with any mitigations identified.

12. Legal

12.1 There are no legal implications arising from this report.

13. Conclusion

13.1 The budget strategy provides information on the work that has been undertaken and is ongoing within the directorate to both ensure that we are able to meet the existing budget pressures, whilst also contributing savings towards the wider council budgets.

13.2 The proposed revenue budget for 2020/21 is a one year budget which is aligned to both the Governments one year budget settlement and the Council's one year budget proposals.

13.3 The budget proposals in this report reflect the initial feedback from the January round of scrutiny meetings and following February scrutiny meetings

updated final budget proposals will be submitted to Executive on February 12th for approval.

Appendix 1 - Delivery Plans

1. Revenue Financial Plan

Subjective Heading	2019-2020 Budget £'000	2020-2021 Indicative Budget £'000
Expenditure:		
Employees	50,497	50,635
Running Expenses	122,268	120,202
Capital Financing Costs	4,462	4,462
Contribution to reserves	3,946	3,946
Total Subjective Expenditure	181,173	179,245
Less:		
Other Internal sales	(14,903)	(15,041)
Gross Expenditure	166,270	164,204
Income:		
Government Grants	(4,178)	(4,178)
Contributions from Reserves	(14,459)	(15,159)
Other Grants Reimbursements and contributions	(5,100)	(5,100)
Customer and Client Receipts	(44,035)	(45,962)
Other Income	(3)	(3)
Total Net Budget	98,495	93,802

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**Manchester City Council
Report for Information**

Report to: Communities and Equalities Scrutiny Committee – 6 February 2020

Subject: Delivering the Our Manchester Strategy

Report of: Executive Member for Skills, Culture and Leisure

Summary

This report provides an overview of work undertaken and progress towards the delivery of the Council's priorities as set out in the Our Manchester strategy for those areas within the portfolio of the Executive Member for Skills, Culture & Leisure.

Recommendations

The Committee is asked to note and comment on the report.

Contact:

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1. Introduction

1.1 The Our Manchester Strategy was formally adopted by the Council in January 2016 and sets the ambitions for the city for the next ten years, to 2025, for Manchester to be:

- Thriving – creating great jobs and healthy businesses
- Filled with talent – both home-grown talent and attracting the best in the world
- Fair – with equal chances for all to unlock their potential
- A great place to live – with lots of things to do
- Buzzing with connections – including world-class transport and broadband

1.2 Executive Members are collectively and individually responsible for supporting the delivery of the Our Manchester Strategy and for providing political oversight and direction to officers for the better outcomes for Manchester residents. In October, the Executive also published its collective political priorities and those of individual Executive Members, all of which are aligned to the Our Manchester Strategy.

1.3 This report sets out how I, as the Executive Member for Skills, Culture and Leisure have sought to deliver these priorities over the past six months and is a twice yearly report to this Committee, with reports being submitted to Scrutiny Committees.

2. Executive Member for Skills, Culture & Leisure - Portfolio

2.1 As Executive Member for Culture & Leisure, my portfolio includes:

- Cultural Strategy
- Skills
- Events
- External Arts/Sports Bodies
- Galleries & Museums
- Indoor/Outdoor Leisure
- Libraries
- Markets and Hospitality & Traded Services
- Sport and Sport Development
- Youth Offer

2.2 The individual priorities for my portfolio are:

- Park Strategy and Libraries
- Inclusive and Affordable for all Manchester residents with increased access to Culture and Leisure.
- Youth Trust, Youth Strategy

3. **Quality of Life (Libraries, Culture & Parks)**

Widening Access and Participation.

