



## **Resources and Governance Scrutiny Committee**

Date: Tuesday, 3 November 2020

Time: 10.00 am

Venue: Virtual Meeting - Webcast at - [https://manchester.public-i.tv/core/portal/webcast\\_interactive/485379](https://manchester.public-i.tv/core/portal/webcast_interactive/485379)

This is a **Revised and Supplementary Agenda** containing an amended version of the report for agenda item 5 and additional information about the business of the meeting that was not available when the agenda was published

### **Advice to the Public**

The Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020

Under the provisions of these regulations the location where a meeting is held can include reference to more than one place including electronic, digital or virtual locations such as internet locations, web addresses or conference call telephone numbers.

To attend this meeting it can be watched live as a webcast. The recording of the webcast will also be available for viewing after the meeting has concluded.

## **Membership of the Resources and Governance Scrutiny Committee**

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**Councillors** - Russell (Chair), Ahmed Ali, Andrews, Clay, Davies, Lanchbury, B Priest, Rowles, A Simcock, Stanton, Wheeler, Wright and Akbar (Executive Member)

## Revised and Supplementary Agenda

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5. **Workforce Equality Strategy** 3 - 94  
Report of the Director of HROD attached
- This is a revised report containing a more detailed summary and conclusion.
- The report sets out a strategy for achieving workforce equality in Manchester City Council. The strategy covers many of the protected characteristics under the Equality Act, specifically race, disability, age and sexuality. The strategy also contains an emphasis on analysis and actions relating to race equality, and in particular to the review carried out last year of race relations and discrimination within the City Council.
6. **Council's Medium Term Financial Plan and Strategy for 2021/22** 95 - 104  
Report of the Deputy Chief Executive and City Treasurer attached
- This report sets out the impact of COVID-19 and other pressures and changes on the Council's budget for the period 2021-2025. It will summarise the savings options under consideration from 2021/22 as well as set out the approach to Equality Impact Assessments and consultation as part of the budget setting process.
7. **Budget options for 2021/22** 105 - 126  
Report of the Deputy Chief Executive and City Treasurer attached
- This report outlines the financial position and sets out Officer options for savings against each service area aligned to the remit of the Resources and Governance Scrutiny Committee to help achieve a balanced budget in 2021/22.

## Further Information

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

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This supplementary agenda was issued on **Thursday, 29 October 2020** by the Governance and Scrutiny Support Unit, Manchester City Council, Level 3, Town Hall Extension (Lloyd Street Elevation), Manchester M60 2LA

**Manchester City Council  
Report for Information**

**Report to:** Resources and Governance Scrutiny Committee – 3 November 2020

**Subject:** Workforce Equality Strategy

**Report of:** Director of Human Resources and Organisation Development

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## **Summary**

We have not previously had a workforce equality strategy at Manchester City Council, and in producing this document we are aiming to rectify that omission and to use this opportunity as a springboard to make strong progress.

Manchester is always ambitious and we are aiming to be a real leader amongst public sector organisations in the North West and beyond in the clarity of our analysis, the range of our actions and our determination to make things happen to change for the better.

Manchester has a proud history of being at the forefront of the fight for equality and we rightly have high expectations of what we can achieve in our city. The Council must now step up and lead the way - setting an example of workforce equality in action, both for our city and for local Government.

Manchester is a diverse and vibrant city and the Council and those who work here should look and sound like the people we serve. To achieve that goal we need to be an open and welcoming place for our communities to seek employment- and to progress to the highest levels.

We know that inequality still exists within our city and within the Council, and that the pace of progress is still too slow. A recent race review, for example, set out some of the experiences of our Black, Asian and Minority Ethnic staff and highlighted problems which we are now beginning to address, and which has informed this workforce equality strategy.

Our workforce equalities strategy is a fundamental part of our developing Manchester City Council through the Our Manchester behaviours and values, into the organisation we want to be.

We've developed this strategy using methods that are absolutely in keeping with the Our Manchester behaviours. We have worked together with staff and trades unions and taken the time to listen and understand the experience of employees from underrepresented groups. We have owned the problem of inequality in the workforce.

Our equalities strategy is about having a workforce at all levels which is from and for Manchester, building on our pride in and passion for the city.

The attached sets out a strategy for achieving workforce equality in Manchester City Council. The strategy covers many of the protected characteristics under the Equality Act, specifically race, disability, age and sexuality, there is however a particular emphasis on analysis and actions relating to race equality, and in particular to the review carried out last year of race relations and discrimination within the City Council.

## Recommendations

Resources and Governance Scrutiny Committee is asked to:-

1. Consider the attached strategy; and
2. Give feedback on the strategy including suggestions for improvement prior to consideration by Executive Committee

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**Wards Affected:** None

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| <b>Environmental Impact Assessment</b> - the impact of the issues addressed in this report on achieving the zero-carbon target for the city |
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| None |
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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 | The public sector is a major employer in Manchester so if we can recruit more from Manchester residents it will contribute to this outcome. The city council should reflect the communities of Manchester fully and at all levels.                   |
| A highly skilled city: world class and home grown talent sustaining the city's economic success                   | Employees who work for the city council and live in Manchester will receive skills development.  |
| A progressive and equitable city: making a positive contribution by unlocking the potential of our communities    | Employees who work for the city council and live in Manchester will make a positive contribution to the city. When the City Council is fully reflective of the communities we serve, we will be an exemplar of a progressive and equitable employer. |
| A liveable and low carbon city: a destination of choice to live, visit, work                                      | not directly relevant  |
| A connected city: world class infrastructure and connectivity to drive growth                                     | Employees who work for the city council and live in Manchester will have their technological skills improved, reducing digital deprivation   |

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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.

Race Review 2019 (previously published)

## **1.0 Introduction**

- 1.1 In 2019, and following representations from trades unions and others, a review of race issues in the workforce of Manchester City Council was commissioned. This review was finalised in November 2019. The commission aimed to understand the extent to which our organisational culture and values, reinforced by our policy approach and behaviours, support inclusive employment practices and recognise and respect differences.
- 1.2 The review's key purpose was ultimately to help inform continuous improvements in the Council's approach to race equality at work.

## **2.0 Background**

- 2.1 A Race Equality Working Group was established to work on the 27 recommendations from the original race review. They were grouped into 5 themes as follows:

### **Monitoring**

- 2.2 Understanding the reasons why there are gaps in the data, how (if) we can get better coverage of ethnicity data for our staff and how reporting can be improved so we can better monitor our equality data, target interventions and spot issues.

### **Developing Black, Asian and Minority Ethnic staff**

- 2.3 Seeking to better understand how current MCC staff feel about development opportunities within the Council and what interventions would support better diversity, e.g. including composition of panels, race awareness training for all managers and a development programme for Black, Asian and Minority Ethnic staff.

### **Engagement and communications**

- 2.4 Reviewing how we can increase visibility of black, Asian and minority ethnic staff within all Corporate and Directorate communications and engagement as well as raising awareness of race equality issues and building confidence in the work of the race equality working group and in the organisation in general.

### **HR policies**

- 2.5 HR policies need to be reviewed through the lens of race equality to ensure they promote equality and address issues identified through the review (particularly around development and disciplinary). The group are looking at the special leave policy in the first instance but this work will have to be replicated across all policies prioritised based on impact.

## **Leadership**

- 2.6 Options to support our leaders and managers to understand and create racial equality and better understand the lived experience of our black, Asian and ethnic minority staff and are equipped to monitor the progress of race equality in their respective service areas (linked to the monitoring and development themes) and develop strategies to address any issues identified.
- 2.7 In addition a group was formed with Trades Unions to look particularly at the over representation of Black, Asian and Minority Ethnic People in the disciplinary process.
- 2.8 While the work was underway in relation to race and ethnicity a process of gathering data and developing recommendations in relation to age, disability and sexuality also took place to enable the council to have a more comprehensive workforce equality strategy. This is not to dilute in any way the emphasis on race equality but rather recognises the intersectionality of equalities work and the unique needs of individual groups.

## **3.0 Recommendations**

- 3.1 It is recognised that will be a major focus of the Human Resources and Organisation Development directorate going forward.
- 3.2 The work and recommendations of the Working Group will need to be embedded into work plans going forward and we are currently planning how we will maintain transparency and engagement on that happening.
- 3.3 The 5 thematic groups were testing a series of interventions over the initial 14 weeks and have made a final set of recommendations based on the outcomes of these small minimal useful changes. The working party concluded on 7 October 2020. A selection of the recommendations are outlined below.

## **3.4 Monitoring recommendations**

- Staff trust has to be gained in relation to completing the ethnicity classifications. Barriers need to be addressed and staff have to feel reassured and confident that they will not be negatively affected by this information being gathered.
- Mandatory ethnicity classification forms to be completed as part of all external and internal recruitment.
- Encourage staff to become involved with their relevant staff group.
- All staff groups to be consulted with in relation to issues that could affect staff from that group

## **3.5 Developing Black, Asian and Minority Ethnic staff recommendations**

- The pilot test training undertaken as part of the working party has confirmed the need for mandatory Race Awareness for all leaders and managers with a view to rolling out across the whole workforce.

- Planning underway looking at clear objectives, priorities and timescales. An options paper to be put forward to consider who will carry out the training. Will this be a full time trainer, internal group of trainers or an external organisation.
- Use HROD or agreed alternative commissioning framework to secure providers and agree course details and terms.
- Work with identified training providers to develop a train the trainers model to roll out the course as part of later phases/cohorts.
- Clear terms of reference, governance and operational structure set up to take forward the Race Equality Working Group activity, recommendations and action plan to support the work of the Project Manager(s) and the transition towards embedding this in HROD/the organisation.
- Secondment or Act up policy to be devised with the aim of providing experience and exposure for Black, Asian and Minority Ethnic staff working at a more senior level to current grade. To ensure equity and consistency in the organisation.

### **3.6 Engagement and communications**

- All online communication broadcasts should be reviewed for diversity and inclusion/accessibility.
- Support and encouragement to enable staff to send in their stories to feature in the broadcasts (corporate and directorate).
- Address barriers to good representation in communications.
- Engagement with staff network groups.
- Increasing the stories and focus on regular corporate and directorate communications to include black asian and minority staff and communities, as well as other underrepresented groups.

### **3.7 HR policies**

- Clear and strong communications from senior level around the Council's aims and objectives to specifically improve the diversity of the organisation to support diversity in recruitment and to mitigate the risk of (perceived/real) tokenism.
- Ensure diverse panel members are holistically involved in the recruitment process (shortlisting to interview) and where appropriate, brief them accordingly so their contribution is meaningful allowing them to participate equally in decision making. This process will promote MCC's value on diversity and also avoid tokenism.
- Monitor and report on the diversity of all panels to measure the impact of this initiative.
- Consideration should be given to the use of 3rd parties (e.g. partners or Members) where diverse panel members cannot be found internally.
- Diverse recruitment panels will be required for recruitment at all levels and all recruitment materials will be explicit on our commitment to race equality and equality generally.



### **3.8 Leadership**

- Manchester City Council to use evidence to develop targets for black, Asian and minority ethnic staff and other groups at every level
- Clarify the routes into the council and understand the criteria that are in place to identify how we target applicants from communities that are underrepresented.
- To begin discussions with SMT on how appointment of designated Senior Lead in each Directorate, including a black, Asian and minority ethnic lead. For each directorate that works alongside the Senior Lead.
- Development of a reverse mentoring scheme - giving leaders opportunities to explore with black, Asian and minority ethnic staff their lived experiences whilst working for the Council.

### **4.0 Trade Unions work on the over representation of black, Asian and Minority Ethnic staff in disciplinaries - recommendations**

- HROD Casework managers to meet with relevant Strategic Director to discuss service areas with disproportionate disciplinary impact on BME employees. Meetings have been arranged.
- Support managers from catering, DSAS and Locality Teams to attend Race Awareness Training.
- Ensure all investigating officers attend mandatory race awareness training.
- Issues raised by employees around race will be dealt with by someone outside of the service area with a manager with relevant experience. Casework team to change their approach to advice giving and provide a greater degree of challenge to managers.
- Equality Outcomes to be monitored in About You objectives for managers
- Review Casework Policies to determine where needs are amended/strengthened from an equality point of view.
- Review recruitment and induction programmes to ensure an equality and an anti racist stance is front and centre.
- Incorporate learning into the new management standards/framework being drafted.

It should be noted as per the strategy that the Trades Unions are still working on these recommendations with us and they may change at the margins as this work concludes.

### **5.0 Conclusion**

- 5.1 The City Council is on a journey to achieving equality and diversity and in developing, endorsing and delivering on this strategy and the actions contained within it will be taking necessary steps to accelerate and deepen the work to make progress in this area.
- 5.2 The support and encouragement of Members, alongside appropriate scrutiny

and overview will be a vital component in achieving what we have set out in this strategy.

**5.3** In summary, delivering this strategy will mean:-

- We will be more diverse at senior levels in the city council, through progression of existing staff and external recruitment, particularly from Manchester;
- Our managers will be more confident and employees able to realise their full potential;
- We will employ more Asian and particularly Pakistani and Chinese staff;
- We will have better data on which to make decisions; and
- Our culture will be more inclusive, valuing diversity and focussed on outcomes.

# Workforce Equalities Strategy

# Introduction

Manchester has a proud history of being at the forefront of the fight for equality and we rightly have high expectations of what we can achieve in our city. The Council must now step up and lead the way - setting an example of workforce equality in action, both for our city and for local Government.

Manchester is a diverse and vibrant city and the Council and those who work here should look and sound like the people we serve. To achieve that goal we need to be an open and welcoming place for our communities to seek employment- and to progress to the highest levels.

We know that inequality still exists within our city and within the Council, and that the pace of progress is still too slow. We will not shy away from our shortcomings but face them head on to challenge ourselves to be the best we can be. A recent race review, for example, set out some of the experiences of our Black, Asian and Minority Ethnic staff and highlighted problems which we are now beginning to address, and which has informed this workforce equality strategy. We won't accept standing still or complacency when it comes to workforce equality.

Ensuring everyone is treated equally, with dignity and fair access to opportunities is simply the right thing to do. We should all have an equal opportunity to develop, progress, and to be rewarded and recognised at work. Not only is it right in itself, but failing to achieve these ambitions will prevent us from accessing the full breadth of talent and the diversity of experience available to us, and will hold us back as an organisation.

Diversity is a fact but inclusivity is an act. Manchester, a world class city, is proud of its rich diversity. This strategy and the actions contained within it are an important step on our journey to building and maintaining a talented, diverse and inclusive workforce that will lead to better outcomes for our residents.



**Cllr Rabnawaz Akbar**  
Cabinet Lead for Equalities



**Cllr Garry Bridges**  
Cabinet Lead for Human Resources

# About this strategy

We have not previously had a workforce equality strategy at Manchester City Council, and in producing this document we are aiming to rectify that omission and to use this opportunity as a springboard to make strong progress.

