



Resources and Governance Scrutiny Committee

Date: Monday, 1 March 2021

Time: 10.00 am

Venue: Virtual meeting, Webcast at <https://vimeo.com/514221752>

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

Advice to the Public

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Membership of the Resources and Governance Scrutiny Committee

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

Supplementary Agenda

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|--|---------|
| 4a. Minutes of the proceedings of Executive on 17 February 2021 relating to the budget for 2021/22
The part proceedings from the Executive meeting on 17 February 2021 are now attached. | 3 - 32 |
|
5o. Budget 2021/22 Public Consultation Outcomes
Report to follow. | |
| 5p. Budget 2021/22 Equality Impact Assessment
Report of the City Solicitor attached. | 33 - 46 |
| 5q. Details of any proposed Budget Amendments (if any)
The report of the City Solicitor is attached. | 47 - 50 |

Further Information

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

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This supplementary agenda was issued on **Thursday, 25 February 2021** by the Governance and Scrutiny Support Unit, Manchester City Council, Level 3, Town Hall Extension (Lloyd Street Elevation), Manchester M60 2LA

Executive

Part Proceedings A of the meeting held on Wednesday, 17 February 2021 – 2021/22 Budget agenda items

Present: Councillor Leese (Chair)

Councillors: Akbar, Bridges, Craig, N Murphy, Rahman, Stogia, and Richards

Also present as Members of the Standing Consultative Panel:

Councillors: Karney, Leech, M Sharif Mahamed, Sheikh, Midgley, Ilyas, Taylor, and S Judge

Apologies: Councillor Ollerhead

Also present: Councillor Newman

Exe/21/18 Revenue Budget Monitoring to the end of December 2020

The Deputy Chief Executive and City Treasurer presented a review of the 2020/21 revenue budgets. The report provided an overview of the Council's financial position as at the end of December 2020 and the work to develop a balanced budget for 2020/21. The report continued to project a balanced budget outturn for 2020/21, reflecting what had been the situation reported in December 2020 (Minute Exe/20/134). The forecast budget shortfall from COVID-19 pressures was £58m this financial year, which was being mitigated through the Council's share of the sales, fees and charges emergency funding. The overall impact of the pandemic was forecast as being £164.4m of which £23.6m related to additional expenditure and £140.8m to loss of income. Of that total, £58m related to 2020/21 and the rest was to have a significant impact on the 2021/22 and future budgets, as the other business of the meeting was to show.

Additional COVID-19 related funding

The report detailed the additional grants that had been announced or received from the Government since the previous report in December. These were

- Adult Social Care - £1.333m Workforce Capacity Fund to enable the council to supplement and strengthen adult social care staff capacity to ensure the delivery of safe and continuous care.
- Adult Social Care - £0.842m to support increased testing in care homes, with the bulk of this to be passed on to the care homes
- Neighbourhood Services – £0.882m for cultural recovery to Manchester Art Gallery being severely financially impacted by COVID-19.
- Neighbourhood Services - £0.621m Community Champions Fund to be used to work with community-based organisations to protect those most at risk from COVID-19.

- Corporate Core - £0.379m Self Isolation Support for the administration of the Test and Trace Support Payment Scheme, which awards £500 to some individuals who are told to self-isolate by the NHS Test and Trace or the COVID-19 App.
- Corporate Core Administering Business Rates Relief New Burden - £12k for the software and administration costs of implementing the extended retail relief scheme.
- Corporate Core Council Tax Hardship New Burdens - £58k for the software and administrative costs associated with implementing the Council Tax hardship fund, which deducts £150 from council tax support claimant's council tax liability.
- Corporate Core Local Authority Discretionary Grant Fund New Burdens - £101k for the administration of the Local Authority Discretionary Grant scheme, which has provided £5.4m of support to 957 businesses not registered for business rates bills.

The use of all those grants was supported.

The report also explained that the Government had announced that the Council was to receive an Additional Restrictions Grant (ARG) top-up of £4.911m. This was in addition to the £11.698m already received, giving total ARG funding of £16.609m. The ARG could be used to facilitate a discretionary grant scheme to support those businesses that are closed but do not have a rateable value, or those who are severely impacted rather than closed and are not eligible for other forms of support. It was proposed and agreed that the support offered be expanded to include:

- £2.5m for strategically important cultural, entertainment or convention facilities in the city,
- £1.0m additional support to charities,
- £2.0m for strategically economically important businesses in the city,;
- £1.9m for childcare and day care providers,
- £460k for independent retailers with no business rates liability that have been mandated to close and can show fixed property related costs,
- £1.0m for taxi drivers, and
- £4.74m for businesses affected by a reduction in daytime or commuter trade, within the tourism and culture sector, in the airport supply chain, and self-employed company directors of small businesses without fixed property related costs.

Budgets to be allocated

When setting the 2020/21 budget the Council has agreed to hold some funds for contingencies, and other money that was to be allocated throughout the year. The report proposed two further use of some of these budgets to be allocated. These were agreed:

- £15,000 for Education Short breaks, being a 10% uplift due to increase in National Living Wage and the implications of Pension auto enrolment on the befriending service which supports many children and young people who may be on the edge of care.
- £441,000 for inflationary increase on the waste and street cleaning contract, mainly relating to pay award increases.

Virements

The report proposed four funding virements. All those were supported and agreed:

- £489,000 from City Centre Regeneration to Policy, Partnership and Resource for the reallocation of the High Street Recovery Grant
- £276,000 from Facilities Management to several directorates, being the reallocation of security cost increases
- £387,000 from Policy, Partnership and Resource to City Centre Regeneration being the transfer of staff from planning and policy to City Centre Regeneration
- £190,000 from Education Attendance (within Children's Services non pay to pay budget transfer). The Early Help Hub and Prosecutions activity within One Education had now ended, the services had been brought in-house and this transferred the non-pay budgets to the pay budgets.