- Central Library busiest public library in the UK. New 5 Years of success publication produced - 8.3m visitors to Central Library.
- The 2019 Summer Reading Challenge, with the theme of 'Space Chase', saw almost 9,000 Manchester children taking part, a rise of 17 per cent from 2018, reading a total of 44,000 books. The highest number in the whole of the North West.
- Open Plus introduced at Wythenshawe Forum - increasing access by 20 hours to 65 hours per week.
- Our 'Read and Feed' programme in Manchester. This took place at Gorton Library, Newton Heath Library and Fallowfield Community Library, The Place at Platt Lane. The initiative is designed to tackle the holiday hunger felt by children who normally receive free school meals, and also to increase the number of children taking part in the summer reading challenge. At all three libraries, hundreds of children were fed during the summer holiday, whilst also having fun with activities such as magician sessions, learning circus skills or creative crafting.
- Library staff seminars held to reinforce widening access and participation with workshops for delivery teams in relation to autism, dementia friends programme, working with young people.
- Funding secured for a libraries post from GMCA that will manage a project to reduce digital exclusion in the City. Post started in Jan
- Successful bid to Home Office "Libraries of Sanctuary" project which will make 4 libraries, Libraries of Sanctuary - Central, Longsight, North City and Wythenshawe Forum.
- The Human Lending Library - Manchester branch opened matching charity and social enterprise leaders with successful entrepreneurs as mentors - Business Library.
- Creative Spaces Programme delivered a successful Autumn programme at Longsight, North City and Wythenshawe Forum with neighbourhood libraries supporting cultural events. Included partnerships with Manchester Literature Festival, Big Imaginations Children's Theatre Network, Brighter Sound and Manchester International Festival. A successful strand of festival events co-produced with young people and local creatives, as well as a joyful music gig for under 8's and their families by the Rockin' Rhinos!
- In October, 4 libraries became Fun Palaces for the day, with 1300+ people attending. This is now an established part of the libraries events programme,

with libraries offering an amazing range of activities and events throughout the day.

- Central Library was the Peterloo Hub for commemorative events and activities.
- Launched a new Lithuanian collection in Central Library.
- Addison Act Exhibition recently launched at Archives+ in Central Library. This fascinating exhibition celebrates 100 years since the Addison Act which effectively started the building of mass Council housing.
- Black History Events - range of events led by Ahmed Iqbal Ullah Race Relations Centre at Central Library celebrating history, heritage and culture.
- Increase in library participation, borrowing and use of IT/Wi-Fi.
- Manchester Libraries and Archives has been awarded £485,000 from the Heritage Lottery Fund to be the North West hub of the British Library's Unlocking the UK Sound Heritage. The project runs from 2019 to 2022
- New city of Literature collections at Central Library which promote Manchester authors and Manchester publishers.
- International mother language day events at forum, Longsight, north city and central (21 Feb).
- Forum Library and Central Library delivering STEM activities as part of a GMCA programme. One stem activity per month at each of these libraries using resources from Manchester science museum
- Preparatory work began on building the new multi-agency Gorton Hub, which will include a new library to replace the existing building. The new library will be the same size as the current library and will have the same facilities in terms of meetings rooms and an ICT suite.
- Libraries developed an Age Friendly Action Plan and consulted the Age Friendly Manchester Assembly on this. A key part of this is that all libraries will be assessed to see if they meet the Manchester Libraries Age Friendly requirements.
- Libraries Housebound Service now tackles digital exclusion experienced by many housebound people. The staff and volunteers offer to help the customer to use technology that they own - for example tablets, and loan tablets to customers who do not own them.