Manchester is always ambitious and we are aiming to be a real leader amongst public sector organisations in the North West and beyond in the clarity of our analysis, the range of our actions and our determination to make things happen to change for the better.

In summary, delivering this strategy will mean

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- Our managers will be more confident and employees able to realise their full potential
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- We will have better data on which to make decisions
- Our culture will be more inclusive, valuing diversity and focussed on outcomes

# Our Manchester

Our workforce equalities strategy is a fundamental part of our developing Manchester City Council through the Our Manchester behaviours and values, into the organisation we want to be.

We've developed this strategy using methods that are absolutely in keeping with the Our Manchester behaviours. We have **worked together** with staff and trades unions and taken the time to **listen and understand** the experience of employees from under represented groups. We have **owned the problem** of inequality in the workforce.

Our equalities strategy is about having a workforce at all levels which is from and for Manchester, building on our **pride in and passion for the city**.

# Aims of this strategy

Through this strategy we are aiming for employees of Manchester City Council at all levels to reflect the rich diversity and talent of the whole population of Manchester.

We're also aiming for the city council to be a place where every individual, no matter what their background, level or vocation can thrive and feel able to be fully themselves.

Finally, we're aiming for our managers and leaders to understand and continually demonstrate their commitment to equality, diversity and inclusion.

# Manchester's history of supporting equality

**Manchester has a long and proud history of supporting equality and social justice.**

From the Peterloo Massacre in 1819, which galvanised the campaign for extending the vote, to Free Trade and the birth of the Trade Union movement, Greater Manchester's political history has helped shape the world.

**1844**

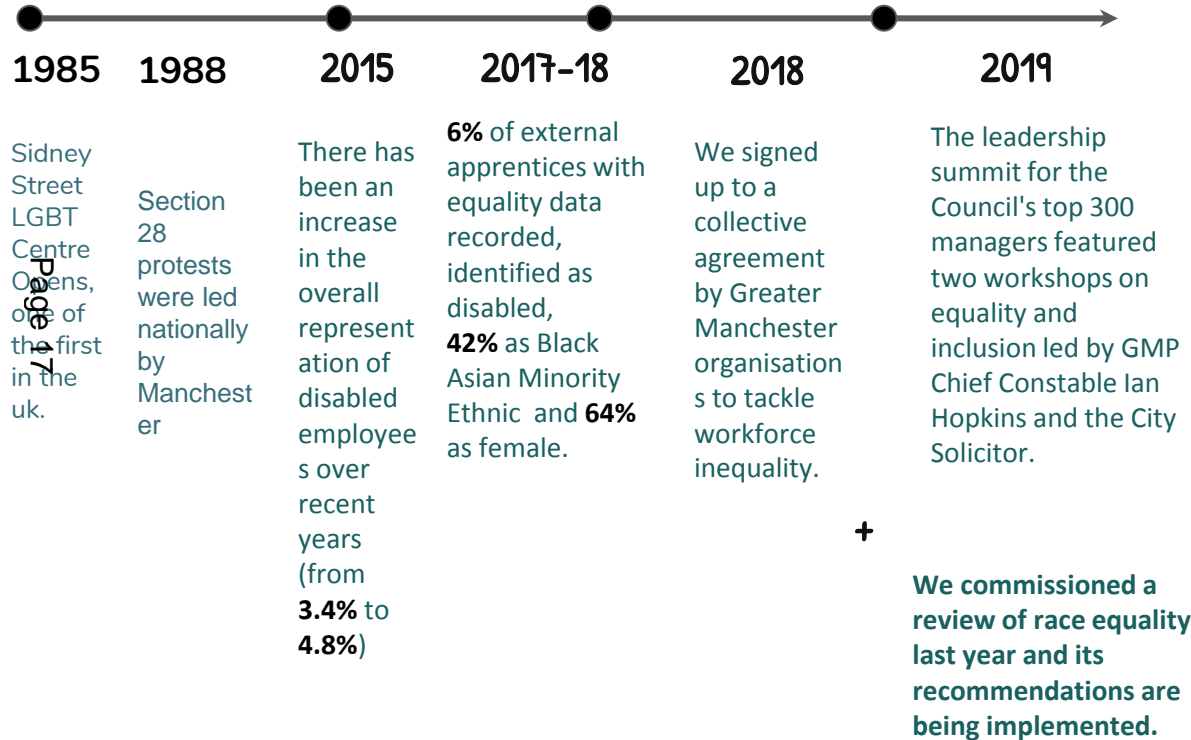
A group of weavers in Rochdale helped establish the modern co-operative movement.

**1903**

Emmeline Pankhurst founded the Women's Social and Political Union, dubbed by the Daily Mail as the Suffragettes, who helped win the vote for women.



# Work by MCC to promote equality and diversity



- We were participants in two cohorts of RECAP (Race Equality Change Agents Programme).
- A Question and Answer session for staff was jointly held by the Chief Executive and - in her capacity as SMT lead on equalities - the City Solicitor.
- The Council is currently registered at level 2 of the Disability Confident Employer scheme. Our Manchester and Our People have been successful at creating awareness of equality and diversity at MCC.
- We've engaged with staff, for example, through Be Heard, Staff Surveys, One to One sessions with managers, Listening in Action sessions and Staff Groups.

# Defining equality, diversity and inclusion

**Equality enables us to create a fairer society where everyone can participate and has the opportunity to fulfil their potential.**

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## Backed by legislation

The Equality Act 2010 is designed to address unfair discrimination, harassment, and victimisation, to advance equality of opportunity, and to foster good relations between people who share a protected characteristic and those who do not.

## Our legal duty

As a public sector organisation we have a legal duty to comply with the Equality Act and it is everyone's job to do so.

# Defining equality, diversity and inclusion (cont)

**"Diversity is being asked to the party; inclusion is being asked to dance"**

D&I expert, Verna Mays

## What is diversity?

Diversity is when we recognise and value difference in its broadest sense. It's about creating a culture and practices that recognise, respect, value, and embrace difference for everyone's benefit.

## What is inclusion?

Inclusion refers to an individual's experience within the workplace and in wider society, and the extent to which they feel valued and included.



# In this report we focus on 4 characteristics



## Age

A person belonging to a particular age (for example 32 year olds) or range of ages (for example 18 to 30 year olds).



## Disability

A physical or mental impairment which has a substantial and long-term adverse effect on a persons ability to carry out normal day-to-day activities.



## Sexual orientation

An enduring pattern of romantic or sexual **attraction** (or a combination of these) to persons of the opposite **sex** or gender, the same sex or gender, or to both sexes or more than one gender.



## Race and ethnicity

Race can mean your colour, or your nationality (including your citizenship). It can also mean your ethnic or national origins, which may not be the same as your current nationality.

# About Manchester

**Manchester's 2020 population is estimated at 575,400**

**Manchester is one of the most culturally diverse cities in the UK with over 200 languages and dialects.**

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The first step in working out what we need to do to ensure a workforce that reflects the community of Manchester is to look at how diversity in Manchester City Council compares with Manchester itself.

# A note on evidence

Any changes to systems and processes should be evidence based so we avoid making assumptions about what works. We cannot plan changes based on evidence at the moment for two main reasons:

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The data that we have about the population of Manchester mostly comes from the census and we are currently at the furthest point from that being up to date, with a new census being done in 2021.

The data that we have about our workforce is incomplete - about 50% of our data sets on the employee characteristics are missing one or more fields, most commonly those around sexuality, but also ethnicity/race and disability. We also have not gathered recruitment data consistently.

**These gaps should not stop us working on strategy around workforce equality** but we must be mindful of these fundamental difficulties with our evidence. Of course, getting comprehensive data on our workforce is one of the most urgent priorities of this strategy.

# Age

The largest age group in the MCC workforce is **50-59 years old**

The largest working age group in Manchester is **18-30 years old**

The age of MCC's workforce is in more or less **inverse proportion** to that of Manchester.

# Disability

5%

of the working age population of Manchester declare a disability

4.8 %

of MCC's staff who have completed the monitoring declare a disability





# Race and Ethnicity

**23.5 %** of the workforce who have declared are Black, Asian or Minority Ethnic.

**6.2 %** of staff who have declared in MCC declare ethnicity as Asian or Asian British.

**11 %** of staff who have declared at MCC declare ethnicity as Black/Black British.

**17 %** in the community of Manchester declare ethnicity as Asian or Asian British. The largest Asian population in Manchester is Pakistani.

While this is higher than the 8.5% in the community of Manchester, Black employees are concentrated in roles below Grade 9.

# Sexual orientation

5 to 7%

of the population is LGB according to the Department for Trade and Industry (although the Office for National Statistics puts the number at closer to 3%).


5%

of staff who have completed monitoring in MCC have declared themselves as LGBT.


**Sexual orientation is the top characteristic that employees do not answer or 'prefer not to say'.**

Around half of employees do not complete that information. We need to collect better and more up to date data that confirms LGB employees are in line with levels in the population.

# Black, Asian and Minority Ethnic staff in disciplinary cases




**38 %** of all disciplinary cases in the last year involved Black, Asian and Minority Ethnic staff.




Lower graded staff, regardless of ethnicity, are disproportionately taken through the disciplinary process in comparison to higher graded employees.

**Black, Asian and Minority Ethnic staff appear to be twice as likely to be taken through the disciplinary process as other staff; that is at least partially because we take far more lower graded staff through the disciplinary process and Black, Asian and Minority Ethnic staff are more concentrated in lower grades.**

# Black, Asian and Minority Ethnic staff in disciplinary and grievance cases



Historically a significant proportion of cases ended in no further action, including a number of cases that were run as gross misconduct cases.



Very few grievances are related to Race. However our research indicates that some Black, Asian or Minority Ethnic staff may be reluctant to raise grievances about their perceived treatment for fear of 'rocking the boat'.

# Organisational culture

**Manchester City Council's organisational culture is brilliant in many ways and embodies the 'Our Manchester' behaviours. It's probably unique in terms of the high levels of pride and passion that our people feel for our city and everything about it. We don't want to change that.**

Page 29 There are some legacy aspects of the culture however that still exist in pockets, and are not helpful. These include a sense that good leadership is heroic, that long hours are valued, that outcomes might not be as valued as process and that the flipside of close working with colleagues can make some feel excluded. We need to accelerate the change in our organisational culture, keeping the brilliant stuff but making it clear that good leadership is inclusive, that diversity is strength and that what matters is what gets delivered.

If we can continue to move Manchester's culture in this direction then it will have a profound effect on our diverse employees who feel the legacy aspects disadvantage them more than others. What follows is what some people have told us about how the legacy culture impacts them.

# Insight from interviews with staff

The analysis so far has been statistical, now we move on to what we have heard from staff.

We conducted interviews with members of staff across protected classes to better understand the **barriers to diversity, equitable support** and **progression** within the organisation.

We also used evidence from staff who participated in the race review, and participated in the Race Equality Working Party, and we heard from trades unions about what their members have told them.



# Feeling excluded

## It's who you know

Some staff perceive an unfair system of promotion based on personal relationships.

"There's a culture of who you know in MCC."

"If you are in that clique you get the job, if you're not, you won't get the job."

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## Hiring people like themselves

Some staff also felt that internal recruitment heavily revolved around decision makers taking on those who were most like themselves..

"They relate to people who look like themselves. People employ people who are looking like them."

"In Africa, using my first language, I could sell myself much better. The accent can put people off."

# Selection for jobs

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## Need for support through process

Page 32  
Some staff also felt that they had a lot to offer but that the recruitment process itself was a barrier. This was an area they would benefit from receiving development training.

"I have been in MCC for 31 years, but I'm not confident at interviews so I have never been promoted."

"When I first applied to MCC what I noticed was I was really intimidated - it was all very formal. When I went to the grad scheme it was all middle class white people. All the language was complex, and I just felt there were invisible walls. MCC don't write things in plain english normally."



# The importance of visible role models

## **Lack of visible representation**

may cause Black Asian and Minority Ethnic staff to remain in lower grades and not go for relevant development or opportunities.

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“Young people are already looking to say there isn’t an opportunity! If they’re not seeing it happen for their parents they won’t think there is an end product completing their education and working for the council either”

“I think we need to show people that they’re able to do it. Show people from diverse backgrounds who have gone on to do well at the organisation.”

“We need to see more role models. People that look like us (black staff in senior positions) would be encouraging ”

# Long hours

There is a perception that working at more senior levels requires a round-the-clock commitment.

We may need to give a more balanced view of what is involved in being a senior manager to encourage more diverse applications for senior roles

"When I first came here, there weren't many [disabled people] in the management team. A long hours policy at the top means you actually miss out on people who could have real vision."

"We are a sandwich generation looking after older family members. If you're caring for more than one person, why would you go for a promotion?"

"In my previous role I was working long hours, working evenings and weekends and had only just returned from maternity leave so had a new born and older child. I felt it was a real point of tension asking for flexible hours."

# Long hours (cont)

## Work/life balance vs progression

Promotion is sometimes framed as a trade off between a healthy work life balance and progression.



"I like my job and I worry how a promotion could fit in with my childcare responsibilities. I would be up for it if the culture changed."

"It was my personal choice not to progress. So I couldn't say whether there was a barrier. It felt like a lot of work outside of work. I wasn't interested in doing that and there wasn't really a financial benefit."

# Why we don't have complete monitoring

## Distrust

Research carried out by the racial equalities working group points to a sense of distrust around the purposes of data collection at MCC.

"The very little data that they have captured has not lent itself to equality as far as the Black Asian Minority Ethnic community is concerned. That fact would suggest that they're not using the data."

"I don't trust the hands that the data is in to do the right thing with it. That's the fundamental issue: the trust."

## Can't see its value

Some staff felt 'nothing is being done with it' so it was pointless to capture it, or that the information collected is actually being used to make assumptions about staff (negative and positive/fear of discrimination)

"I have worked for MCC for a very long time and there has not been a reach out to update us."

"It makes no difference, no change happens. It's the same old."

# Fairness and acceptance

## Hierarchy of urgency

Participants felt there's a clear hierarchy of urgency around protected classes where some classes had received substantial attention over others and thus had seen improvement.

"People still mispronounce my name. There should be more support and attention around actually saying people's names correctly, recognising that they may be from a different ethnic background."

"You don't see much on disability but you do see things on mental health."

"As a woman, my breastfeeding journey was very much supported. As a mother I was really supported but not with things like diwali."

## Confidence to voice concerns

Staff from protected classes have said that they do not feel confident to voice their concerns.

"I can't have certain conversations. I know I would be seen as a troublemaker."

"I get remarks made about me working from home because of my disability... they make out like I'm skiving off. I don't want to cause any trouble so I ignore it."

# Setting priorities

Our ambition is to achieve a workforce that will reflect at all levels and in all professional and vocational groups, the diversity of Manchester's working age population. We also want all staff to have the confidence that no matter what their characteristics, they are able to be fully themselves at work, without fear. Achieving either of these will not be quick or easy.