Other Non-COVID Related Grants in Addition to that Already Planned

The report explained that notifications had been received in relation to specific external grants. These allocations had not been confirmed at the time of the 2020/21 budget setting processes, so confirmation of them was now being sought. These two were both supported:

- £854,000 for MHCLG Rough Sleeping and alcohol treatment for Taskforce Priority areas which have the highest numbers of people sleeping rough who have been moved into emergency accommodation during the pandemic.
- £34,000 DEFRA port health transition fund to improve performance and capacity for the airport team to deal with additional work created by EU exit.

Decisions

1. To note the global revenue monitoring report and a forecast outturn position of a breakeven position.
2. To approve additional COVID-19 grants to be reflected in the budget, with £1.333m workforce capacity fund and £0.842m to support increased testing in care homes applied to the Adult Social Care as set out above.
3. To approve application of Additional Restriction Grant support for businesses, as set out above.
4. To approve the use of budgets to be allocated, as set out above.
5. To approve budget virements as described above.
6. To approve the use of unbudgeted external grant funding (non COVID-19) as set out above.

Exe/21/19 Capital Budget Monitoring to the end of December 2020

The Deputy Chief Executive and City Treasurer's report informed the Executive of the revised capital budget 2020/21 to 2023/24 taking account of agreed and proposed

additions to the programme, profiling changes, and the latest estimates of forecast spend and resources for the 2020/21 capital programme. The report explained the major variations to forecast spend, and any impact that variations had on the five-year Capital Programme.

The forecast of expenditure for 2020/21 for the Manchester City Council capital programme was £372.1m compared to a current revised budget of £446.7m. Spend as of 31 December was £249.1m.

Appended to the report was a schedule of projects within the overall capital programme where the allocations needed to be revised and funding allocations vired between projects. The appendix showed the virement needed for each scheme and each project. We agreed to recommend the virements of more than £500,000 to the Council for approval, and to approve those below £500,000.

The prudential indicators as at the end of December 2020 were appended to the report and were noted.

Decisions

1. To recommend that the Council approve the virements over £0.5m within the capital programme as set out in Appendix 1 of these minutes.
2. To approve virements under £0.5m within the capital programme as outlined in appendix 1 of these minutes.
3. To note that approvals of movements and transfers to the capital programme, will result in a revised budget total of £372.0m to and a latest full year forecast of £372.1m. Expenditure to the end of December 2020 is £249.1m.
4. To note the prudential indicators as set out in Appendix B of the report.

Exe/21/20 Budget Overview and Strategy for 2021/22

In January a report had been considered on the budget implications of the Provisional Local Government Finance Settlement 2021/22 (Minute Exe/21/5). That had given an early assessment of the Council's financial position in the next year. The Deputy Chief Executive and City Treasurer now presented a report on the Council's overall financial strategy for 2021/22 which brought together the various components of the proposed 2021/22 budget: the Revenue Budget, the Capital Strategy, and the Housing Revenue Account, showing how these would jointly continue to reflect the Our Manchester Strategy and Corporate Plan priorities.

The report explained that the Council's net revenue budget is funded from five main sources: business rates, Council Tax, government grants, dividends, and use of reserves. In recent years the on-going reductions in central government funding had increased the importance of growing and maintaining local income and local funding sources, which was now integral to the Council's financial planning. Between 2010/11 and 2021/22 the Council's spending power (as defined by government) had reduced

by £129m (21%), the average council reduction in England for the same period was 7%. For 2021/22 the situation was especially difficult: as well as the need to continue to deal with and plan for the chronic withdrawal of government funding to the Council, the Council had to address the more acute financial impacts of the COVID-19 pandemic on the Council's finances in 2021/22. The funding announced by the government in the Local Government Finance Settlement had been for a single year only, so the proposals were for the Council to adopt a one-year budget. Previously the Council had normally budgeted using a three-year financial plan.

The report presented in more detail the main elements that had been part of the Local Government Finance Settlement, which had been outlined in the January report. The assumption on the Council Tax remained as had been reported in January: that the Council would apply a 1.99% Council Tax increase in general, and a further 3% increase to provide extra funding for Adult Social Care, so a 4.99% Council Tax increase overall. In January the expected impact of the settlement on the council's 2021/22 budget was estimated at £58.87m. Since then the collection Fund position had been finalised and the estimated receipt for the Local Tax income guarantee scheme updated. The total impact on budget was now estimated at £58.7m. The summary of the being:

Table 1 – The 2021/22 Settlement Budget Impacts	2021/22 £'000
Spending Power Changes:	
Revenue Support Grant inflation	320
Business Rates Adjustments	752
New Homes Bonus Scheme	4,104
Lower Tier Services Grant	1,236
One off COVID-19 support:	
COVID-19 Emergency funding - Tranche 5	22,229
Collection Fund Announcements:	
Local Council Tax Support grant	5,709
Local Tax Income guarantee scheme	10,288
Continuation of the 100% Business Rate Pilot	5,131
Other Announcements:	
Remove pay award assumption in 2021/22	6,403
Reduced contract cost of min wage	2,529
Total Impact on council budget	58,701

The report explained that in bringing forward the final proposals for the 2021/22 budget, that shortfall had been addressed through a prudent approach to investment income, the use of fortuitous or one-off grants and income received, and through the proposed cuts that had been identified and considered over the past few months. The overall proposed revenue budget was:

Table 2 – Proposed Revenue Budget	2021/22 £'000
Resources Available	
Business Rates Related Funding	155,537
Council Tax	176,857

Table 2 – Proposed Revenue Budget	2021/22 £'000
Grants and other External Funding	120,243
Dividends	0
Use of Reserves	184,667
Total Resources Available	637,304
Resources Required	
<i>Corporate Costs:</i>	
Levies / Statutory Charge	66,580
Contingency	4,719
Capital Financing	39,507
Transfer to Reserves	1,557
<i>Sub Total Corporate Costs</i>	<i>112,363</i>
<i>Directorate Costs:</i>	
Additional Allowances and other pension costs	9,066
Insurance Costs	2,004
Inflationary Pressures and budgets to be allocated	3,230
Directorate Budgets	510,641
<i>Subtotal Directorate Costs</i>	<i>524,941</i>
Total Resources Required	637,304
Shortfall / (surplus)	0

The report examined the future funding uncertainties facing the Council. The City Treasurer had examined the major assumptions used within the budget calculations and had carried out sensitivity analysis to ascertain the levels of potential risk in the assumptions being used. The key risks identified to the delivery of a balanced budget and their mitigation were set out in the report.