Culture

- Culture Awards - The winners of this year's prestigious Manchester Culture Awards were announced over the weekend at a special awards ceremony. This is only the second year of the awards, which were established last year to recognise the very best of culture in the city. The awards recognise both the massive contribution culture makes to the city's economy, and the role of culture in helping to make Manchester a vibrant place that people want to live in, work, and visit. The cultural call-out back in June saw 327 (an increase of 50) nominations made across twelve different award categories. This was another phenomenal year for the Manchester Culture Awards, both in terms of the number of entries and also the standard of those nominated - which was quite simply off the scale and world-class. What was so brilliant again about the entries is that they really showed off the incredible range and quality of cultural activity that has taken place in Manchester over the last year.
- Work to establish the Manchester Cultural Education Partnership (MCEP) is being progressed. The MCEP will comprise of practitioners from across the education, cultural, youth and play and business sectors and the Local Authority. There are currently 15 schools and education settings actively involved in MCEP and we expect this to grow as the partnership develops. MCEP is also committed to ensuring that children, young people and their families have authentic involvement.
- New website - Loads To Do, which will be a 'one stop shop' promote arts and creative opportunities across the city to all of Manchester residents is in development.
- Cultural Impact Survey undertaken and data being analysed.
- UNESCO City of Literature - has been formally constituted and registered, Chair and Director now appointed, the two further staff members recruited and Libraries Festival weekend being developed for 2020.
- Music Cities Network launch was held in October 2019 with an event at The Yard in North Manchester. I was joined by the lead from Aarhus Music City, Dave Moutrey and Kathy McArdel of the British Council to invite sector partners to start the visioning work for Manchester's designation.
- Music Research - ERF funds were secured to commission a major study of classical music audiences and good practice in programming and audience reach. Creative Tourist and the Audience Agency have been jointly commissioned to undertake the work, due for reporting in March / April 2020
- Ripples of Hope Festival launched last week.
- I addressed the annual Association of British Orchestras (ABO) conference on 31 January, as part of a panel discussion chaired by John Summers, CEO of the Halle Concerts Society

- Manchester Art Gallery welcomed 731,002 visitors last year, making us the most visited museum or gallery in Manchester. This represents a continuation of the upward trend in visiting we have seen at MAG in recent years: visitor numbers are 14% up on the previous year and almost double (94% increase) on visitor number in 2010.
- Manchester Art Gallery has developed 'Free for Manchester Schools' in partnership with, Manchester Central Library, Archives+ and Ahmed Iqbal Ullah Race Relations Resource Centre. These immersive learning experiences involve KS2 classes who spend a day visiting the Gallery and Library and use the city's collections to find out about either; Ancient Greece, Manchester and Writing.
- The schools' managers from Manchester Art Gallery and the Whitworth are working together to create a new Initial Teacher Training Programme with MMU that will be offered in the new academic year. This will come under the development of the Manchester Cultural Education Partnership.

Zero Carbon and the climate emergency

- Manchester's Cultural Sector has been leading the way in responding to climate change and recognising that the arts has an important role in helping society face up to the challenge of climate change and create a more sustainable future for us all. Our cultural organisations are in a unique position to challenge, inform and engage audiences and communities about the environment.
- The cultural sector is uniquely placed to respond to the climate emergency and to contribute to the city's ambitious targets. Whilst addressing organisational carbon footprints remains there are also major opportunities for creative engagement and collaboration with audiences, participants and partners on climate issues.
- Manchester Art Gallery - Following the Council's resolution in July, Manchester Art Gallery has signed up with Culture Declares to declare a Climate Emergency and commit to radical action in relation to its own carbon footprint. The gallery is currently reviewing its policy and approach, built around the following priorities; Making the physical gallery green and working towards being carbon neutral - focusing on exhibitions, loans, business travel, energy use, cafe, retail and events. A carbon budget will be allocated to all activities, overseen and monitored by a gallery panel drawn from across the gallery.
- Manchester Libraries recognise that the city's network of libraries has a major role to play in achieving the city's zero carbon target. This includes; purchasing books for loan to numerous people, reducing the amount of books needing to be produced and reducing paper production; electronic loans - the lending of E-books in Manchester is increasing by over 25% each year - currently at over 120,000 per year. This reduces the production of books and thereby reduces paper production; the Central Library cafe has pledged to

become plastic-free by 2020; the city's libraries provide access to Council and other public sector public services, avoiding the need to travel to access information and service support by undertaking transactions online close to home;