It will require sustained and focussed effort over a number of years, with senior leaders holding themselves and others accountable for progress, celebrating successes and re-committing themselves to our purpose. To ensure progress over the next year or so, we have prioritised a series of actions which will need to be refreshed again.

There are many other priorities which are promoted by people in the sincere belief that they should be implemented promptly, but we are also unable to do everything and so we have to base our actions on our sense of what is needed first.

# We'll know our equalities strategy has been effective when:

- Manchester City Council's workforce will reflect at all levels and in all professional and vocational groupings the diversity of Manchester's working age population.
- All staff, no matter what their characteristics, will report that they feel fully able to be themselves at work, without fear.
- Leaders will be confident that they have the tools and education to manage and develop a diverse workforce successfully.
- There will be no disproportionate adverse effect on any group, of any human resource policy or procedure.
- The city council will have data and evidence to track and monitor progress in achieving these aims.
- There are clear routes to good jobs In MCC for people in Manchester



# Executive Members

It is intended that this strategy will be discussed and agreed at the Executive Committee of Manchester City Council, however the involvement and commitment of Executive Members in implementation will not end there.

Executive Members have key roles to play in implementation of this strategy, including

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- Holding members of the Senior Management Team to account for delivery
- Appointing senior members of staff through the Personnel Committee
- Agreeing or being consulted on changes to senior staffing which may have diversity implications
- Hearing appeals against dismissal
- Promoting the opportunities of working for Manchester City Council
- Working across Greater Manchester and beyond on this agenda, sharing good practice

And therefore Executive Members will be supported and give development and opportunities for learning and discussion around this agenda in support of their unique role



# Action Plan workstreams

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- 1 Monitoring
- 2 Recruitment
- 3 Culture and leadership behaviours
- 4 Fairness and acceptance
- 5 Creating a diverse leadership cadre (including progression)
- 6 Communications and engagement



# Action Plan 1: Monitoring

| Action   | Owner   | By when       | Comments  |
|--|---|---------------|---|
| Set up a communications strategy to build confidence around collection and use of data. This should explain the importance of data and how it will be used i.e. good examples and benefits staff will derive from revealing their information. It should make clear that the information will not be used to discriminate against staff. | Communications, Equalities Team and Human Resources | December 2020 | This will go along side a likely large scale set of savings proposals as well as reductions in staffing and therefore will need to be carefully positioned. |
| Capture Information about all MCC staff by making it a mandatory requirement to complete monitoring information on SAP. Improve the process making the submitting of information easy.   | Human Resources and IT                              | June 2021     | Will require some reconfiguration of SAP when we may be at a point of going to market for a new HR system.  |
| Establish a dashboard for managers which can be accessed, monitored and used to influence positive change based on information submitted by staff. This will help ensure that action is taken and is based on actual data.   | Workforce Insight Team currently in PRI             | June 2021     | Need to have meaningful data to build a dashboard.  |
| Collect and analyse all recruitment data and report on areas of concern, including internal and senior recruitment. Track the progression of protected characteristic groups, particularly Black Asian Minority Ethnic and disabled.   | Human Resources                                     | March 2021    | This requires us to reconfigure an Candidate system that is shared with Greater Manchester so there are contract issues to overcome.                        |

# Action Plan 1: Monitoring (cont)

| Action  | Owner                                      | By when      | Comments   |
|---|--|--------------|--|
| Enhance and strengthen workforce disability data.   | HROD                                       | Dec 2020     | Extend the range of data fields in SAP and ATS to capture more detailed data on the disability profile of MCC workforce. |
| Casework team to produce regular data on equality issues to SMT   | Casework Team and Information Intelligence | March 2021   |  |
| Create more visibility of Black Asian Minority Ethnic staff by sharing more of their stories across the organisation. | Communications                             | Starting now | Focus on their journeys and how they are making a positive difference across the organisation/in the city.               |

# Action Plan 2: Recruitment

| Action   | Owner                              | By when        | Comments  |
|--|------------------------------------|----------------|---|
| Retender the 'headhunter' contract with an emphasis on achieving diverse shortlists.   | Director of HR&OD                  | June 2021      | 6 month tender process  |
| Create pathways into employment for underrepresented young people, particularly of Pakistani heritage and those with disabilities. | HR & OD Skills and Employment Team | Ongoing        | We are starting with Kickstart, and moving to apprenticeships.                        |
| Ensure all recruiting managers receive training in fair recruitment.   | HR&OD                              | Start Dec 2020 | Ongoing   |
| All available posts to be externally advertised.   | HR&OD                              | Start now      | Work with trades unions on what is available in the scenario of a shrinking workforce |
| Create diverse panels for all recruitment.   | SMT                                | Now            | Requires vigilance and monitoring.  |

# Action Plan 2: Recruitment (cont)

| Action   | Owner          | By when  | Comments   |
|--|----------------|----------|--|
| Conduct and end-to-end disability access review of recruitment and selection systems and processes.  | HROD           | March 21 | Comprehensive review from point of advert to appointment to ensure that R&S systems and processes are fair, accessible and equitable for disabled candidates. Should include consideration of panel representation and behaviours.   |
| Refresh the 'end to end' R&S policy, procedure and training building on the work of the Race Equality Working Group. Consult further and co-design with Black Asian Minority Ethnic and other staff. | Annalie Pearce | March 21 | Should include (but not limited to) updates to R&S policy and procedures reflecting on job adverts, assessment panel make up, interview questions, pre and post interview development and support and quality assurance of compliance against the revised policy and procedures. |
| Refresh the Secondment and Act Up Policies.  |                |          |  |
|  |                |          |  |
|  |                |          |  |
|  |                |          |  |

# Action Plan 3: Culture and leadership

| Action  | Owner   | By when               | Comments  |
|---|---|-----------------------|---|
| Identify and communicate examples to counteract perception that to be a senior manager you have to work long hours and know the right people. | SMT<br>Internal Communications  | Now and ongoing       | Question whether this perception is reality - it is however a common theme in our research and we have to counter it. |
| Provide training for managers on managing diverse workforces.   | SMT<br>HR&OD  | To start January 2021 | Need to identify most effective supplier and method of delivery.  |
| Establish method for holding teams and individuals to account in delivery of this strategy.   | SMT<br>Resources and Governance Scrutiny Committee, Staff groups, Trades Unions | Now and ongoing       | Need to establish mechanisms with 'teeth'.<br>In consultation with the owners.  |
| Highlight the journeys and success stories occurring across protected classes.  | Communications  | From now              |   |

# Culture and leadership

| Action  | Owner               | By when  | Comments   |
|---|---------------------|----------|--|
| Evaluate pilot training on anti racism, lived experience and cultural competency.                         | Lorna Williams/HROD | Dec 2020 | Analyse pre and post training surveys, feedback and review training content and delivery.  |
| Identify training cohorts e.g Leaders, Managers for anti-racism, lived experience and cultural competency | HROD                | Dec 2020 | Training delivery plan targets, monitoring and feedback and evaluation mechanisms to be built into individual sessions with staff.   |
| Product a business case for approval to commission a training provider                                    | HROD                | Dec 2020 | Business case and approval will determine the scale and size of the training and numbers of staff across the Council that can potentially participate and then form part of the wider measurement evidence described above |

# Culture and Leadership

| Action  | Owner            | By when                   | Comments   |
|---|------------------|---------------------------|--|
| Build the work, key themes and recommendations of the Race Equality Working Group into an agenda/action focused sessions at the Leadership Summit in November 2020. | Suzanne Grimshaw | Happening now             | Feedback built into the Leadership Summit monitoring and evaluation process and embedded in future activity with the management structure of the organisation grade 10 and above |
| Make use of the staff groups to hold to account the city council for delivery of this strategy  | Project Manager  | Starting to be scoped now | We need to empower staff groups for this and connect them to the most senior leadership  |
| Include 20 managers from diverse backgrounds who would not be senior enough to attend Leadership Summit, as agreed at smt   | OD               | In hand                   |  |
|   |                  | November 2020             |  |
| Race Equality Mentoring to be implemented across all directorates.  | OD               |                           | January 2021   |



# Action Plan 4: Fairness and acceptance

| Action | Owner | By when | Comments |
|--------|-------|---------|----------|
|--------|-------|---------|----------|

Note the actions in relation to disciplinaries and over representation that follow under this heading are in discussion with Trades Unions and have not yet been agreed but are included for information as it is anticipated they will largely be agreed in the near future

|   |       |        |   |
|---|-------|--------|---|
| Information should be provided to managers to enable them to make an informed decision on special leave with regard to the different needs of Black, Asian and Minority Ethnic staff including different cultural requirements. | HR&OD | Dec 20 | The information should seamlessly link into and enhance the existing (interim) policy for special leave. The policy should be promoted more widely to encourage understanding by management and staff of the entitlements within the policy. Consideration should be given as to how the policy can be applied more consistently. |
|---|-------|--------|---|

# Action Plan 4: Fairness and acceptance (cont)

| Action   | Owner   | By when   | Comments  |
|--|---|---|---|
| Meet with relevant Strategic Director to discuss service areas with disproportionate disciplinary impact on Black Asian Minority Ethnic employees. | Nick M/Jane N with support from G8 HR Specialists | October 2020                                      | A briefing note has been prepared with details on cases and statistics against other directorates.  |
| Support managers from catering, DSAS and Locality Teams to attend Race Awareness Training.   | HR Specialists with support from Lorna William    |   | The training at the moment is a test as part of the race equality working party and not yet to be concluded.  |
| Establish an integrated Hub Workplace Adjustment.  | HROD, H&S, ICT, Estates, Procurement              | Agree business case by March<br>Implement by June | The Hub is a single point of access/one-stop shop for the assessment, procurement, and implementation for all aids, adaptations and Assistive Technology operating from a centralised budget. To include complex case management and follow up support, managed through an adjustments policy position. To also include impairment related advice and guidance to line managers on non-equipment related adjustments. |

# Action Plan 4: Fairness and acceptance (cont)

| Action   | Owner   | By when | Comments  |
|--|---|---------|---|
| When dealing with a disciplinary relating to a Black Asian Minority Ethnic employee or discrimination, the Casework team will ensure the investigation officer has specific skills in understanding equality issues. | Casework Team                                   |         | Casework team will keep a list of investigation officers which such skills  |
| Casework team to change their approach to advice giving and provide a greater degree of challenge to managers.   | Nick/Marie will oversee HR Specialists/Officers |         | It was acknowledged that in order to influence and persuade managers, the team needed to build stronger relationships with senior managers in order to allow them a more robust escalation route. |
| Ensure all investigating officers attend mandatory race awareness training   |   |         |   |
| Implement the manager's framework along with employee framework to set out expectations of behaviour.  | Suzanne (OD) with Casework and Sam C            |         | This will be linked to the 'Our Manchester' behaviours and include for employees clear standards of behaviour.  |

# Action Plan 4: Fairness and acceptance (cont)

| Action   | Owner                                   | By when         | Comments   |
|--|---|-----------------|--|
| Equality Outcomes to be monitored in About You objectives  | Team Managers and all Casework Officers | 1 December 2020 | All HR Specialists and HR Officers at the outset of a case to provide robust challenge to managers in ensuring adequate fact finding has taken place to avoid 'no further action' as the outcome. This will be monitored and fed into individual About You objectives. |
| Review Casework Policies to help remove obstacles for managers and employees in resolving conflict and conduct issues. | Jane N                                  |                 |  |
| Provide mentoring opportunities for managers and staff to be able to practice discussing difficult issues.             |   |                 | The trained mediators could be utilised in helping to facilitate/understanding and direct difficult conversations confidently and may be able to help where managers would like advice/support from afar on facilitating issues between employees.                     |

# Action Plan 5: Diverse leadership cadre (progression)

| Action   | Owner   | By when    | Comments  |
|--|---|------------|---|
| Develop and implement learning opportunities bespoke to identified groups who are not in leadership positions - eg Black, Asian, Minority Ethnic; disabled | Organisation Development Team, in consultation with relevant staff groups | March 2021 | Important that this is not 'training people to fit in' but is a broad set of skills and development including self belief, assertiveness. |
| Create pathways into employment in professional roles that lead to leadership.   | Organisation Development Team   | Dec 2020   | Using the apprenticeship levy for local graduates, focus particularly on young people and people of pakistani and chinese heritage        |
| .Diversity training for managers and Elected members who make appointments to senior posts   | Organisation Development Team   | March 2021 |   |
|  |   |            |   |
|  |   |            |   |

# Action Plan 6: Communications and engagement

| Action  | Owner          | By when  | Comments   |
|---|----------------|----------|--|
| All online communication broadcasts should be reviewed for diversity, inclusion and accessibility.        | Communications | On going | To include Corporate broadcasts, Directorate broadcasts and in the future will include The Forum, weekly all staff broadcast, The Buzz, Chief Executives monthly newsletter and Team Talk, monthly manager broadcast.  |
| Review content checking sign-off process to give editors greater freedom to write for a diverse audience. | Communications | On going | COVID comms requires high-level input and it can not be guaranteed that tone or language will be absolutely plain English due to needing to meet the requirements of senior leaders. More work will need to be done to give communications and contributors some freedom to edit copy to suit the audience |

# Action Plan 6: Communications and engagement

| Action   | Owner          | By when    | Comments   |
|--|----------------|------------|--|
| Build a better understanding of our audiences to create content which is inclusive.  | Communications | March 2020 | Comms to work to build its understanding about the demographics of our workforce ie: staff with English as a second language or low literacy.  |
| Ensure that communications go to offline staff.  | Communications | Ongoing    | A new offline staff newsletter is mailed out to home addresses of just over 1600 offline staff. These comms need contributions from across the organisation to ensure content better meets the needs of the audience. Many staff in this cohort are in Neighbourhoods and Childrens and Adults Directorates. |
| Create more visibility of Black Asian & Minority Ethnic staff by sharing Black Asian & Minority Ethnic staff stories across the organisation with a focus on their journeys and how they are making a positive difference across the organisation/in the city. | Communications | Ongoing    | Should include (but not limited to) an increase in the number of communications and messages delivered by Black Asian Minority Ethnic staff to the wider workforce.  |

# Action Plan 6: Communications and engagement

| Action   | Owner          | By when     | Comments  |
|--|----------------|-------------|---|
| Produce principles and guidance to contributors - update our internal comms guidance document to include tips and advice to encourage diversity and inclusion. | Communications | December 20 | Comms can provide training, workshops and materials to enable contributors to understand how best to communicate ie: to meet accessibility laws.  |
| Support and encourage staff to send in their stories to feature in broadcasts (corporate and directorate)..  | Communications | December 20 | Corporate comms can provide assistance once a story/staff member has been identified to enable them to have a voice (through video or text). We will work closely with Directorate Leads to identify staff and stories - weekly Directorate comms meetings are in place to share ideas and sources. |



# Annex 1

## Detail of MCC demographics

# Age

# Age summary

The City Council workforce is disproportionately represented by older workers if we compare the size of this group to its representation in Manchester’s population.