It was the opinion of the Chief Finance Officer that any significant budget risks to the General Fund and the Housing Revenue Account had been identified and that suitable proposals were in place to mitigate against these risks where possible. The Council's budget monitoring procedures were effective and designed to monitor high-level risks and volatile budgets. An assessment of anticipated business rates income had been carried out based on the information available and provision had been made for outstanding appeals. This was considered to be a prudent provision.

The Chief Finance Officer considered that the assumptions on which the budget has been proposed, whilst challenging, are manageable within the flexibility allowed by the General Fund balance. This, and the fact that the Council holds other reserves that could be called on if necessary, meant the Chief Finance Officer was confident that the overall budget position of the Council could be sustained within the overall level of resources available. However, to the degree that the budget savings were not achieved in a timely manner and reserves were called on to achieve a balanced position, further savings would need to be identified and implemented in order to ensure the Council's future financial stability was maintained.

Decision

To note the report and the context it provided for the detailed budget reports also being considered at the meeting.

Exe/21/21 The 2021/22 Revenue Budget

The previous item of business had set out the financial strategy and the approach that had been taken to develop the proposed budget for 2021/22. This joint report from the Chief Executive, and Deputy Chief Executive and City Treasurer set out the Revenue Budget proposal in more detail.

Prior to COVID-19 there had been a forecast of a £22m funding shortfall for the Council in for 2021/22. That had been forecast to rise to £80m by 2024/25. The intention had been to address those in the Medium-Term Financial Planning process. However, the significant financial impact from the COVID-19 pandemic now had to be added to those original forecasts, giving an underlying gross budget pressure of £166m for 2021/22.

Prior to the spending review mitigations and corporate measures of £57m had already been identified. In addition, it was proposed that £12m of airport dividends be re-profiled from 2020/21 to support the 2021/22 budget. This had resulted in pre-Spending Review budget gap of £97m. That was to be balanced through the additional funding announced in the Finance Settlement, other budget cuts and the proposed use of the 3% Adult Social Care precept. A breakdown of the budget cuts to be made was included in the report:

Table 1 – savings proposals	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	Total £'000	Indicative FTE reduction
Adults Services	11,597	3,326	3,477	0	18,400	0.0
Children Services	12,359	(152)	(1,309)	100	10,998	14.0
Homelessness	2,335	0	0	0	2,335	7.0
Neighbourhoods (Incl. Highways)	6,683	493	100	100	7,376	2.0
Growth and Development	2,024	591	604	(905)	2,314	22.4
Corporate Core	5,719	562	0	0	6,281	115.6
Total Savings Options	40,717	4,820	2,872	(705)	47,704	161.0

The budget being put forward had a total funding requirement of £637.304m, compared to the funding requirement in 2020/21 of £661.125m. The revised budget for 2020/21 now stood at a total of £859.289. The comparison of the budgets being

Table 2 – Budget Comparisons	Original Budget 2020/21 £'000	Revised Budget 2020/21 £'000	Proposed 2021/22 £'000
Resources Available			

Table 2 – Budget Comparisons	Original Budget 2020/21 £'000	Revised Budget 2020/21 £'000	Proposed 2021/22 £'000
Business Rates Related Funding	339,547	514,696	155,537
Council Tax	174,465	174,465	176,857
Grants and other External Funding	66,642	131,823	120,243
Dividends	15,810	900	0
Use of Reserves	69,661	37,405	184,667
Total Resources Available	666,125	859,289	637,304
Resources Required			
<i>Corporate Costs:</i>			
Levies / Statutory Charge	71,327	67,851	66,580
Contingency	860	300	4,719
Capital Financing	44,507	44,507	39,507
Transfer to Reserves	18,263	199,474	1,557
<i>Sub Total Corporate Costs</i>	<i>134,957</i>	<i>312,132</i>	<i>112,363</i>
<i>Directorate Costs:</i>			
Additional Allowances and other pension costs	9,580	9,066	9,066
Insurance Costs	2,004	2,004	2,004
Inflationary Pressures and budgets to be allocated	10,271	970	3,230
Directorate Budgets	509,313	535,117	510,641
<i>Subtotal Directorate Costs</i>	<i>531,168</i>	<i>547,157</i>	<i>524,941</i>
Total Resources Required	666,125	859,289	637,304
Shortfall / (surplus)	0	0	0

This budget was based on the assumption that the Council's element of Council Tax would increase by 1.99% along with a further 3% specifically for adult social care. When the Greater Manchester Council Tax precept increases were added to the Council's own the total increase for Manchester's Council Tax Payers was anticipated as being 4.7%.

The assumption for the council tax collection rate was 94.5%. This was reduced from 2020/21 as a result of the reduced collection being experienced due to the pandemic.

The details of the business rate calculations, forecasts and assumptions were set out in the report, as well as the financial changes arising from the business rate related grants and funding the government had provided to support businesses, and the reliefs provide to business badly affected by the measures to control the COVID-19 pandemic.

The report provided a breakdown of the other non-ringfenced grants and contributions included in the budget. The most significant grants and contributions were described in detail in the report.

Table 3 - Other Non-Ringfenced Grants and Contributions	2021/22 £'000
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Table 3 - Other Non-Ringfenced Grants and Contributions	2021/22 £'000
Better Care Fund (Improved)	30,815
Children's and Adult's Social Care Grant	23,877
Lower Tier Services Grant	1,236
New Homes Bonus	8,330
Contribution from MHCC	4,000
GMCA Rebate	0
Education Services Grant	1,200
Housing Benefit Admin Subsidy	2,514
Fortuitous Income (one off)	0
R&B additional grants (New Burdens)	0
Council Tax Support Admin Subsidy	856
Care Act Grants	95
Business Rates Returned Levy	
COVID 19 Emergency funding	22,229
Local Council Tax Support grant	5,709
COVID grant for Sales, fees and charges losses	4,481
Loan Income from Airport	14,901
Total Non Ring-fenced Grants	120,243

Use of reserves to support the corporate revenue budget was £34.461m in 2020/21 and was proposed to be £187.141m in 2021/22. The report noted that the 2021/22 amount included £139.075m relating to Business Rates Section 31 grant for Extended Retail relief.