- HOME has led the way in carbon literacy training, advocating climate change awareness and implementing actions to reduce the environmental impact of their working practices, operations, programming and activities. This has included; a pilot training programme of work achieving the target of 100% of staff trained in carbon literacy, for which HOME was awarded Platinum Carbon Literate Organisation Status in 2018. This has included training some members of the team as trainers and supporting other arts organisations with consultancy and advice; workshops, e-learning and film screenings in partnership with MMU between September 2016 and April 2017; a sustainable procurement policy and sustainable travel plan; and two honeybee colonies supported on the roof of the building.
- Contact's building, currently undergoing redevelopment, is already in the top 1% of the most environmentally friendly public buildings in the North West. Contact is also one of the lead National Portfolio Organisations working with Arts Council England and Julie's Bicycle (a national charity that supports the creative community to act on climate change and environmental sustainability) to provide leadership in sustainability to cultural organisations nationally.
- Manchester Arts Sustainability Team (MAST) team is a group of cultural and creative organisations established in 2010 to respond to the city's climate change priorities through joint projects. There are now 35 organisations involved and membership and is beginning to cover a Greater Manchester footprint. Examples of projects include;
- Carbon literacy training - MAST partners have developed culture-specific carbon literacy training for staff which has been successfully delivered through HOME. The training is currently being revised to ensure that it responds sufficiently to the Climate Emergency.

Parks

- Secured £75k from European Grow Green Project to develop a strategy for the River Valleys in Manchester - Irk, Medlock, Mersey
- Partnership launched with Lancashire Wildlife Trust for the My Wild City Project will see the development of a biodiversity strategy for the city and parks have a significant role to play in this. This will also support our climate emergency response.
- Lancashire Wildlife Trust commissioned to develop work plans for Sites of Biological Importance. Work has commenced on the first 5 identified sites.
- 15 Park plans completed, 35 more identified

- North Team use bikes for park inspections and in the last year covered 903 miles, burnt 45,150 calories and saved 536kg of CO2.
- New catering contracts include environmental conditions and monitoring for CO2 reduction, recycling, eradication of single use plastics.
- Electric vehicle at Heaton Park has saved approx. 1.4 tonnes of CO2 per year.
- Increase in attendance of 40,947 at organised Firework Events 2019, compared to 2018
- Parks offer 106 activities per week based on physical activity, this has increased from 90 in the previous period.
- There are 4,500 events and activities per year, in Manchester Parks.
- Across the city there are 110,900 registered volunteers giving 278,600 hours per week. Approximately 10% of these volunteers give their time in parks.
- 4 capital schemes totalling 782k have been delivered in the last 6 months with a focus on play and physical activity.
- Funds of £200k, have recently been allocated from the remaining Clean City budget previously agreed for this purpose for the most urgent works in repairing safety surfacing, this programme is now in development for completion in March 2020.
- Commitment from Age Friendly Manchester to develop an Age Friendly standard across the city for Our Parks.
- New cafe contract awarded at Fletcher Moss Cafe and trial cafe launched at Fog Lane Park.
- Friends of Wythenshawe Park and Friends of Didsbury Park are first groups insured under MCC policy to work unaccompanied in our Parks
- Friends of Fletcher Moss Awarded UK's Best Park "Much Loved" through the Fields in Trust in September 2019.

4. Young People Matter

Strategy:

- The strategy has been re-written and now includes the Council's commitment to young people, emphasising the role of the Local Authority team. In addition, it focuses on the wider youth offer which includes the whole of the portfolio.
- The strategy now links directly to the Our Manchester strategy

- Skills for Life included in the strategy
- The strategy has been approved at scrutiny and executive.
- Comms are now producing a one-page document so we can have a strategy launch.
- new structure process underway with HR
- strong relationship developed with Young Manchester and the Youth & Play sector - heavy involvement in the recent funding round.

Youth Council:

- Make your mark: - another successful performance with over 24K young people participating in the ballot. This is a 50.3% turnout.
- Top performing GM authority in the ballot, and forth best performing in the North West.
- 8 schools received awards (presented by Fiona Worrall) for the numbers of young people participating in Make Your Mark
- Youth Council presented findings at the Children's Trust Board.
- The redesign of the youth council has commenced with the agreement that there will be a shadow youth cabinet.
- Youth Elections planned to begin in February.
- Re-launch of Manchester Youth Council following the elections
- Social media presence increased, with short videos.