Analysis by the Centre on Dynamics of Ethnicity show that the younger population of Manchester is much more racially and ethnically diverse than the older population. Based on this, we believe that creating opportunities for younger Manchester residents would have the impact of both changing the age profile and increasing the ethnic diversity of the city council workforce.

| Age     | Percentage in Manchester population | Percentage in MCC workforce | Difference |
|---------|-------------------------------------|-----------------------------|------------|
| 18 -30  | 38%                                 | 28%                         | -10        |
| 30 - 39 | 26%                                 | 17%                         | -9         |
| 40-49   | 16%                                 | 12%                         | -4         |
| 50-59   | 14%                                 | 35%                         | +21        |
| 60 - 65 | 6%                                  | 12%                         | + 6        |

The age profile of those within working age in Manchester  
Source: Workforce intelligence team, MCC

# Age summary (cont)

The city council has made progress over the last 5 years having changed from:

- 6.4% of staff between the ages of 20 - 29 in 2016 to 8.7% in 2020 (increase of 2.3%)
- 20.9% of staff between the ages of 30 - 39 in 2016 to 18.1% in 2020 (decrease of 2.8%)
- 27.4% of staff between the ages of 40 - 49 in 2016 to 24.2% in 2020 (decrease of 3.2%)

We intend to build on these changes.

| Date   | 20 - 29 | 30 - 39 | 40 - 49 |
|--------|---------|---------|---------|
| Sep-20 | 8.7%    | 18.1%   | 24.2%   |
| Sep-19 | 8.4%    | 18.7%   | 24.6%   |
| Sep-18 | 7.9%    | 19.9%   | 24.6%   |
| Sep-17 | 7.0%    | 20.6%   | 25.7%   |
| Sep-16 | 6.4%    | 20.9%   | 27.4%   |

Segment taken from the age profile of MCC staff over the last five years  
Source: Workforce intelligence team, MCC

# Disability

# Disability summary

According to data from Personal Independence Payments, 5% of Manchester residents reported having a disability. With 4.8% within the organisation reporting a disability representation of disabled staff roughly reflects the Manchester community.

6.1% of staff did not want to reveal whether or not they had a disability, and we do not have this information on a further 5.1% of staff. Qualitative research involving interviews with staff has given some insight into why staff are reluctant to reveal a disability.

There is a sense of stigma around disability, particularly concerning capability and its impact on opportunities for progression within the organisation. It's crucial that we build confidence around the use of sharing information about disability, and assure and demonstrate to this class that ours is a workplace where they can be comfortable in their status and access the same development opportunities as their peers.

# Disability by directorate summary

Broad representation of disabled staff  
(who declare) across directorates is:

5.3% within **Adults' Services**

5.7% within **Chief executive's**

4.3% within **Children's services**

5.9% within **Corporate services**

5.2% within **Growth and Development**

3.5% within **Neighbourhoods**

By this measure, **4 out of 6** of the directorates are a **reasonable reflection of the city where the disabled population** is estimated at **5%**.

# Disability by directorate/grade summary

There are directorates that do well in maintaining representation of disabled staff across grades, for example, Adult services (see the Slide 59). However, across directorates, we do see a tendency for disabled staff to:

- be overrepresented within lower grades
- have zero representation at SS level

Our insights from qualitative interviews indicate that staff (across protected classes) are concerned about discrimination, and were put off by the perceived round the clock culture at higher grades. It's crucial that we address these blockers if the organisation is to benefit at the top grades by having representatives from this protected class.



# Disability by directorate and grade

## Adult services

### Directorate

Disabled employees make up 5.3% of employees within this Directorate. This closely reflects the estimated population of this group within Manchester (5%).

### Grade

There is consistent representation of disabled staff across grades (roughly matching the population estimate of 5%) with particularly high representation at grades 10 - 12 (8.47%)

Where some directorates have been able to see a consistent representation of disabled staff across its grades, there's an opportunity to use cross-directorate knowledge sharing to progress representation within other directorates.

# Disability by directorate and grade

## Chief executive's

### Directorate

Disabled employees make up 5.7% of staff within this directorate. This is roughly reflective of the percentage of this group within Manchester (5%).

### Grade

There is a high representation of disabled staff within lower grades:

- 6.77% at grades 01 - 05
- 6.10% at grades 06 - 09

Representation starts to reduce at grades 10 - 12 (2.94%) before stopping at SS level (0%).

# Disability by directorate and grade

## Children's services

### Directorate

Disabled employees make up 4.3% of staff within this directorate. This is slightly below the 5% representation this group has within the population of Manchester.

### Grade

We see low representation within the lowest grades (2.96%).

We see consistent representation between grades 06 - 09 (5.16%) and grades 10 - 12 (4.65%) but 0% representation at SS level.

# Disability by directorate and grade

## Corporate services

### Directorate

Disabled employees make up 5.9% of employees within this directorate. This is slightly above the 5% representation of this group has within the population of Manchester.

### Grade

We see over representation at lower grades here:

- 6.51% at grades 01 - 05
- 6.16% at grades 06 - 09

This is compared to:

- 2.22% at grades 10-12
- 2.17% at SS level

# Disability by directorate and grade

## Growth and development

### Directorate

Disabled employees make up 5.2% of staff within this directorate. This closely reflects the size of the population of this group within Manchester (5%).

### Grade

We see a drop off of representation at grades 10 - 12 (from 4.80% at grades 06 - 09 to 2.56% at grades 10 - 12), down to 0% representation at SS level.

# Disability by directorate and grade

## Neighbourhoods

### Directorate

Disabled employees make up 3.5% of employees within this directorate. This is below the 5% representation this group has within the population of Manchester.

### Grade

Representation across grades falls below the organisational average across grades 01 - 12, and there is 0% representation at SS level.

# Race and ethnicity

# Ethnicity by directorate/grade summary

Black, Asian and Minority Ethnic staff appear to have good representation within directorates that are focussed on user services i.e. adult/children's services.

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They are, however, **underrepresented within directorates that are focussed on an organisational strategy or governance**. It's important to ensure representation in these directorates so that the organisation is steered in a way that reflects the diversity of the city.

While the percentage of Black African/Caribbean staff is broadly in line with that of the city's population, a look at the data across grades reveals a **concentration within lower grades and a underrepresentation within higher ones**.

Overall, there is evidence of issues around the progression of Black, Asian and Ethnic Minority groups progressing beyond grade 9. This is particularly pronounced with Black African/Caribbean staff.



# Asian ethnicity

Taken at its most basic level, we would know if we were making progress on equality if our workforce matched the proportions of protected groups that exist in the working age population of Manchester.

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Comparing our staff statistics with ONS statistics on Manchester's population, there is a big underrepresentation of the Asian community in MCC. It's our priority to address this

Of course it's possible that the full 10% of employees who have not disclosed their ethnicity are Asian but this seems unlikely.

| Ethnicity | %age of residents of Manchester | % of staff of MCC          | Difference                |
|-----------|---------------------------------|----------------------------|---------------------------|
| White     | 58%                             | 70%                        | + 12%                     |
| Mixed     | 6%                              | 3%                         | - 3%                      |
| Asian     | 18%                             | 6%                         | - 12%                     |
| Black     | 10%                             | 11%                        | + 1%                      |
| Other     | 3%                              | 10% (includes undisclosed) | No comparison can be made |

Population of city of manchester 2020

Source: ONS

# Asian ethnicity (cont.)

We can compare the last census (from 2010) with the current breakdown of 'Asian' staff.

| Asian ethnic group                | Manchester % | MCC % | Difference |
|-----------------------------------|--------------|-------|------------|
| Indian                            | 2.3          | 1.4   | - 0.9%     |
| Pakistani                         | 8.5          | 2.8   | - 5.7%     |
| Bangladeshi                       | 1.3          | 0.7   | - 0.6%     |
| Chinese                           | 2.7          | 0.5   | - 2.2%     |
| Other Asian, please specify below | 2.3          | 0.8   | - 1.5%     |

Ethnicity breakdown of the city of Manchester 2011

Source: 2011 Census

This indicates that the **Pakistani and Chinese** communities are the least well represented groups in the city council. It's important that these groups become focal points of targeted recruitment.

# Ethnicity by directorate

| Directorate                  | White  | White other | Black/Black British | Asian/Asian British | Mixed | Other ethnic group | Prefer not to say | No Data |
|------------------------------|--------|-------------|---------------------|---------------------|-------|--------------------|-------------------|---------|
| Adults' Services Total       | 61.14% | 3.78%       | 17.78%              | 4.97%               | 3.57% | 0.11%              | 4.11%             | 4.54%   |
| Chief Executive's Total      | 68.24% | 2.82%       | 5.41%               | 8.00%               | 1.18% | 0.00%              | 5.41%             | 8.94%   |
| Children's Services Total    | 62.62% | 4.23%       | 11.53%              | 5.87%               | 3.96% | 0.07%              | 6.00%             | 5.73%   |
| Corporate Services Total     | 68.34% | 4.51%       | 7.03%               | 10.21%              | 2.29% | 0.22%              | 2.51%             | 4.88%   |
| Growth and Development Total | 62.55% | 6.58%       | 11.66%              | 6.17%               | 1.65% | 0.00%              | 4.80%             | 6.58%   |
| Neighbourhoods Total         | 71.84% | 4.73%       | 7.47%               | 4.60%               | 3.07% | 0.32%              | 2.17%             | 5.81%   |
| Grand Total                  | 65.57% | 4.43%       | 11.07%              | 6.32%               | 2.98% | 0.15%              | 3.93%             | 5.56%   |

# Ethnicity by directorate and grade

## Adult services

### Directorate

White staff make up 65% of this directorate in comparison to Manchester where this group represents 58% of the population. This is a difference of +7%.

Black staff make up 18% of this directorate in comparison to Manchester where this group makes up 10% of the population. This is a difference of +8%.

This indicates that we do not have a representation problem regarding Black staff (within this directorate), but there are issues regarding progression and representation across grades.

Asian staff make up 5% of this directorate in comparison to Manchester where this group represents 18% of the population. This is a difference of -13%.

### Grade

Black staff are currently disproportionately represented within lower grades in this directorate. They currently make up:

- 21% of employees at grades 1 - 5
- 14% of employees at grades 6 - 9
- 3% at grades 10 - 12
- 0% at SS level

This drop off in representation is particularly stark in relation to Asian staff who are not represented above grade 9.

This directorate has good representation of Black staff but it would benefit from setting promotion targets around Black Asian Minority Ethnic employees (particularly Black and Asian). We should harness leadership training and coaching for these group as well as monitor progression. Candidate shortlisted for grade 9 + will provide an opportunity for more representative distributions across grades.

# Ethnicity by directorate and grade

## Chief executive's

### Directorate

White staff make up 71% of this directorate. In Manchester this group represents 58% of the population.

Black Asian and Ethnic Minority staff are underrepresented within this directorate:

- Black staff make up 5% (where this group represents 10% of the Manchester population).
- Asian staff make up 8% (where this group represents 18% of the Manchester population).
- Staff within the mixed group make up 1.18% (where this group makes up 6% of the Manchester population).
- Staff within the 'other ethnic' category have 0% representation (where this group makes up 3% of the Manchester population).

It's important to ensure representation of this group in the Chief Executive's office so that the organisation is steered in a way that reflects the diversity of the city.

### Grade

Workforce data shows less of a skew here and more Black and Asian representation within higher grades with Black staff making up 5% of employees within grades 10 -12 and Asian staff making up 9%.

Where directorates like these have been able to facilitate the progression of Black Asian Minority Ethnic staff, there is a clear opportunity for us to utilise cross-directorate knowledge sharing to spark learning and progress within other directorates..

# Ethnicity by directorate

## Children's services

### Directorate

White staff make up 67% of this directorate (where this group represents 58% of the Manchester population). This is a difference of +9%.

Representation of Black staff roughly reflects the Manchester community at 12% (where the Manchester population is at 10%).

Asian staff make up 6% of the directorate (where the Manchester population is at 18%). This is a difference of -12%.

### Grade

Representation of Black staff within this directorate is 9% (at grades 01 - 05) and 14% (at grades 06 - 09) but this group is not represented at all above grade 9.

This is also the case with regard to representation of staff within the 'mixed' group who do have representation at grades 01 - 05 (2%) and grades 06 - 09 (6%) but also are not represented at all above grade 9.

Representation of staff within the 'other ethnic' group within this directorate is 0.19% (at grades 01 - 05) but this group is not represented at all above grade 05.

Representation of Asian staff within this directorate is at 4% (at grades 01 - 05) and 7% (at grades 06 - 09), and while this group has some representation at grades 10 - 12 (2%), they are not represented at all at SS level.

# Ethnicity by directorate

## Corporate services

### Directorate

White employees make up 71% of this directorate (where this group represents 58% of the Manchester population). This is a difference of +13%.

Black staff make up 7% of this directorate (where the Manchester population is at 10%). This is a difference of -3%.

Asian employees make up 10% of this directorate (where this group represents 18% of the Manchester population). This is a difference of -8%.

- The 'mixed' group make up 2% here (where the population within Manchester is at 6%). This is a difference of -4%.
- The 'other' ethnic group category makes up 0.07% (where the Manchester population is at 3%). This is a difference of -2.93%.

### Grade

Black staff are similarly overrepresented at lower grades and are represented at

- 12% at grades 01 - 05
- 2% at grades 10 - 12 before dropping to 0% representation at SS level.

# Ethnicity by directorate

## Growth and development

### Directorate

- White employees make up 69% of this directorate (where this group represents 58% of the Manchester population). This is a difference of +11%.

Representation of Black staff is roughly reflective of the Manchester community at 11.66% (where this group makes up 10 % of the population).

- Asian staff make up 6% of this directorate (where this group represents 18% of the Manchester population). This is a difference of -12% difference.
- Employees within the 'mixed' category make up 1.65% of this directorate (where this group represents 6% of the Manchester population). This is a difference of a -4.35%.
- There is 0% representation of the 'other ethnic' group category (where the Manchester population is at 3%).

### Grade

While black staff are overrepresented within lower grades in this directorate (15.84% at grades 01 - 05), they have **representation of 5% at SS level**. Like the Chief executive's directorate, there is a clear opportunity for us to utilise cross-directorate knowledge sharing to spark learning and progress.



# Ethnicity by directorate

## Neighbourhoods

### Directorate

- White employees make up 77% of this directorate (where this group represents 58% of the Manchester population). This is a difference of +19%.
- Black staff make up 7% of this directorate (where this group represents 10% of the Manchester population). This is a difference of -3%..
- Asian employees make up 6% of this directorate where this group represents 18% of the Manchester population. This is a difference of -12%.
- Staff within the 'mixed' group make up 3% of this directorate where this group represents 6% of the Manchester population. This is a difference of -3%.
- Employees within the 'other ethnic' category make up 0.03% of this directorate (where this group represents 3% of the Manchester population. This is a difference of -2.97%.