No new Airport Dividend from the Manchester Airport Group was being budgeted for in 2021/22. Likewise, no dividend income was being budgeted for Manchester Central, NCP Manchester Central, and Manchester Piccadilly. The report explained the plan to utilise the 2020/21 closing balance of the Airport Dividend Reserve over the next three years.

The report then went on to examine the use of resources and the proposed revenue expenditure by the Council in 2021/22. The forecast of levy payments the Council would have to make to other authorities in 2021/22 was:

Table 4 – Levy Payments to other Bodies	Proposed 2021/22 £'000
Transport Levy	37,525
GM Waste Disposal Authority	28,731
Environment Agency	230
Probation (Residual Debt)	7
Magistrates Court (Residual Debt)	9
Port Health Authority	78
Statutory Charge to GMCA	0
Net Cost of Levies	66,580

Although included within the table of levies, the Waste Levy was administered by the Neighbourhoods Directorate and would be included within the Directorate's budget.

A contingency provision of £4.719m was being proposed, including:

- £1.254m in relation to risks around the waste levy and collection;
- a £2.8m contingency until the pay negotiations for local government employees had been concluded; and
- £0.6m as an unallocated contingency to meet future unforeseen expenses.

The proposed Insurance costs of £2.004m related to the cost of external insurance policies as well as contributions to the insurance fund reserve for self-insured risks.

The capital financing budget of £39.507m was to cover the costs of borrowing. In 2021/22 that was forecast to include:

- interest costs of £22.8m;
- interest receivable of £43.9m;
- Minimum Revenue Provision (MRP) of £31.1m, being the provision for the repayment of debt incurred to fund an asset, spread over the useful economic life of the asset;
- Debt Management Expenses of £3.5m; and
- contributions to the Capital Fund Reserve of £26.0m.

Specific transfers to reserves of £1.557m were being proposed in 202/22, and those were explained in the report.

Allowances of £9.066m had also been made for retired staff and teachers' pensions to meet the cost of added-years payments awarded to former employees.

The report explained the main assumptions that had been made when calculating provision to be made for inflation and other anticipated costs. These could not, at this point in time, be allocated to Directorate or other budgets. They would instead be allocated throughout the coming year. The total provision being proposed was £3.23m, broken down into:

Table 5 – Inflationary Pressures to be Allocated	2021/22 £'000
Non-Pay Inflation	1,981
Pay Inflation	0
Pension Contribution	0
Apprenticeship Levy 0.5%	999
Further pressures including Domestic Violence Prevention	0
Digital City work	250
Electricity and gas savings	
Contribution to Cemeteries Reserve	0
Total	3,230

Not included in these figures was the allocation relating to the Health and Social Care pooled budget as they had been included within Adult Social Care cash-limit budget: £1.9m for the National Living Wage and £1.6m for non-pay inflation.

The report explained that the Council holds a number of reserves, all of which, aside from the General Fund Reserve, had been set aside to meet specific future expenditure or risks. A fundamental review of all the reserves held had been carried out as part of the budget setting process. The reserves include:

- Reserves that have been identified to directly support the proposed budget position as part of the Council's risk management approach or where it is appropriate to meet corporate costs.
- Statutory reserves – such as the Bus Lane and Parking Reserves, where the use of these monies is defined in statute
- PFI Reserves – held to meet costs across the life of the PFI schemes
- Reserves to offset risk and manage volatility such as the Insurance Fund Reserve
- Reserves held to support capital schemes
- Reserves to support economic growth and public sector reform
- Grants and contributions which fall across more than one year – following local authority accounting standards these are held in a reserve
- Schools reserves – direct schools funding which the Council cannot utilise

The report set out the planned use of reserves in 2021/22 to support revenue expenditure. It also explained the statutory requirement to place income generated from on-street parking and bus lane enforcement into separate reserves. These reserves could only be used to fund certain types of highway and environmental improvements, and provided there was no requirement for the Council to provide additional off street parking or for financial support to existing off street parking. The expected balance on these reserves at the 1 April 2021 was £11.573m. It was estimated that £10.174m would be added to these reserves during 2021/22 and £5.092m used to support the transport levy and £4.694m to fund eligible spend with the Neighbourhoods directorate. This would leave a balance of £11.961m at the year-end.

The total planned use of reserves was:

Table 6 – Planned use of Reserves	2021/22 £'000
Reserves directly supporting the revenue budget:	
COVID-19 Emergency Funding tranche 1	
Business Rates Reserve	155,633
Budget smoothing reserve	11,266
Bus Lane (supporting Transport Levy)	5,092
Capital Fund - Supporting the revenue budget	7,763
Airport Dividend Reserve	4,913
Sub Total reserves directly supporting the revenue budget	184,667
Smoothing prior to mainstreaming in 2022/23	
Anti Social Behaviour Team	540
Social care Reserve – to fund investment into Children's Social Care	7,446
Adult Social Care - to fund investment into the Improvement Plan	6,150
Our Manchester Reserve	2,802
Sub Total to be mainstreamed	16,938
Bus Lane and Parking reserves	4,694
Other Statutory Reserves	308

Table 6 – Planned use of Reserves	2021/22 £'000
Balances Held for PFI's	349
Reserves held to smooth risk / assurance:	
Transformation Reserve	333
Other Reserves held to smooth risk / assurance	6,717
Reserves held to support capital schemes:	
Capital Fund	13,137
Investment Reserve	1,819
Manchester International Festival Reserve	1,060
Eastlands Reserve	5,248
Enterprise zone reserve	1,061
Other reserves held to support capital schemes	0
Reserves held to support growth and reform:	
Clean City Reserve	0
Better Care Reserve	3,375
Town Hall Reserve	3,075
Other Reserves to support growth and reform	1,150
Direct grants for Grants COVID-19 responsibilities	12,588
Grants and Contributions used to meet commitments over more than one year	1,958
Small Specific Reserves	671
School Reserves	0
	259,149

The report set out the purpose of these and Appendix 3 of the report showed the annual movement and projected balances to April 2025. Earmarked reserves were forecast to reduce from £349m to £98m.