Youth Buzz Awards:

- Youth Buzz Awards have received over 100 nominations, which is an increase on last year's nominations
- This year's nominations are more evenly spread, and include more nominations from youth providers.
- Jenny Powell and Lemn Sissay have been secured to be present at the event.
- Skills for life weaved throughout the categories.

Youth Climate Event

- The successful completion of the 2nd Youth Climate Summit
- 350 children and young people attended event
- This year there was a showcase of young people's projects, with 3 schools presenting to the summit the good work they have been involved in with relation to climate
- All schools involved submitted pledges
- 7 schools signed up to pilot the new skills for life environment badge.
- Amazing example of partnership working

Skills for Life

- Skills for life moved into the youth team in November.
- The procurement process for the skills for life app has now been completed, with Kloodle the successful company
- Toolkits have been produced for both primary and secondary schools
- Skills for Life officer is involved in the Wythenshawe Education board to investigate how the project can be used to support Wythenshawe children transitioning to local secondary schools.
- Quarterly briefings planned for Children's Service's staff teams to ensure connection remains strong
- CPD planning in process in place for secondary schools to launch new badges and activities

MCRactive

- MCRactive is now established, a unique organisation and the country's first governance collaboration between sport, health and a City Council, launching a 10-year strategy.
- Our leisure facilities are busier than they have ever been with over 3.4m visits per annum, an increase of 192,000
- 7,200+ young people learning to swim every week - the highest number ever achieved in Manchester.

- 10,000+ under 17 and over 60 locals who continue to enjoy Free Swimming in our pools, with more young people taking up the extended weekend access we introduced.
- Volunteering across the city has also never been stronger with 7,200+ volunteers (344 additions in 2019) delivering on average 2,483 hours per year.
- Events reputation strengthened as a world class sports city, showcasing the very best events in track cycling, football, BMX, squash, speedway, taekwondo, athletics, tennis and basketball.
- The Tour of Britain raced through the heart of Deansgate for the first time in 15 years and thousands more engaged in the Let's Ride Manchester, demonstrating collaboration with partners - bringing all ten GM boroughs together to host an event for the first time.
- Following a successful home Cricket World Cup, we connected local businesses with India, and delivered a GM wide investment for non-turf cricket facilities. 16 new non-turf wickets will soon be installed across 13 sites in Manchester.
- Over £10m+ invested into community facilities including Moss Side Leisure Centre, Belle Vue Leisure Centre, Debdale Outdoor Centre, East Manchester Leisure Centre, Denmark Road Sports Centre and North City Family & Fitness Centre.
- £1m investment in new Outdoor Athletics Track, in preparation to play a major role in the athletics calendar hosting the British Athletics Championships Olympic Trials as well as the English Schools Athletics Championships for the first time.
- Digital and data project committed over £550k that will transform the leisure digital marketplace in Manchester, providing opportunities to access and find inspiration on sport & physical activity.
- MCRactive Pay & Play card continues to grow from strength to strength having now signed up an additional 100,000+ users.
- Partnered with key health organisations; Manchester Local Care Organisation (MLCO) and Manchester Health & Care Commissioning (MHCC) laying the foundations for future transition and collaboration.
- Support secured from key sport and health partners, over £2.8m was committed to undertake engagement pilots that will revolutionise our communities' relationship with physical activity.
- Trialled the power premier league football, using MCFC 'fandom band' to drive health check-up attendance targeting aged 40+, M11 residents doing less than 30 mins per week.

- Active Streets delivered across neighbourhoods demonstrating 'social value', bringing together a range of services including waste and recycling, street cleansing and sport, 'closing off' 14 different streets in 12 wards, with nearly 600 adults & children enjoying activities.