### Grade

Black staff are again overrepresented within the lower grades (9.59% at grades 01 - 05) with representation decreasing to 4.64% at grades 06 - 09 and 1.35% at grades 10 - 12 before stopping at SS level.

# Sexual orientation

# Sexual orientation by grade

## Adult services

**Lesbian staff** have a high representation within lower grades within this directorate at 1.0% (grades 1 - 9) where this group's organisational average is 0.6%

**Bisexual staff** have a high representation within this directorate at at 1.0% (grades 06 – 09) where this group's organisational average is 0.7%.

**Lesbian, Bisexual and staff within the 'other' category** have no representation above grade 09.

**Gay staff** are the only LGB group with representation above grade 9. They are represented at:

- 3.5% at grades 10 - 12
- 15.0% at SS level

Gay staff are overrepresented at senior levels within the directorate, given the organisational average is 1.7%.

# Sexual orientation by grade

## Chief executive's

**Lesbian staff** only have representation at grades 06 - 09 (0% across all other grades).

**Lesbian** and **bisexual staff** have 0% representation above grade 9.

Staff within the '**Other**' category have 0% representation across grades here.

**Gay staff** are the only LGB group with representation above grade 9 with 3.0% representation at grades 10 -12 and a 9.1 % representation at SS level.

# Sexual orientation by grade

## Children's services

**Lesbian** and **Bisexual staff** have 0% representation above grade 9.

**Lesbian staff** only have representation at grades 06 - 09 (0% across all other grades).

**Staff within the 'Other' category** have 0% representation across grades here.

There is largely 0% representation of **LGB** above grade 9 - although **Gay staff** do have representation at grades 10-12 at 4.9%.

# Sexual orientation by grade

## Corporate services

**Gay staff** make up 2.1% (at grades 01 - 05) and 2.0% (at grades 06 - 09).

**Lesbian staff** make up 0.5% of employees (at grades 01 - 05) and 0.2% (at grades 06-09).

**Both gay and lesbian staff** have representation at grades 10 -12 at 2.3% (Gay) and 1.2% (Lesbian).

We ultimately still see no representation above grade 9 for **bisexuals and staff within the 'other' group**.

It is also worth noting that there is no representation across the **LGB** groups at SS Level.

# Sexual orientation by grade

## Growth and development

Within this directorate there is no representation of **Bisexual staff** above grade 05.

**Lesbian staff** interestingly have a 5% representation here at SS level but 0% representation at grades 10 -12.

There is no representation of **staff within the 'Other' category** above grades 01 - 05.

The representation of **Gay staff** here is:

- 0.9% (grades 01- 05)
- 1.7% (grades 06 -09)
- 2.8% (grades 10-12)
- 0% representation at SS level.

# Sexual orientation by grade

## Neighbourhoods

**Gay staff** are the only LGB group represented at SS level at 6.3% (where the organisational average is 1.7%).

**Gay** and **lesbian staff** are represented at grades 10 - 12 at 1.4% (gay) and 2.7% (lesbian). **Bisexual** and staff within the '**Other**' group have 0% representation at this level.

Representation is consistent across LGB staff in relation to grades 01 - 05 and grades 06 - 09.



# Sexual orientation

## Other factors

Workforce data points to intersectional factors that are at play in regard to progression/grade distribution for LGB employees.

As noted in previous slides, gay (male) staff appear to be more represented at higher grades while lesbian (female) staff appear underrepresented.

Bisexuals and employees belonging to the 'other' group are also underrepresented across MCC.

**It should be remembered that in all these data we can only report on the approximately 50% of staff who have declared their sexuality**

# Transgender and nonbinary

# Transgender and nonbinary

There is currently no reliable data on the percentage of transgender and nonbinary people in the community of Manchester or across the UK. In addition, MCC does not request this specific information from its staff.

However, Stonewall estimates that around 1% of people in the UK identify as trans or nonbinary. Using this estimate, we can identify that MCC should have at least 70 transgender and nonbinary staff members to be representative of the UK as a whole.

During our research, we were unable to identify a transgender or nonbinary person within MCC that we could speak to, to understand their experiences. In addition, the LGBT Workers group was not aware of any transgender or nonbinary staff within the organisation.

It is possible there are no transgender or nonbinary people currently within MCC. However, it is also possible that some work for MCC but do not feel safe to 'come out' at work.

# Annex 2

## Participants and Acknowledgements

# Participants

We had conversations with MCC staff across protected classes to **better understand** the **barriers to diversity, equitable support** and **progression** within the organisation. With the information collected we will be able to **identify and take action against policies, structures** and **cultural components** that **negatively impact** the **recruitment, retention** and **workplace experiences** of staff based upon the categorical group(s) they belong to.

Pages 9-13

Classes engaged:

- 4 Religious faith
- 2 Gay, 2 Lesbian
- 3 Disabled
- 6 Older
- 25 from a Black and Ethnic Minority background were interviewed by the race equalities working group

# Acknowledgements

Many people and groups have contributed in different ways to the creation of this strategy and all have shown commitment, and a focus on really making a difference and we would like to thank them for their contribution

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- Trades Unions
- Members of the Race Equality Working Party
- Members of the reference group for the race equality working party
- Staff groups for Black Asian Minority Ethnic, Carers, Women, LGBTQ+
- Elected Members particularly the Cabinet and Resources and Governance Scrutiny Committee
- Human Resources and Organisation Development teams
- Senior Management Team

## Manchester City Council Report for Information

**Report to:** Resources and Governance Scrutiny Committee – 3 November 2020

**Subject:** Report to update on the Council's MTFP focusing on the financial position and strategy from 2021/22

**Report of:** Deputy Chief Executive and City Treasurer

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### Summary

The report will set out the impact of COVID-19 and other pressures and changes on the Council's budget for the period 2021-2025. It will summarise the savings options under consideration from 2021/22 as well as set out the approach to Equality Impact Assessments and consultation as part of the budget setting process. It also sets out next steps in the budget process, including scrutiny of the draft budget options by this Committee.

Separately the report sets out the impact of COVID-19 on the capital programme and the implications for the budget.

### Recommendations

The Committee is asked to note this report.

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### Wards Affected: All

|   |
|---|
| <b>Environmental Impact Assessment</b> - the impact of the issues addressed in this report on achieving the zero-carbon target for the city |
|---|

|   |
|---|
| The budget reflects the fact that the Council has declared a climate emergency by making carbon reduction a key consideration in the Council's planning and budget proposals. |
|---|

| Our 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 | The effective use of resources underpins the Council's activities in support of its strategic priorities as set out in the Corporate Plan which is underpinned by 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.

Executive 14 October - Revenue Budget Monitoring 2020/2 and budget position 2021/22



## 1 Introduction and Context

### 1.1 The approved 2020/21 budget reflected the priorities below:

- care and support for vulnerable people, including older people and those with learning disabilities and mental health needs;
- taking action on family poverty and giving young people the best start in life;
- tackling homelessness;
- tackling the climate emergency and achieving zero carbon;
- supporting people into jobs and training;
- keeping roads and neighbourhoods in good shape; and
- parks and leisure to keep people active and happy.

### 1.2 The Council's net revenue budget is funded from five main sources which are Council Tax, Business Rates, government grants, dividends and use of reserves. In recent years as central government funding has reduced and business rates retention has been introduced the ability to grow and maintain the amount of resources raised locally has become even more important for financial sustainability and is integral to the Council's financial planning.

### 1.3 The budget for 2020/21 was a one-year roll over budget. The strategic framework which underpins this is the Our Manchester Strategy, the Corporate Plan and the Locality Plan. Whilst the Council published a one-year budget in line with the one-year spending round announced by the Government, this was supported in the background by a longer-term financial plan over five years, including spreading the use of one off resources through reserves to support longer term investment in areas such as social care. This was critical to demonstrate forward planning and resilience, ensuring the Council was in a stronger position to respond to the national funding changes.

### 1.4 The medium-term financial plan remains challenged by uncertainty. These include the outcome of the Spending Review. After 2021/22 there are potential changes to how local government funding is distributed, the Business Rates Retention scheme, and the future of Adult Social Care funding.

### 1.5 Prior to COVID-19 there was an underlying budget gap of c£20m for 2021/22 rising to c£80m by 2024/25. This was to be addressed in the Medium-Term Financial Planning process. The impact of COVID-19 outlined in this report is in addition to this. At this stage no COVID-19 related funding has been confirmed beyond 2020/21 any additional support for 2021/22 will not be announced until the outcomes of the Comprehensive Spending Review.

## 2 Position reported to October Executive

### *Impact of COVID-19 on Council revenue finances*

### 2.1 Dealing with the impact of COVID-19 has resulted in major spending pressures, particularly in social care, but also across all Directorates. There are costs arising from a number of new functions such as providing the community hub and

services for shielding residents as well as sourcing and supplying personal protective equipment (PPE) for other organisations. At the same time there has been a significant reduction in income received, particularly in relation to commercial income and local tax income.

- 2.2 The forecast budget shortfall relating to COVID-19 pressures is £55.6m this financial year increasing to £160.1m next year as shown in the table below.

Table One: Summary of COVID-19 Impact across 2020/21 and 2021/22 (excluding funding announcements)

|  | <b>2019/20<br/>£000</b> | <b>2020/21<br/>£000</b> | <b>2021/22<br/>£000</b> |
|--|-------------------------|-------------------------|-------------------------|
| Additional Costs (MCC only)  | 389                     | 25,108                  | 24,994                  |
| Income:  |                         |                         |                         |
| Loss of Income (MCC only)  |                         | 126,129                 | 107,840                 |
| Adjustment for element of dividends not budgeted to use in year                  |                         | (55,809)                | (8,729)                 |
| 2020/21 Council Tax and Business Rates shortfalls which impact a year in arrears |                         | (36,571)                | 36,571                  |
| Bus Lane and Parking Income - impact on reserves capacity                        |                         | (3,274)                 | 0                       |
| Budget impact of lost income   | 0                       | 30,475                  | 135,681                 |
| <b>Total Costs and Net income losses</b>   | <b>389</b>              | <b>55,583</b>           | <b>160,675</b>          |

- 2.3 A £100m gap broadly equates to 20% of the Council's budget used to support the delivery of services. This would be on top of the cumulative reductions of £379m and workforce reductions of c4,000 fte or 40%, that have had to be delivered over the past decade.
- 2.4 The additional government funding and in year measures taken (which have included holding a number of vacancies and the use of some reserves) should enable a balanced budget to be delivered in this financial year. An additional £24m for Manchester has been announced in the fourth tranche of government funding and the Council is likely to receive up to £6.4m additional support for lost fees and charges income (this does not cover loss of commercial or rental income). Any capacity this creates in 2020/21 will enable the Council to defer and reprofile the use of reserves that were planned to support the budget and which can now be applied to reduce the gap in 2021/22.

#### *Budget Position 2021/22 to 2024/25*

- 2.5 The budget assumptions that underpin 2021/22 to 2024/25 include the commitments made as part of the 2020/21 budget process to fund ongoing demand pressures and the Adult Social Care Improvement Plan as well as

provision to meet other known pressures such as inflation and any pay awards (estimated at 2%). In addition, there are ongoing costs of c£25m as a result of covid-19 including £13.5m for Adult Social Care, £7.5m for Homelessness Services and £3.8m for Children's services. Whilst this contributes to the scale of the budget gap it is important that a budget is not set that does not adequately reflect ongoing cost and demand pressures.

- 2.6 The current budget shortfall for 2021/22 is £135m rising to £146.8m in the following year. The government announcement that the Collection Fund deficit can be smoothed over three years will improve the position by c£34.4m next year but worsen the two subsequent years by £12m. As set out above, the recent funding announcements have also meant that the planned additional use of reserves can now be deferred to help the position in 2021/22. This then reduces the 2021/22 gap to £105m as shown in the table below.

Table Two: The budget gap 2020/21 to 2024/25

|   | <b>Revised<br/>2020 / 21</b> | <b>2021 / 22</b> | <b>2022 / 23</b> | <b>2023 / 24</b> | <b>2024 / 25</b> |
|---|------------------------------|------------------|------------------|------------------|------------------|
|   | <b>£000</b>                  | <b>£000</b>      | <b>£000</b>      | <b>£000</b>      | <b>£000</b>      |
| <b>P5 Budget shortfall after confirmed funding/ mitigations</b> | <b>271</b>                   | <b>135,958</b>   | <b>146,801</b>   | <b>110,143</b>   | <b>123,391</b>   |
| Sales, fees and charges support (estimate)*                     | (6,400)                      | 0                | 0                | 0                | 0                |
| Smooth Collection Fund over 3 years:                            | 0                            | (24,381)         | 12,190           | 12,190           | 0                |
| Defer planned use of reserves to balance the budget             | 6,129                        | (6,129)          |                  |                  |                  |
| <b>Total - Potential Budget Gap</b>                             | <b>0</b>                     | <b>105,448</b>   | <b>158,991</b>   | <b>122,333</b>   | <b>123,391</b>   |

*\*subject to MHCLG confirmation of eligibility*

### 3 Addressing the Budget Gap

- 3.1 On 21 October the government announced the Spending Review will be published at the end of November and will be for one year only, in order to prioritise the response to COVID-19 and the focus on supporting jobs. Detailed funding allocations for the Council will only be made available as part of the provisional Local Government Finance Settlement, normally late in December. This again means that effective long-term financial planning is more difficult.
- 3.2 Prior to COVID-19 the Council had established a Medium-Term Financial Plan and Balance Sheet strategy with capacity to offset shocks and provide investment where necessary. This had included for example using most of the dividend income in arrears and smoothing budget investment in social care. However, the depth and breadth of this pandemic could not have been foreseen and the Council, like many other Authorities across the Country, is facing a significant and

long-term financial challenge.