The proposals for the Directorates' cash limit budgets were detailed in the Directorate Budgets 2021/22 reports that were also being considered at the meeting (Minute Exe/21/22 to 21/27 below). The overall position was:

Table 7 – Directorate Budgets	Gross Budget 2021/22 £'000	Net Budget 2021/22 £'000
Children's	509,879	118,761
Health and Social Care Pooled Budget contribution for ASC	273,383	218,911
Adult Social Care - services out of scope of Pooled Budget	7,781	4,856
Homelessness	56,087	27,495
Corporate Core	323,773	65,501
Neighbourhoods	168,588	64,535
Growth and Development	58,508	10,582
Total	1,397,999	510,641

The report explained that the budget proposals would have a direct workforce impact. In order to support the delivery of the required budget there was a need to deliver

savings of £5.442m from the workforce. This required an indicative FTE reduction of 161 positions, split between vacant and occupied posts. This was an indicative FTE reduction and the exact number and split between vacant and occupied posts was to be determined as the workforce savings proposals were implemented. The detailed proposals were set out within the individual Directorate Budget Reports elsewhere on the agenda for this meeting.

To support the achievement of the workforce savings an Efficiency Early Release Scheme (comprising Efficiency Severance and Early Retirement) had been approved by Personnel Committee in November 2020 (Minute PE/20/22). The scheme had now closed. The success of that scheme would be dependent on the numbers of staff accepting their severance offers and the ability of the organisation to facilitate workforce movement where required.

The summary of the workforce implications and staff reductions was:

Table 8 – Workforce Implications	2020/21 Posts	2020/21 Saving Proposals Gross FTE Impact (Indicative)					
		Vacant Posts		Occupied Posts		Total	
	FTE	FTE	£'000	FTE	£'000	FTE	£'000
MHCC Pooled Budget	1,529.11	0.0	0	0.0	0	0.0	0
Adult Social Care – Services out of scope of Pooled Budget	52.50	0.0	0	0.0	0	0.0	0
Homelessness	276.00	3.0	89	4.0	159	7.0	248
Children and Education Services	1,316.00	8.5	191	5.5	247	14.0	438
Corporate Core	1,733.25	53.8	1,978	61.8	2,015	115.6	3,993
Neighbourhoods (including Highways)	1,470.00	0.0	0	2.0	64	2.0	64
Growth and Development	650.40	22.4	699	0.0	0	22.4	699
Total	7,027.26	87.7	2,957	73.3	2,485	161.0	5,442

Decisions

1. To note that the financial position has been based on the Final Local Government Finance Settlement announced on 4 February together with any further announcements at that date.
2. That the resources available to the Council are utilised to support the financial position to best effect, including use of reserves and dividends; consideration of the updated Council Tax and Business Rates position; the financing of capital investment, and the availability and application of grants (including Covid-19 allocations).
3. To note the anticipated financial position for the Authority for the period of 2020/21 to 2021/22 which is based on all proposals being agreed.
4. Note that the Capital Strategy and Budget 2020/21 to 2024/25 have been presented alongside this report (Minute Exe/21/xxx below).

6. To note the Deputy Chief Executive and City Treasurer's review of the robustness of the estimates and the adequacy of the reserves. This is covered in the previous report (Minute Exe/21/xx above).
7. To recommend that the Council approve, as elements of the budget for 2021/22:
 - a. an increase in the basic amount of Council Tax (i.e., the Council's element of Council Tax) by 1.99%. The Council has consulted on the 3% Adult Social Care precept increase. If agreed, it is proposed to prioritise this resource to support care budget pressures and notably the impact of COVID-19 on care for residents both to support new and increased needs and complexity.
 - b. the contingency sum of £1.854m.
 - c. corporate budget requirements to cover levies/charges of £66.731m, capital financing costs of £39.507m, additional allowances and other pension costs of £9.066m and insurance costs of £2.004m.
 - d. the inflationary pressures and budgets to be allocated sum of £3.671m; and delegate the final allocations to the Deputy Chief Executive and City Treasurer in consultation with the Executive Member for Finance and Human Resources. The health and social care elements of these costs have already been included in the Pooled Budget. The use of these budgets will be agreed with the Manchester Partnership Board, which has representation from all key partners, along with identifying whether any more formal approvals are required in line with the Council's key decision thresholds.
 - e. the estimated utilisation of £9.786m in 2021/22 of the surplus from the on-street parking and bus lane enforcement reserves, after determining that any surplus from these reserves is not required to provide additional off-street parking in the authority.
 - f. the planned use of, and movement in, reserves as identified in the report, subject to the final call on reserves after any changes are required to account for final levies etc.
8. To delegate authority to the Deputy Chief Executive and City Treasurer and Chief Executive to agree the use of the Adult Social Care Reserve in consultation with the Executive Members for Finance and Human Resources and Adult, Health and Wellbeing and the Chief Executive of the MLCO.
9. To delegate authority to the Deputy Chief Executive and City Treasurer and Chief Executive to agree the use of the Social Care Reserve in consultation with Executive Members for Finance and Human Resources and Children's Services

10. To approve the gross and net Directorate cash limits as set out in Table 7 above.
11. To approve the in-principal contribution to the Health and Social Care Pooled Budget, and subject to the future approval of a new S75 Agreement.
12. To delegate authority to the Deputy Chief Executive and City Treasurer and Chief Executive in consultation with the Executive Member for Finance and Human Resources and the Leader of the Council to draft the recommended budget resolution for budget setting Council in accordance with the legal requirements outlined in this report and to take into account the decisions of the Executive and any final changes and other technical adjustments.
13. To note that there is a requirement on the authority to provide an itemised council tax bill which, on the face of the bill, informs taxpayers of that part of any increase in council tax which is being used to fund adult social care; and to provide specific information about the purpose of the council tax increase in the information supplied with demand notices,
14. To approve, in principle, implementation of any new business rate reliefs in 2021/22 or changes as announced by Government in the Chancellor's Spring Budget on 3 March, which will increase the relief offering to businesses, noting that the business rates bills will not be issued until after the Spring Budget announcement and any changes have been actioned.
15. To recommend that the Council approve and adopt the budget for 2021/22.

Exe/21/22 Children and Education Services Budget 2021/22

The report of the Strategic Director explained how the budget proposals for the Directorate had been developed and subjected to analysis by Scrutiny Committees over the previous months. Possible budget saving proposals had been put forward in November and refined and modified in response to the views of councillors and other stakeholders.

For 2021/22 the total of identified savings was £12.359m. There was confidence that those were deliverable. The savings were detailed in the report and listed in the appendix to the report. The options developed by officers had reflected the Directorate's budgetary approach:

- Options for cost avoidance and those associated with the delivery of services to children with high/complex needs through transforming services and increasing the range and choice of placements (sufficiency)
- Options to accelerate the pace and ambition of collaboration with partners
- Options which aim to remove duplication and develop a shared understanding of how services could deliver tasks effectively and efficiently. These include options for service reductions which would enable the Directorate to deliver a balanced budget whilst enabling the Council to meet its statutory duties
- Options for income generation

Having applied the proposed savings, and other changes needed to deal with new demands within the directorate, the net budget for the Directorate was:

	2020/21 Budget £'000	Approved savings £'000	Other Changes £'000	2021/22 Budget £'000
Children's Safeguarding	110,073	-10,220	5,753	105,606
Education	17,466	-1,929	274	15,811
Core and Back Office	4,689	-210	0	4,479
Total	132,228	- 12,359	6,027	125,896

It was noted that the Directorate Budget report had also been considered at a recent meeting of the Children and Young People Scrutiny Committee where the committee expressed its concerns about the Council's financial position and the impact on the Directorate budget (Minute CYP/21/08).

Decision

To approve the Directorate budget proposals as set out in the report.

Exe/21/23 Adult Social Care and Population Health Budget 2021/22

A report by the Strategic Director explained that for 2021/22, the budget plan for Adult Social Care was to be essentially part of the Manchester Local Care Organisation (MLCO) Operational Plan. The MLCO Operating Plan for 2021/22 was currently in development, with a final draft of the plan expected by the end of April 2021. The MLCO Operating Plan for 2021/22 would comprise:

- an overarching organisation-wide Operating Plan for 2021/22;
- 13 INT service plans;
- service plans for the specialist community (health and social care) services provided to the residents of Manchester that would interact with, but may be delivered on a wider scale than in our neighbourhoods, such as specialist podiatry services or our citywide equipment services; and
- a financial strategy and budget plan for 2021/22.

The priorities within the plan were to be:

- A population health driven approach to service planning and delivery; supporting prevention programmes to improve the health of the people of Manchester
- Consolidating and strengthening our neighbourhood approach; supporting our 12 Integrated Neighbourhood Teams (INTs) to make an impact on their communities and continuing to integrate the operations of our community health and social care teams
- Continue to design and deliver safe, effective and efficient services to people in our communities
- Mobilising primary care leadership at the heart of the MLCO; formalising the governance between primary care and MLCO to ensure joint working with the new Primary Care Networks

- Playing a lead role in system resilience; helping people get the right care in the right place with a community first ethos
- Deliver the agreed phased approach to the increasing scope of the MLCO as an integrated health and care organisation; delivering public service reform in the place

The report examined the elements of the Council's own budgets that were within and outside of the pooled budget arrangements for the MLCO. The key changes and pressures that had been addressed in 2021/22 were set out, as were the savings proposals where such had been possible. The overall budget was therefore:

Service Area	2020/21 Net Budget £'000	Approved Net Savings £'000	Other Changes £'000	2021/22 Net Budget £'000
Localities	8,494	0	812	9,306
Reablement	5,361	1,421	0	6,782
Learning Disability	70,216	-5,006	1,090	66,300
Mental Health	27,111	0	0	27,111
Other Care	47,544	-2,512	9,182	54,214
Public Health	39,717	0	1,832	41,549
Commissioning	11,442	0	-5,688	5,755
Specialist and support services	3,686	-5,500	2,961	1,148
Demography, Inflation and National Living Wage	2,576		6,321	8,897
Pooled Budget	216,147	-11,597	16,511	221,061
Asylum	57	0	0	57
Voluntary & Community Sector	2,097	0	0	2,097
Safeguarding	2,702	0	0	2,702
Other ASC	4,856	0	0	4,856
Total	221,003	-11,597	16,511	225,917

It was noted that the budget report had also been considered at a recent meeting of the Health Scrutiny Committee and the committee had endorsed the proposals in the report (Minute HSC/21/09).

Decision

To approve the Directorate budget proposals as set out in the report.

Exe/21/24 Neighbourhoods Directorate Budget 2021/22

The report of the Strategic Director explained how the budget proposals for the Directorate had been developed and subjected to analysis by Scrutiny Committees over the previous few months. Possible budget saving proposals had been put forward in November and refined and modified in response to the views of councillors and other stakeholders. The Neighbourhoods Directorate had identified savings of

£7.376m which would require a staffing reduction of 2 FTE. Due to the lead in time involved in some of the changes that £7.376m would be phased over the period 2021/22- 2024/25, with an initial £6.683m being delivered in 2021/22. Each of the proposed savings was described in the report and a schedule of all the savings was appended to the report. Other changes and investments needed were also set out in the report. Taken together, the budget proposals were:

Service Area	2020/21 Net Budget £'000	Approved Savings £'000	Investment and other changes £'000	2021/22 Net Budget £'000
Compliance	8,581	(301)	357	8,637
Community Safety	2,322	0	0	2,322
Libraries, Galleries and Culture	9,316	0	51	9,367
Management and Directorate Support	1,120	0	0	1,120
Neighbourhood Teams	2,627	0	0	2,627
Other Neighbourhoods	455	0	0	455
Parks, Leisure, Youth and Events	7,563	(127)	1,718	9,154
Operations and Commissioning	18,730	(1,660)	903	17,973
Waste Disposal Levy	30,051	0	(1,320)	28,731
Highways Service	14,738	(4,595)	2,836	12,979
Total	95,503	(6,683)	4,545	93,365