- 3.3 As outlined above the main financial impact from Covid-19 falls in 2021/22. Due to the scale of the budget gap some decisions will be required in advance of the Spending Review and the Local Government Finance Settlement to enable the budget to be balanced next year. A programme of c£50m cuts are therefore being put forward by officers for consultation now so they can be fully delivered in time for 2021/22. Where possible these are designed to protect front line services.
- 3.4 It is likely there will be some further support in the Spending Review although due to the extent of the financial gap further cuts will be required in the future. It is not known what funding the Council will get after 2020/21 and work will be required to ensure that where possible further cuts are carefully planned as part of the Future Shape of the Council work.
- 3.5 Given the scale and complexity of changes now facing the Council, a piece of work is being carried out until the end of December to review the future shape of the Council, in order to best deliver the priorities for the city and develop how the Council needs to operate in the future. The context for this work is the current re-set of the Our Manchester Strategy, the ongoing embedding of the Our Manchester approach and behaviours, development of a new Organisational Development strategy, the further integration of health and social care, and the decisions regarding the future of the Northwards Housing Arms' Length Management Organisation.
- 3.6 The scale of the changes required to deliver all of the above are so significant that this will require a fundamental review of the future size, shape and purpose of the Council. This work will start by developing the design principles that in turn frame the future shape and priorities of the organisation.
- 3.7 However, if there is no further support through the Finance Settlement the Council will have to act quickly to make more severe cuts for next year. The individual scrutiny committee papers set out the areas where tough decisions may have to be made but that the Council is working hard to avoid. If required, they will be brought forward in more detail to Scrutiny Committees once the Finance Settlement has been announced. It should also be noted the capacity to effectively deliver a programme of cuts of £100m in one year is limited and this is an important consideration when looking at the sustainability of the budget position for next year.
- 3.8 All the options for budget cuts have been risk rated and are contained within the individual scrutiny committee reports. The savings options which align to this Scrutiny Committee are provided in that report which includes the workforce impact. The Committee is invited to consider the options within its remit and to make recommendations to the Executive.
- 3.9 Broadly the £52m, which will be subject to consultation, breaks down into:
  - Health and Social Care integration: The planned Improvement Plan investment of £2.150m, funding for inflation, demographics and any increases in the

national living wage will be maintained along with the estimated £13.5m ongoing impacts of Covid-19. **£20m** savings are planned through a reduced Council contribution to the pooled health and social care budget under devolution arrangements. Accelerating and extending the integration of the health and social care system will support a healthier population, which in turn will unlock savings. Earlier detection and prevention of problems can stop them escalating into long-term care needs and costs and help people to live more independently for longer.

- Resources and Governance - **£7.1m** from the Corporate Core with reductions in capacity across all support services, how the Corporate Core provides support to residents and changes to the model for supporting residents and a review of access channels which will include the Customer Service Centre. These will be clearly set out in the report to Resources and Governance Scrutiny Committee and Executive with the changes to the Customer Service Centre forming the basis of a separate scrutiny report, consultation and engagement process.
- **£6.9m** cost avoidance and revenue generation from business units which will also be contained within the Resources and Governance Scrutiny Report. The proposed options envisage that this will largely be achieved through income generation for example an extra £4.5m in 2021/22 through the council taking over running the city's car park operation and £1.3m through increased advertising income. There is also the proposal to withdraw from being a provider of school catering services reflecting the continued reduced demand for these services which mean a substantial Council subsidy is now required.
- Neighbourhood Services: **£1.4m** which mainly relates to Highways (£0.6m) and parks and leisure income generation (£0.6m). There will be additional investment of £7.5m for the ongoing support for the homeless and rough sleepers after the pandemic. As part of the ongoing changes to the Homelessness Service as well as the need to make cuts across all areas of the Council, there are also cuts planned of up to **£3.6m** in Homelessness Services. These will be achieved through working with voluntary and community sector and registered housing provider partners to reduce costs; a service restructure which will particularly focus on reducing layers of management and improving prevention and move on initiatives which should reduce the need for more expensive B&B accommodation.
- Economy Scrutiny: **£2.3m** through a combination of efficiencies, such as reducing the number of buildings occupied because of new ways of working developed during the pandemic and deleting/not filling vacant posts and income generation such as increased surveyors' fees.
- Children and Young People: Much of the Children's Services budget is devoted to caring for looked after children and safeguarding and will be protected. In addition to the anticipated additional demand due to increases in numbers of children in the City, estimated at 3% and totals £2.2m is still contained within the budget along with a further £3.8m to support the likely increase in children and young people requiring support post the pandemic.

The average growth in Looked After Children in the last three years has been 6.8% per year. However, almost **£11.3m** of other potential cuts have been identified. These will be partly achieved by reducing escalation and need for external residential placements by working with partners to prevent placement breakdowns and expand the availability of more local good quality foster placements and support. Other savings will be made through service reductions such as targeted support for early years. Additional grant and charging schools for services are also part of the Directorate's plan to achieve the cuts.

#### 4 Equality Impact Assessment and Setting the Budget

- 4.1 Many of the options put forward will require an Equality Impact Assessment (EIA) to be undertaken, in particular those that involve impacts on services for residents and reductions in the Council's workforce. A streamlined EIA template has been developed during the response to COVID-19, which has received positive feedback so far, and will continue to be used in relation to EIAs for the budget. Communities and Equalities Scrutiny Committee have an important role in reviewing the EIA process for the budget options put forward and the potential impact on any decisions on the VCSE and on cultural activity.
- 4.2 Equalities and inclusion are a key theme emerging from the reset of the Our Manchester Strategy and have been drawn into sharp relief by COVID-19 exacerbating existing inequalities within the city. A cumulative EIA of the total impacts of budget proposals will be undertaken starting in January 2021 once there is greater clarity about the proposals being taken forward. This will consider and build on the COVID-19 cumulative impact assessment that has been undertaken that has shown the impacts of the pandemic on groups across the city.

#### 5 Consultation on Budget Options

- 5.1 All budget options will be reviewed in detail and where required formal consultation on the details of those options will take place. They will be subject to further refinement following feedback from public consultation and scrutiny committees. The figures may be subject to change following the contents of the Local Government Finance Settlement. Final budget proposals will be made to Scrutiny and Executive in February 2021.
- 5.2 Alongside the formal consultation requirements identified from the options put forward there is a statutory requirement to consult with business rates payers. A public consultation on any proposed council tax increases would take place in late January/early February.
- 5.3 The budget approval process key dates are outlined in paragraph 7.3, and the consultation will commence on 11 November 2020 and close on 6 January 2021.
- 5.4 As in previous years it is proposed that the business plans and saving options are summarised on the Council's website to ensure that the information being consulted upon is in plain English and easy to understand.

- 5.5 It is also proposed that residents are asked to comment on the plans/options via an online consultation form with a few short questions to gauge agreement and space to provide further comment via open text boxes. Paper copies of the form will also be sent to libraries. Again, this is in line with the approach in previous years.
- 5.6 Time will be required following the closing date to review the responses and analysis the information. As a result, consultation results will not be available for the Executive budget meeting on 20 January, however, a brief update will be prepared on the response rates and how the consultation is performing.
- 5.7 The full results will be issued in advance of the Executive meeting on 17 February for consideration.

## 6 COVID-19 and the Impact on the Capital Programme Budget

- 6.1 The Coronavirus pandemic has had a significant impact on a number of capital schemes during 2020/21. At the start of the pandemic in March there was a pause across construction activity whilst developers and contractors reviewed risk assessments and safety measures. Of the Council's major capital schemes only works on the Town Hall project, The Factory, Alexandra House and works to increase school provision remained on site, albeit with significantly reduced productivity as a result of COVID-19, such as social distancing measures being implemented.
- 6.2 Subsequently, the inflationary impact of COVID-19 has become more evident. Social distancing is reducing productivity leading to increased work programmes and creating cost pressures. Where possible these pressures will be contained within existing project-specific contingency budgets, but in some cases additional budget has been and may be required. Current estimates for inflation are between 4% and 7%, although this will vary between projects. There is also concern that there could be unforeseen impacts to the supply chains which would further exacerbate the inflation impacts already being observed.
- 6.3 It is in this context, alongside the Council's revenue position and based on the existing capital programme, that the Capital Strategy for 2021/22 will be set. Alongside the planned assurance work, the capital financing costs of the existing capital programme are being reviewed, and the programme will be reviewed to confirm that the existing allocated capital budgets are sufficient to complete each project.
- 6.4 Further work is also being undertaken to agree the investment priorities which will inform the Capital Strategy for 2021/22 and beyond. This will include how projects can support the revenue budget position, for example through income generation, cost avoidance, or through supporting the delivery of revenue savings.
- 6.5 With the planned assurance work, noted above, it will be important to review how capital monitoring and capital decision making are undertaken, to ensure that the processes and outcomes are fit for purpose. A further report will be provided to the Committee within the existing work programme.

## 7 Next Steps

- 7.1 Following scrutiny, the Executive will consider the officer cuts and savings options at its meeting on 11 November, taking into account the feedback from the six scrutiny committees.
- 7.2 Consultation will start on 11 November and decisions can be assessed in the light of the Finance Settlement and the outcome of any consultation.
- 7.3 The proposed next steps are as follows:
- Officer Options will be presented to the November Scrutiny Committees (3-5 November) for comment and recommendations to Executive on 11 November. The options are being developed in collaboration with partners and will be subject to consultation.
  - Spending Review expected by the end of November and the Local Government Finance Settlement usually follows in December. The outcome will be reported back to January Scrutiny Committees (12-14 January) and Executive (20 January) along with the proposed budget options and any required further cuts that will need to be consulted on.
  - February Scrutiny Committees (9-11 February) and Executive (17 February) receive proposed budget
  - Resources and Governance Budget Scrutiny - 1 March
  - 5 March Council - approval of 2021/22 budget

## 8 Recommendations

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



## Manchester City Council Report for Resolution

**Report to:** Resources and Governance Scrutiny Committee – 3 November 2020  
Executive – 11 November 2020

**Subject:** Corporate Core Budget Options 2021/22

**Report of:** Deputy Chief Executive and City Treasurer, and City Solicitor.

### Summary

As part of the planning for the 2021/22 budget, the Council is estimating an initial budget gap of £105m in 2021/22, increasing to £159m in 2022/23. All Directorates have been looking to identify savings options for consideration by Members. This report sets out the details on the initial savings options proposed by officers. The savings options will be considered by all six Scrutiny Committees for those within their remit.

### Recommendations

1. The Committee is asked to consider and make recommendations to Executive on the savings options put forward by officers and prioritise which options they believe should be taken forward to ensure the Council is able to deliver a balanced budget.
2. Executive are asked to consider the officer cuts and savings options, taking into account the feedback from this scrutiny committee.

**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

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### **Financial Consequences Revenue**

The savings options included within this report are officer proposals and, subject to Member comments and consultation, these will be included as part of the 2021/22 budget preparation.

### **Financial Consequences – Capital**

There is already an approved capital investment programme for the Directorate, and some capital investment is required to assist in delivering some of the currently identified options included within this report.

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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.

Corporate Core Budget 2020/21 - Executive 12 February 2020

## 1 Introduction

- 1.1 This report should be read in conjunction with the covering report and sets out the cuts options put forward by officers to support the work to deliver a balanced budget in 2021/22. Unless further Government support is forthcoming as part of the Spending Review and Finance Settlement the Council is facing a potential budget gap of £105m in 2021/22 which will be ongoing into future years. Therefore, the report also sets out in less detail further cuts which the Council is seeking to avoid but may have to consider if any further funding to support the Council is not forthcoming.
- 1.2 In order to plan effectively to deliver a balanced budget all Directorates are developing cuts options, totalling a combined c.£50m, where work needs to start as part of the process to achieve a balanced budget for 2021/22. These have been developed alongside Heads of Service and wherever possible consideration has been given to protecting front line services and to protect the capacity to support the recovery planning. Inevitably this means a larger proportion of savings falling on the Corporate Core which will have a significant impact on Core capacity at the time the Council most needs it.
- 1.3 The report also includes those areas of service which are within the remit of Resources and Governance Scrutiny Committee but not within the Corporate Core, namely operational property, facilities management, the investment estate from Growth and Development, business units and Commercial operations from Neighbourhoods Directorate. Details of the cuts options within these areas are set out in section 5 of this report.
- 1.4 Currently the Core has identified officer cut proposals of £7.127m. This broadly equates to a reduction of 130fte's, against which there are c33 vacancies. If further budgets cuts are required, options for an additional £7.3m has been identified. However, these would reduce the Corporate Core headcount by a further 124fte and reduce capacity down to the provision of the bare minimum. This would also impact on the ability to effectively collect revenues and benefit claims to the current timescales. The Council are working hard to avoid these more drastic cuts.
- 1.5 As part of identifying the cuts options consideration has been given to trying to minimise the impact on other Council services and residents, although this is not always possible.

## 2 Corporate Core Directorate Background and Context

- 2.1 The Corporate Core plays a key role in supporting the delivery of the Our Manchester Strategy and all eight Corporate Plan priorities, through providing a range of universal services, services which enable the wider organisation to function effectively and through specific and focused support to other parts of the Council to deliver the Corporate Plan.

- 2.2 This includes supporting relationships with a wider range of key partners across Manchester, Greater Manchester, nationally and internationally to enable delivery of all **Our Corporate Plan priorities** and the wider vision for the city.
- 2.3 The Core also has a direct delivery role in delivering our Corporate Plan '**well managed council**' priority theme. This is both through the provision of front-line universal services and through providing effective support services.
- 2.4 The key universal services include:
- Revenue and Benefits
  - Customer Contact Centre
  - Shared Service Centre
  - Coroners
  - Registrars
- 2.5 The Core has a strategic role to work with directorates across the Council and key partners to drive delivery of our key priorities in the corporate plan, including:
- Manchester's approach to place-based reform - Bringing Services Together for People in Places
  - Integration of Health and Social Care through partnership arrangements with the NHS
  - Delivery of the Local Industrial Strategy which will deliver inclusive and green growth for the City
  - Delivery of Our Transformation - a new Council-wide portfolio of programmes which has been set up with a view to changing how we work as an organisation to ensure we can deliver our corporate priorities and specifically ensure that we are a 'well managed council'
  - Continuing to ensure that the 'Our Manchester' approach is the way we do things here, rather than a thing we do
  - Leadership for the Council's action plan to being zero carbon by 2038 at the latest, and support arrangements with partners to meet the city's ambition to live within the science-based carbon budget and be zero carbon by 2038 at the latest.

### 3 Corporate Core 2020/21 Budget Position

- 3.1 The Corporate Core has a net budget of £76.9m, with 1,823fte's employees. The breakdown by service area is provided in the table below:

**Table 1: 2020/21 base budget**

| <b>Service Area</b>                          | <b>2020/21<br/>Gross<br/>Budget<br/>£'000</b> | <b>2020/21<br/>Net<br/>Budget<br/>£'000</b> | <b>2020/21<br/>Budgeted<br/>Posts<br/>(FTE)</b> |
|--|---|---|---|
| Legal Services                               | 12,485  | 6,750                                       | 262   |
| Elections                                    | 1,159   | 1,061                                       | 12  |
| Coroners & Registrars                        | 3,629   | 2,286                                       | 56  |
| Executive Office                             | 967   | 967   | 12  |
| Communications                               | 4,758   | 3,295                                       | 83  |
| CEX Corporate Items                          | 1,561   | 545   | -   |
| <b>Chief Executives Sub Total</b>            | <b>24,559</b>                                 | <b>14,904</b>                               | <b>425</b>                                      |
| Procurement & Commissioning                  | 1,667   | 1,371                                       | 32  |
| Commercial Governance                        | 323   | 250   | 6   |
| Revenue & Benefits                           | 219,103                                       | 16,494                                      | 345   |
| Financial Management                         | 5,740   | 5,374                                       | 150   |
| ICT  | 13,570  | 13,520                                      | 161   |
| Human Resources & Organisational Development | 4,230   | 4,003                                       | 89  |
| Audit, Risk & Resilience                     | 1,850   | 1,427                                       | 43  |
| Shared Service Centre                        | 1,632   | 1,045                                       | 93  |
| Customer Services                            | 4,154   | 4,083                                       | 175   |
| Policy, Performance & Reform                 | 20,302  | 15,367                                      | 178   |
| Capital Programmes                           | 475   | (163)                                       | 90  |
| Parking & Bus Lane Enforcement               | 17,956  | (983)                                       | 36  |
| Corporate Items                              | 299   | 226   | -   |
| <b>Corporate Services Sub Total</b>          | <b>291,301</b>                                | <b>62,014</b>                               | <b>1,398</b>                                    |
| <b>Corporate Core Grand Total</b>            | <b>315,860</b>                                | <b>76,918</b>                               | <b>1,823</b>                                    |

- 3.2 The 2020/21 cash limit budget is £76,918m and this is net of the £3.449m savings that were approved as part of the 2020/21 budget process.