One of the proposals in the budget report was to avoid £110,000 of future costs by withdrawing the operating subsidy to the Wythenshawe Indoor Market. It was proposed that the indoor market be closed, and that support be offered to the traders to access alternative sites in the outdoor market or elsewhere within the City. The meeting was addressed by Councillor Newman, a Woodhouse Park Ward councillor, who spoke against this proposed saving. Councillor Newman explained the importance of the indoor market as an iconic feature of the town's centre. Closure of the market at the end of March 2021 would be a blow to the morale of the members of the local community who, like many others in the city, have suffered many hardships and difficulties throughout the pandemic. He asked if the Executive would consider continuing the subsidy for a further six months to allow time for the local councillors and the council's staff to work with the traders and the Wythenshawe Town Centre managers to develop a plan to ensure the financial sustainability of the market.

In response to this the Deputy Chief Executive and City Treasurer explained that the Government had recently announced that the Council was to receive a further £50,000 of New Burdens funding that had not been anticipated, and the application of that money would release the funds from elsewhere to allow the market subsidy to continue for six months. The Executive was therefore happy to support Councillor Newman's request and to recommend the appropriate adjustment be made to the Neighbourhoods Directorate budget.

It was noted that the Directorate Budget had also been considered at a recent meeting of the Communities and Equalities Scrutiny Committee (Minute

CESC/21/08), and also at a meeting of the Neighbourhoods and Environment Scrutiny Committee (Minute NESC/21/09). The views of each committee were noted.

Decision

To approve the Directorate budget proposals as set out in the report, amended to include the addition of the funds to allow the Wythenshawe Indoor Market subsidy to continue until the end of September 2021.

Exe/21/25 Homelessness Directorate Budget 2021/22

The report of the Director explained how the budget proposals for the Directorate had been developed and subjected to analysis by Scrutiny Committees over the previous few months. Possible budget saving proposals had been put forward in November and refined and modified in response to the views of councillors and other stakeholders. the Homelessness savings proposals would deliver £2.335m in 2021/22. Each of the proposed savings was described in the report and a schedule of all the savings was appended to the report. Other changes and investments needed were also set out in the report. Taken together, the budget proposals were:

Service Area	2020/21 Net Budget £'000	Approved savings £'000	Other changes £'000	2021/22 Net Budget £'000
Singles Accommodation	1,676	(1,400)	5,656	5,932
B&B's	3,974		0	3,974
Families Specialist Accommodation	299	(51)	0	248
Dispersed Temporary Accommodation	3,586	0	1,937	5,523
Homelessness Management	757	(197)	0	560
Homelessness Assessment & Caseworkers	2,629	0	173	2,802
Homelessness PRS & Move on	792	0	0	792
Rough Sleeper Outreach	397	0	0	397
Tenancy Compliance	201	0	0	201
Commissioned Services	1,210	(687)	6,543	7,066
Total	15,521	(2,335)	14,309	27,495

It was noted that the Directorate Budget report had also been considered at a recent meeting of the Neighbourhoods and Environment Scrutiny Committee and the committee had endorsed the budget proposals (Minute NESC/21/10).

Decision

To approve the Directorate budget proposals as set out in the report.

Exe/21/26 Growth and Development Directorate Budget 2021/22

The report of the Strategic Director explained how the budget proposals for the Directorate had been developed over the previous few months, and subjected to analysis by Scrutiny Committees. Possible budget saving proposals had been put forward in November and refined and modified in response to the views of councillors and other stakeholders. The Directorate had identified proposed budget reductions of £2.314m. Those would involve a staffing reduction of 22 FTE. Due to lead in time around required investments and timing on the ability to exit some contracts and leases, the £2.314m would be phased over the period 2021/22- 2024/25, with an initial £2.024m being delivered in 2021/22. Each of the proposed savings was described in the report and a schedule of all the savings was appended to the report. Other changes and investments needed were also set out in the report. Taken together, the budget proposals were:

Service Area	2020/21 Net Budget £'000	Approved savings £'000	Investment and other changes £'000	2021/22 Net Budget £'000
City Centre Regen	1,234	0	2,000	3,234
Strategic Development	164	0	0	164
Facilities Management	9,687	(270)	0	9,417
Housing and Residential Growth	1,445	(190)	(100)	1,155
Operational Property	8,145	(646)	(1,000)	6,499
Planning, Building Control and Licensing	(588)	(393)	751	(230)
Investment Estate	(11,904)	(375)	2,999	(9,280)
Work and Skills and MAES	1,773	(150)	0	1,623
Total	9,956	(2,024)	4,650	12,582

At the meeting it was explained that the proposed saving of £393,000 from Planning and Building Control was linked to a review and restructuring of that service. That review was underway and so the actual extent of the savings that could be achieved would depend on that outcome of that work. The budget being proposed in the report might therefore need to be amended during the year to take account of this.

It was noted that the Directorate Budget report had also been considered at a recent meeting of the Economy Scrutiny Committee and the committee had endorsed the proposals in the report (Minute ESC/02/11).

Decision

To approve the Directorate budget proposals as set out in the report.