Current In year forecast Position at August 20 (Period 5)

- 3.3 As at August 2020 the Directorate was forecasting a net overspend of £1.295m, this includes COVID-19 related pressures of £4.322m, offset by in year savings and other mitigations of £3.027m.

- 3.4 The COVID-19 pressures include £1.907m of increased costs. These are predominately made up of the increased costs for ICT to support more staff to work flexibly and additional costs for the Coroners Service. In addition, there is £2.415m of reduced income from sales, fees and charges. This includes reduced capital fee income due to the slowing down of capital schemes (£1m), reduced registrars income (£281k) due to reduced numbers of ceremonies, legal services fee income (£325k) due to reduced commercial activity, communications (£249k) lower than forecast activity across the service, revenue and benefits (£259k) because of lower income from court fees and lower than expected take up of the annual leave purchase scheme (£310k).
- 3.5 The pressures are in part offset by in year forecast savings of £3.027m which largely relate to posts that have been held vacant and reduced running costs across all Core services.

#### 4 Savings Options

- 4.1 Heads of Service have been reviewing all the budgets across the Core in order to identify savings and cuts options for consideration by members. These will in part build on the Future Council work which has been reviewing existing working practices in order to streamline and automate or increase the amount of self-service that can be undertaken. This includes looking at how services such as ICT, Finance, HR/OD and the Shared Service Centre can reduce the level of resources through increasing triage support to managers on the back of improved ICT applications such as the new intranet. Good progress has been made with work already undertaken to improve ICT infrastructure resilience and capability, the migration to Microsoft 365 with increased collaboration functionality and the launch of the new intranet due November 2020. However, the real process improvements will not come until the replacement of SAP and the budget cuts will therefore lead to a real reduction in the level of support that can be provided.
- 4.2 Although the options set out in this report are City Council resources the impact on work with health partners will also need to be considered. As will the impact on the other Directorates in the council that will see a reduction of the capacity available to them, as well as the impact their planned changes will have on the Corporate Core.
- 4.3 As set out in the covering report, the Council is working hard to determine what the future shape of the Council will be which will set the framework for further cuts required in the future. However due to the severity of the budget position further cuts may need to be enacted quickly if further funding is not forthcoming in the Finance Settlement. The Council is working hard to avoid these but the potential options which would need to come back to Scrutiny Committee are set out in Section 6 of the report.

- 4.4 The initial options identified from the Core as part of the wider £50m savings equate to **c£7.127m** with a **reduction of 130fte**. These options are set out in the paragraphs below.

Legal Services - £170k -3fte's

- 4.5 A review of business support has identified an opportunity to reduce administration and business support requirements with **initial savings of c£96k through a reduction of 3fte**.
- 4.6 Efficiency in operations through the increased use of single justice procedure for bulk prosecutions is expected to lead to further increases to external income. This alongside reductions of existing supplies and services budgets will deliver savings of **£49k in 2021/22, increasing by a further £25k 2022/23**.
- 4.7 Prior to considering any further reductions to Legal Services the implications of the changes across all Directorates need to be reviewed. The objective is to continue to restrict the use of external legal services in order to minimise costs to the Council as externalisation of legal work is more expensive than the in- house service. Further efficiencies will be delivered when a case management system is in place in 12 to 18 months' time and this will be factored into savings proposals for 2022/23.

Coroners and Registrars - £198k -7fte's

- 4.8 Following the successful introduction of the new Coroners case management system and resulting efficiencies it is proposed to reduce the current headcount by **7fte which will deliver savings of £198k**.

Executive Office -£15k

- 4.9 Savings of **£15k** have been identified as part of the initial proposals through reductions in supplies and services budgets, including reductions in travel costs due to the changes in working practices.

Communications - £300k – 4fte's

- 4.10 Strategic communications cover the communications and digital teams as well as commercial translations, presentations, design and print services (under the M-Four brand). To deliver savings in 2021/22, the service will need to stop some traditional activities where there is alternative provision. Service reductions and efficiencies **totalling £163k** are proposed. This includes providing council tax and business rate booklets online only, as well as no longer printing and delivering an annual refuse collection calendar to all households. Other measures include a reduction in sponsorship and a move to second class mail only.
- 4.11 These measures will be supplemented by a reduction in **4fte posts (£137k)** from across the team. As many posts across the service are funded by the



income they generate, any further staffing reductions would need to involve a review of the structures across strategic communications.

Procurement & Commissioning and Commercial Governance - £158k -2fte's

- 4.12 The proposed cut will reduce the senior capacity available to support other Directorates in commissioning services and the delivery of procurement savings. The initial savings will be achieved through a reduction of 2fte saving £122k, along with increasing external income £28k from commercial arrangements undertaken by Manchester Professional Services Ltd providing company secretary functions and cutting supplies and services budgets by £8k.

Revenue and Benefits - £2.006m -16.5fte's

- 4.13 After reviewing the service and capturing vacancies of almost £0.8m across revenues and benefits, shared service centre including nine posts from the Customer Service Centre; the cuts in staffing will require an overall reduction of 16.5fte. This will involve:
- A fundamental review of the customer service centre offer and the approach to home visits. This will include the offer to residents that protects, and in some areas improves services, avoids unnecessary evidence and paper, keeps residents and staff safe and makes significant savings. It should be noted that since March the Customer Service Centre (CSC) and home visits have been suspended.
  - Reductions and changes to the housing benefit and council tax support function. Here the reduction would need to be balanced against the level of savings that could be lost to both the council tax support budget and the National pot. Before this decision is made further discussions will be held with Internal Audit around establishing a joint counter fraud service and whether there is a way of recognising some of the income recovered in the accounts in order to protect the capacity going forward.
  - Reductions in the revenue collection team; although the impact of reduced resources would need to be balanced against likely detrimental impact on collection rates.
- 4.14 As part of reviewing options the objective has been to protect the core areas of assessment and revenue collection as far as possible. It should also be noted that the service is under increasing pressure due to the need to implement specific COVID-19 related support schemes across welfare payments and Council tax support schemes, Business Rates grants and payments to people who must self-isolate. In order to protect the capacity to maintain these services, it would be proposed that the implementation of these reductions is phased to avoid an unacceptable drop in service delivery and maintain revenue collection.
- 4.15 There are a number of vacancies within other service areas within the same service area (parking and customer services) which the Director will look to fill or delete as appropriate which gives some flexibility for delivering the staffing

reductions. The nature of the roles means that there are significant transferable skills within the functional areas.

- 4.16 In addition it is proposed to **reduce existing discretionary housing payments budget by £1.5m**. The Government currently provide £2.538m grant support for discretionary housing payments, and it is proposed that the City Council mainstream resource of £1.5m that supplements the Government funding is withdrawn from 2021/22. Although this will be a significant reduction on the available support to residents at a time when the demand for this support will potentially be increasing, it is anticipated that some of the impact will be mitigated because there have been temporary increases to the Local Housing Allowance Rates, that increases the level of benefit entitlement towards tenants rents, and the £20 increase in universal credit has also led to a reduction in the call on the DHP budgets.
- 4.17 There have also been amendments in the benefit rules that changes how homeless families in dispersed accommodation are treated and this has also reduced the DHP spend in this area compared with previous years.
- 4.18 Given the nature of the benefits regime, the economic situation and the lack of control over government decisions there is always a risk that cutting this budget will mean that we have to make tougher decisions and prioritise the most vulnerable cases, but this would be possible within the £2.538m core budget.

#### Shared Service Centre - £252k - 8.8fte

- 4.19 There will be a reduction of 8.8fte. and savings of £252k. These posts are already vacant, and this is formalising planned reductions within the service.

#### Customer Services - £0.614m -19.3fte

- 4.20 A different offer for how the Council provides help and advice to residents is being developed and there will be a separate consultation and engagement process for this. The revised offer must also be accessible and meet the needs of all members of our communities including those affected by digital and financial exclusion. This new offer will move away from the current city centre based face to face offer with the capability to provide enhanced telephone services including those for residents with additional support needs, more support online and targeted one to one support in localities, but only where it is really required.
- 4.21 All staff in the CSC have been undertaking non-face to face roles during the period of the closure of the CSC in the Town Hall that has been closed since Mid-March. During this period new models and access channels have been developed and improved with more work to do in the months ahead including the development of an IT platform that will support the new approach. With the introduction of a new ICT platform and more remote/virtual working this will lead to a reduction **c16fte and save annual costs of c£0.538m**. There are currently 8 vacant posts within the team.

- 4.22 In addition, there will be a reduction **of 3fte for the Neighbourhood Services Contact Centre to save £76k**. Whilst this will impact on response times these posts are already vacant and this is formalising the current position. In order to avoid a detrimental impact on service delivery this is being aligned to the new telephony system and other system enhancements, but it could lead to a small increase in customer wait times.

Financial Management - £0.843m – 20fte

- 4.23 The number of posts will be cut by **20fte saving £800k**. This includes the disestablishment of 7 vacancies and a reduction in the support provided to services from across Financial Management, although areas that provide direct support to residents, including Client Financial Services who safeguard residents' finances through the provision of appointeeship and deputyship services and the statutory welfare funerals service, will not be reduced. Whilst the aim is to maintain some of the previous levels of service through introducing more automation, streamlining support provided to partner organisations and introducing more self-service this does mean that Directorates will receive less support and there will be a reduction in the frequency of some of the monitoring activity. In addition to the staff reductions **£43k is proposed through the reduction of existing supplies and services budgets**, including training and travel along with increased income.

ICT - £1m – 10fte

- 4.24 There is a planned reduction of **10fte that will save c£400k**. The ICT Target Operating Model is being reviewed, and this has identified several areas that will need to change as the ICT Strategy is progressed. This will include a different Service Desk and Know It All offer that is more focussed on “get it right first time” and a different model for Service Delivery and Operations based on the skills that will be required to support the system changes being implemented now, for example with the moves to Microsoft and Liquid Logic and the changes to ICT infrastructure and those that are planned such as the replacement of SAP. There are currently 10 vacancies within the service and there is a mismatch of current skills and those that will be required in the future that will need to be addressed once the target operating model is established.
- 4.25 There will be a **£200k reduction in telephony and printing costs** through rationalisation of the estate and changes to working practices with fewer devices across the estate. The telephony budgets will include both mobile devices, and desktop phones. Currently Directorates hold mobile telephony budgets, and this will need to be looked at across all Directorates.
- 4.26 It is also proposed to review all systems and infrastructure costs in order to identify opportunities to reduce and rationalise the numbers of systems in line with the needs of the Council going forward. The savings from licence renewals are phased with **£100k in 2021/22 increasing to £400k in 2022/23**.

### Human Resources - £0.543m – 13fte's

- 4.27 The cuts below are predicated on moving to a new operating model and having a more effective 'front door' service. The real efficiencies will only come with the replacement of existing systems, which is still 18-24 months away and there will be a reduction in the service that is offered. The changes involve a reduction **of 13fte**, and this will require a review of the existing service offer and target operating model.
- 4.28 It is recommended that the reductions in the support for service change and some delivery capacity are deferred for nine months to support the service reorganisations across the Council and the potential move to bring the ALMO back in house with five posts retained during that period to ensure that this work can be supported. This would require the £0.543m savings to be phased £306k 2021/22 and £237k in 2022/23.

### Audit, Risk and Resilience - £118k -3fte

- 4.29 There will be a reduction of 3fte across insurance, health and safety and internal audit. These will be met through a restructure which will include the removal of two existing vacancies.
- 4.30 There will be an impact on the scale of the audit plan and core risk management, resilience and safety work will require additional self-service from managers around claims investigation and safety competence within services.

### Capital Programmes

- 4.31 Whilst services in this area are funded from the capital programme, work is being carried out to deliver savings. Due to the current construction market it has been possible to fill a higher number of technical roles which has reduced the reliance on external consultancy. In addition, there remain 17 vacancies within the team which will only be filled if they are required for the future capital programme.

### Policy, Performance and Reform - £0.910m – 23fte's

- 4.32 The options include a reduction of up to 23 posts across the service in addition to seven-time limited posts where the funding ends in this financial year. The options include the following:
- *City Policy* - there will be a review to bring the Policy and Partnerships and Resourcing and Programmes functions closer together to focus on thematic areas. The current options include the reduction of **4fte** from within the existing structure, in addition to savings from **non-staff budgets for consultancy and subscriptions, these total £270k**. The review will include a reappraisal of priorities to be agreed with Members in line with the Our Manchester Strategy reset and the Corporate Plan. The actual reduction in posts will be less if additional external funding is secured from ERDF.

- *Performance (PRI - Performance, Research and Intelligence)* – The service would be reduced from five teams into three which will focus on People, Core and Place. This will achieve a net reduction of **16fte and save c£0.5m**. As a result, there will be less capacity to carry out work for data governance, performance reporting for Directorates and bespoke research and analysis. The offer for health and social care will need to be reduced and aligned with resources from system partners. Until new system improvements are put in place with the ‘data integration layer’ and enhanced reporting that will come with Liquid Logic, the impact on what can be produced will be significant and will need to be agreed with Strategic Directors.
- *Reform and Innovation (R&I)* - There are planned savings of **3fte which will save £140k**. The impact will be the ending of the R&I support to Our Manchester Engagement work, a significant reduction in the governance and planning capacity and moving back to a core offer for health and social care.

## 5. Other Cuts Options within the Remit of Resources and Governance Committee

- 5.1 This section includes the current officer options for other service areas outside of the Corporate Core which form part of the remit for Resources and Governance Scrutiny Committee. The details are set out in the following paragraphs and are shown in a separate table at the end of this report.

### *Growth and Development*

- 5.2 **Operational Property -£0.638m -1.4fte**, since March 2020 the Council have made huge progress with the flexible working agenda, and this has provided an opportunity to replan for a smaller, higher quality, lower cost and lower carbon estate. This will be delivered alongside the Future Council work and link in with the ICT strategy. The work is focussing on the use of office space rather than community-based assets. There may be a need for some limited capital investment on an invest to save basis to ensure space can be used more flexibly. The work will target reductions in leased buildings as well as looking at whether more space can be shared with partners to generate rental income. The savings will be delivered over a four-year period.
- 5.3 As part of the review of estate, opportunities for potential sale and leaseback of assets will be identified and detailed options appraisal undertaken to determine if revenue savings can be achieved. Work is ongoing looking at this option, and if savings opportunities are identified these will be considered as part of the 2022/23 budget.
- 5.4 In addition to the review of the estate it is proposed to reduce the headcount by 1.4fte and save £36k. This will be achieved through the deletion of 1.4 existing vacant posts.
- 5.5 **Facilities Management - £270k -10ftes** the service includes building cleaning, security and repairs and maintenance, of which cleaning is provided

in house, whilst the other two contracts are external contracts. As part of the recent procurement exercise for security it was agreed that the contractor would undertake a review of all existing security arrangements after an initial period of operation. Unfortunately, because of the Covid-19 impact the contractor has not yet worked under usual business conditions. Work is ongoing to identify possible savings options although these will need to be balanced against the increased risk.

- 5.6 Currently there are **10 vacant positions** with Facilities Management, and it is proposed to delete these posts to achieve **savings of £270k**.
- 5.7 **Investment Estate - £0.675m** - this will be achieved through increased income from the following areas: -
- Review existing fees for surveyors and ensure projects are covering the appropriate fee costs - £75k
  - New ground rental portfolio to be secured against long leasehold disposal of land as part of Northern Gateway development - £300k (2023/24)
  - Maximising income generation or reducing expenditure on assets through increased partnership arrangements - £300k.
- 5.8 In addition a review of all commercial interests will be undertaken with a view to rationalising the estate through the identification of non-surplus generating assets which could then be sold to generate income and reduce ongoing costs.

#### *Neighbourhood Services*

- 5.9 **Operations and Commissioning - £6.385m**, - In continuing to develop the commercial offer and seeking to maximise external income, options have been identified that could provide **income of c£6.385m**, although only £225k of this will be realised in 2022/23, this includes:
- 5.10 Advertising - The tenders for the small format advertising contract were received in September and the new contract goes live from January 2021. It is anticipated that there will be an additional £1.3m per annum available once the contract has been awarded.
- 5.11 Generation of a further £0.5m through advertising revenue. This will include a new large format site at Dawson St (£50k), and the introduction of a large new advertising screen in Piccadilly Gardens. The latter screen will be developed as part of the Piccadilly Gardens community scheme and could generate around £450k per annum. This will require planning permission and if approved there would be a lead time of around six months following any decision to proceed with these schemes.
- 5.12 The existing **off-street parking** joint venture ends 31st December. The future arrangements will be managed in house from January 2021 when the City Council will take on responsibility for the ongoing management and maintenance of the City Council car parks, funded through the parking fee

income generated through the use of the car parks. It is anticipated that the surplus income retained by the City Council will be around £4.5m per annum, assuming parking levels return to normal during 2021/22.

- 5.13 **Bereavement Services** have continued to overachieve on their income generation targets through fees and charges, it is proposed that through the introduction of an above inflation increase to the existing fees and charges additional income of £85k could be generated in 2021/22. This would bring fees and charges in line with other local authority areas.
- 5.14 Proposals are also being put forward for the Council's traded services that can no longer operate without a subsidy. These relate to the Council's school catering offer and to the provision of the indoor Wythenshawe Market. In both cases these proposals will be bought forward to December Executive to cease trading to avoid any further costs to the Council.
- 5.15 The **School Catering** service is in a position of terminal decline as schools opt for cheaper providers, resulting in continuously reducing economies of scale. The income from the service has reduced considerably. The net budget in 2018 was for surplus income of £620k with a service being provided to 90 schools. The service is now being provided to 74 schools with a net income target of just £60k. The budget includes a contribution of £434k from reserves which means that the service costs £374k to operate. A report is being prepared to go to Executive in December 2020 with a proposal to accelerate the withdrawal of the council offer for the school meals provider market in 2021/22 in order to avoid the need for further revenue support to the school meals function. Cost avoidance is c£450k. Staff directly employed in this service will transfer, either to the school or if the school preferred to commission the service, to another provider. The impact on other council support services is being assessed.
- 5.16 Markets operate on a cost recovery basis except for **Wythenshawe Market** which has been for some time in receipt of a subsidy from the Council. It is not an option for the council to continue to subsidise what is in effect a private enterprise and a proposal is being developed for the closure of the indoor element of Wythenshawe Market, which will provide savings of £110k through the removal of the existing subsidy. Work will progress to support the traders to access alternative sites, either in the outdoor market or elsewhere within the City. The outdoor market will remain operational.

## 6. **Further Budget Options**

- 6.1 As set out in the covering report, the Council is working hard to determine what the future shape of the Council will be which will set the framework for further cuts required in the future. However due to the severity of the budget position further cuts may need to be enacted quickly if further funding is not forthcoming in the Finance Settlement. These are not cuts that are being recommended at this stage and the Council is working hard to avoid these but the potential options which would need to come back to Scrutiny are set out below.

6.2 Work has already commenced to look at further options, and these currently amount to c£7.3m, and this is made up of further staffing reductions of c£4.2m which would require an additional reduction of up to 124 fte, and c£3.1m non staffing reductions. The additional reductions are not recommended as it will reduce capacity down to the provision of the minimum of support that would be required and place a lot more emphasis on managers across the council having to provide a lot of the capacity themselves at a point when their resources are being stretched. It would also impact on the collection of revenues and the level of support that can be provided to residents, particularly around benefit claims. The options include:

- A reduction of a further 30fte from across Policy, Performance & Reform. This would require a further review of the existing structures and have a significant impact on service capacity. For example, this would mean that only statutory reporting could be provided.
- A further reduction of 59fte across Customer Service and Shared Service Centre and Revenues. Whilst this would reduce costs cuts of this scale would have a significant impact on income collection and debt recovery and the level of service provided to residents.
- A reduction of c23fte across Human Resources and Finance. This would require a fundamental review of services and agreement to stop delivering a lot of the support currently provided.
- Other services across the core including Communications, Registrars, Executive - a reduction of c12fte's.

6.3 The above options are scalable, and should they be required they will be bought back in more detail for consideration by this Committee in December /January along with an analysis of their impact.

6.4 As well as the workforce reductions outlined above there would be further proposals for reductions to non-staffing budgets of £3.1m, and these include reductions in the level of support to voluntary and charitable organisations from the current budget of c.£1.6m, a reduction to the Welfare Provision Scheme c£0.7m and reduced subscriptions. Again, these measures would only be considered in the worst-case scenario.

## 7 Workforce Implications

7.1 The options set out in this report will lead to the deletion of c.130fte posts in the Corporate Core, of which 33fte are vacant.

7.2 In order to achieve the reductions, set out in this report, the council will open a limited voluntary redundancy/voluntary early retirement scheme predominately in those areas in the corporate core which are aiming to achieve staffing reductions, but on a limited basis for time limited or other posts and in other areas where there are savings or changes need to be achieved. Detail of this scheme will be reported to Personnel Committee on 11 November.



- 7.3 The government has passed regulations which implement a public sector exit pay cap of £95k from 4<sup>th</sup> November. This means that anyone leaving with a severance package – which includes redundancy pay and actuarial strain on pension – over £95k will have it reduced to that cap. The regulations are not yet in place and this will add further complexity to the scheme.
- 7.4 Consultations have started with Trades Unions on the MPeople processes to ensure that the Council does not lose the focus on providing support for our workforce to develop and progress and where relevant to reskill into different roles, with a view to focussing on giving excellent support to those at risk of redundancy in finding suitable alternative employment.

## 8. Equalities

- 8.1 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.
- 8.2 Each of the proposals outlined, if taken forward, will need to consider the requirement and completion of an Equality Impact Assessment. The outcome of which will inform the future planning and delivery to ensure that no residents are disproportionately affected by the changes to services.

## 9. Conclusion

- 9.1 The Council is facing a period of significant change and there are growing demands on capacity alongside the need to make budget cuts. The budget gap is currently £105m for 2021/22 and increases in the following financial year. A programme of cuts of c£50m are required at this stage that can be implemented from 1 April to ensure a balanced budget can be achieved. If no further funding is forthcoming, then further cuts will have to be made. The options put forward in this report set out the recommended options to achieving that £50m along with more severe cuts that can be developed if the situation requires. The future council work is ongoing which will set out what sort of Council we want to be in the longer term, building on the feedback in the Our Manchester Strategy reset, considering the major changes the Council is facing and the fact that there will be less resources available in the future. This will also provide the framework for future budget decisions.
- 9.2 The Directorate budget proposals will be subject to further refinement following feedback from Scrutiny Committee and updated prior to being submitted to Executive. A further report will be brought back to January Scrutiny that incorporates the feedback from this meeting, the budget

consultation, the impact of the Finance Settlement and the outcomes of the VER/VS scheme.

10. Recommendations

10.1 The recommendations appear at the front of this report.

| Service  | Description of Saving                                       | Type of Saving | RAG Deliverability | RAG Impact | 21/22  | 22/23  | 23/24  | 24/25  | Total  | FTE's |
|--|---|----------------|--------------------|------------|--------|--------|--------|--------|--------|-------|
|  |   |                |                    |            | £000's | £000's | £000's | £000's | £000's |       |
| Legal Services                                       | Reduce staff resources - 3fte's                             | Efficiency     | Green              | Green      | 96     |        |        |        | 96     | 3     |
|  | Increased income and reduced supplies and services          | Efficiency     | Green              | Green      | 49     | 25     |        |        | 74     |       |
| Coroners & Registrars                                | Reduce staff resources - 7fte's                             | Reduction      | Amber              | Green      | 198    |        |        |        | 198    | 7     |
| Executive  | Travel/subsistence expenses reductions                      | Efficiency     | Green              | Green      | 15     |        |        |        | 15     |       |
| Communications                                       | Reduce staff resources - 4fte's                             | Reduction      | Amber              | Amber      | 137    |        |        |        | 137    | 4     |
|  | Reduce printing costs, increase recharges and postage       | Efficiency     | Green              | Green      | 163    |        |        |        | 163    |       |
| Procurement, Commissioning and Commercial Governance | Reduce staff resources - 2 vacant posts                     | Reduction      | Green              | Red        | 122    |        |        |        | 122    | 2     |
| Revenues and Benefits                                | Increase income and reduce supplies and services            | Reduction      | Green              | Amber      | 36     |        |        |        | 36     |       |
|  | Reduce staff resources - 16.5fte                            | Reduction      | Amber              | Red        | 506    |        |        |        | 506    | 16.5  |
|  | Reduce Discretionary Housing Payments                       | Reduction      | Green              | Red        | 1500   |        |        |        | 1500   |       |
| Financial Management                                 | Reduce staff resources - 20fte's, (includes 7 vacant posts) | Reduction      | Amber              | Amber      | 843    |        |        |        | 843    | 20    |
| ICT  | Reduce staff resources - 10fte's                            | Reduction      | Amber              | Amber      | 400    |        |        |        | 400    | 10    |
|  | Savings on system running costs and telephony               | Efficiency     | Amber              | Amber      | 300    | 300    |        |        | 600    |       |
| HR/OD  | Reduce staff resources - 13fte's                            | Reduction      | Amber              | Amber      | 306    | 237    |        |        | 543    | 13    |
| Audit  | Reduce staff resources – 3fte's, and staff travel (£10k)    | Reduction      | Amber              | Amber      | 118    |        |        |        | 118    |       |

|                              |  |           |       |       |              |            |  |  |              |              |
|------------------------------|--|-----------|-------|-------|--------------|------------|--|--|--------------|--------------|
| Shared Service Centre        | Reduce staff resources – 8.8fte’s (All vacant posts) | Reduction | Green | Green | 252          |            |  |  | 252          | 8.8          |
| Customer Services            | Reduce staff resources - 19.3fte's                   | Reduction | Amber | Amber | 614          |            |  |  | 614          | 19.3         |
| City Policy                  | Reduce staff resources -4fte’s and special projects  | Reduction | Amber | Amber | 270          |            |  |  | 270          | 4            |
| PRI                          | Reduce staff resources -16fte’s                      | Reduction | Amber | Red   | 500          |            |  |  | 500          | 16           |
| Reform & Innovation          | Reduce Staff resources – 3fte’s                      | Reduction | Amber | Red   | 140          |            |  |  | 140          | 3            |
| <b>Corporate Core Totals</b> |  |           |       |       | <b>6,565</b> | <b>562</b> |  |  | <b>7,127</b> | <b>129.6</b> |

|  |  |            |       |       |     |     |     |       |     |     |
|--|--|------------|-------|-------|-----|-----|-----|-------|-----|-----|
| <b>Other Service Areas within Resources and Governance Remit</b> |  |            |       |       |     |     |     |       |     |     |
| <b>Growth &amp; Development</b>                                  |  |            |       |       |     |     |     |       |     |     |
| Operational Property   | Reduce office costs through reduced estate | Efficiency | Green | Green | 610 | 591 | 304 | (905) | 600 |     |
|  | Reduce staff resources – 1.4fte's (Vacant) | Reduction  | Green | Green | 36  |     |     |       | 36  | 1.4 |
| Facilities Management  | Reduce staff resources – 10fte’s (Vacant)  | Reduction  | Green | Green | 270 |     |     |       | 270 | 10  |
| Investment Estate  | Revise Surveyors Fee Scales                | Income     | Green | Green | 75  |     |     |       | 75  |     |
|  | Maximise income generation from assets     | Income     | Green | Green | 300 |     |     |       | 300 |     |

|                                   |   |        |       |       |              |            |            |              |              |             |
|-----------------------------------|---|--------|-------|-------|--------------|------------|------------|--------------|--------------|-------------|
|                                   | Increased ground rent -long leasehold       | Income | Green | Amber |              |            | 300        |              | 300          |             |
|                                   |   |        |       |       |              |            |            |              |              |             |
| <b>Neighbourhoods Directorate</b> |   |        |       |       |              |            |            |              |              |             |
| Operations & Commissioning        | Increased Income from small format contract | Income | Green | Green | 1300         |            |            |              | 1300         |             |
|                                   | New Advertising screen – Piccadilly Gardens | Income | Red   | Red   | 225          | 225        |            |              | 450          |             |
|                                   | Large Format Advertising screen – Dawson St | Income | Amber | Amber | 50           |            |            |              | 50           |             |
|                                   | In House car park operation – Post JV       | Income | Green | Green | 4,500        |            |            |              | 4,500        |             |
| Bereavements                      | Above inflationary price increase           | Income | Green | Green | 85           |            |            |              | 85           |             |
| <b>Other Directorates Total</b>   |   |        |       |       | <b>7,451</b> | <b>816</b> | <b>604</b> | <b>(905)</b> | <b>7,966</b> | <b>11.4</b> |

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