Exe/21/27 Corporate Core Budget 2021/22

The report of the Strategic Director explained how the budget proposals for the Directorate had been developed over the previous few months, and subjected to analysis by Scrutiny Committees. Possible budget saving proposals had been put forward in November and refined and modified in response to the views of councillors and other stakeholders. The Core Directorate had identified proposed budget reductions of £6.281m which would involve a staffing reduction of 115.1 FTE. As part of advance preparation for the proposed budget reductions, and the need to reduce staff numbers, services had not been recruiting unless the post was considered to be essential. There were currently 54 vacancies identified as being able to contribute towards the overall staff reduction. The report described each of the proposed savings and staffing reductions in detail. It also set out the other changes that had been made as part of developing the overall budget plan for the next year. Taken together the proposed budget was:

Subjective Heading	2020/2021 Budget £'000	2021/2022 Budget £'000
Expenditure:		
Employees	76,149	72,037
Running Expenses	237,185	241,517
Capital Financing Costs	-	-
Contribution to reserves	10,501	10,219
Total Subjective Expenditure	323,835	323,773
Less:		
Other Internal sales	(15,601)	(15,601)
Gross Expenditure	(15,601)	(15,601)
Income:		
Government Grants	(184,309)	(184,322)
Contributions from Reserves	(3,619)	(9,229)
Other Grants Reimbursements and contributions	(5,036)	(5,041)
Customer and Client Receipts	(32,189)	(30,985)
Other Income	(11,797)	(11,797)
Total Net Budget	71,284	66,798

At the meeting it was announced that a further saving was going to be sought through reductions in the allowances and expenses paid to some councillors. The desire was to suspend the expenses payments to the Deputy Lord Mayors for a period of three years, and also to suspend for three years the Special Responsibility Allowances (SRA) for two Executive Members, two Assistant Executive members, and the Deputy Chair of the Planning and Highways Committee. It was also desired that the SRA payments that applied to roles within the Opposition Group on the Council should be reduced from three to one. If those changes were made then there would be further savings to be applied to the Corporate Core budget on top of those already being proposed in the report.

It was noted that the Directorate Budget report had also been considered at a recent meeting of the Resources and Governance Scrutiny Committee and the committee had endorsed the proposals in the report (Minute RGSC/21/11).

Decision

To approve the Directorate budget proposals as set out in the report, and to recommend that the Council considers how to secure additional savings from councillors' expenses and allowances.

Exe/21/28 School Budget 2021/22

Dedicated School Grant (DSG) is a ring fenced grant of which the majority is used to fund individual schools' budgets in maintained schools and academies in the city, early-years nursery entitlement and provision for pupils with high needs, including those with Education Health & Care Plans (EHCPs) in special schools, special provision and mainstream schools in Manchester and out of city.

A report submitted by the Strategic Director for Children and Education Services explained how the allocated DSG was distributed across the schools and supported establishments in Manchester.

The report explained that for 2021/22 the DSG would be made up of four blocks: schools block, early years block, high needs block and central services schools block. It was reported that Manchester was to receive a total DSG of £602.626m. The overall increase in grant compared to 2020/21 was £42.477m. The most significant elements of that increase were

- £10.611m increase in the school block
- £9.184m uplift in the high needs block
- £19.498m for the transfer of the Teacher's Pay Grant and Teacher's Pension Grants into the DSG

The breakdown of the DSG in 2021/22, compared to 2020/21 would be:

	Schools £m	Central School Services Block £m	High Needs £m	Early Years £m	Total £m
Retained School	2.392	3.661	30.188	1.262	37.503
Individual School	423.552	0	58.939	40.155	522.646
DSG 2020/21	425.944	3.661	89.127	41.417	560.149
Retained School	1.100	3.902	33.884	1.569	40.455
Individual School	455.100	0	66.699	40.372	562.171
DSG 2021/22	456.200	3.902	100.583	41.941	602.626

It was noted that the Schools Budget report had also been considered at a recent meeting of the Children and Young People Scrutiny Committee where the committee expressed its concerns about the Council's financial position and the impact on the education budgets (Minute CYP/21/09).

Decision

To approve the schools' budget proposals as set out in the report.

Exe/21/29 Housing Revenue Account 2021/22 to 2023/24

Councillor Midgely declared a personal interest in this item of business, knowing an employee of Northwards Housing.

A joint report by the Strategic Director (Growth and Development) and Deputy Chief Executive and City Treasurer presented the proposed budget for the Housing Revenue Account (HRA) for 2021/22 and indicative budgets for 2022/23 and 2023/24.

The report set out the requirements placed on the Council with respect to the HRA budget:

- the Council had to formulate proposals for income and expenditure for the financial year which sought to ensure that the HRA would not show a deficit balance;
- to keep a HRA in accordance with proper practice to ensure that the HRA is in balance taking one year with another; and
- the HRA must, in general, balance on a year-to-year basis so that the costs of running the Housing Service must be met from HRA income.

Under a variety of arrangements, the Council owns and manage around 15,500 properties within the HRA. The arrangements included PFI schemes and the stock managed by either Northwards Housing or other Registered Social Landlords. During 2020/21 the Council was anticipating selling around 80 properties under the Right to Buy scheme.

Included in the report was the forecast for the HRA in 2020/21 to have an in-year surplus of £5.148m, compared to the original balanced budget set in 2020 (Minute Exe/20/18). The main reasons for that variation were explained in the report. They were mainly due to underspending on the revenue contributions to capital outlay (RCCO).

In 2020/21 the Government had allowed local authorities to increase rents by a maximum of the Consumer Prices Index (CPI) plus 1%. That provision was to continue up to 2024/25. The CPI at September 2020 had been 0.5% so the report proposed that tenants' rents for all properties should increase by 1.5% in April 2021.

Gas for the communal heating systems was sourced as part of the City Council's overall gas contract. The existing wholesale gas contract expired shortly, and latest prices indicated that the current wholesale gas price would reduce by 10% with effect from April 2021. Therefore, in order to ensure that the costs of gas used were recovered through the tariffs charged for tenants and residents on a scheme-by-scheme basis, it would be necessary to vary the current heating charges by between +5% and -20%. Appended to the report was a complete schedule of proposed heating tariffs for pay by rent and pay by prepayment card, showing the percentage change for 2021/22. More than half the properties involved would see their gas heating charge decrease, with the average being around a 5% reduction.

Given that a change in the control of the housing stock currently being managed by Northwards Housing was being considered (Minute Exe/21/15) it was felt that the Management Fee for Northwards should continue at the level agreed in 2020/21.

In order to ensure that the increase applied to garage rents remained in line with that applied to dwelling rents, it was proposed that 2021/22 garage rents be increased by 1.5%, which would see an increase in the rental of between 3p and 7p per week. The charges being:

Table 1 – Garage Rents	Weekly Charge 2020/21	Weekly Charge 2021/22	Weekly Increase
Site Only	£1.90	£1.93	£0.03
Prefabricated	£4.22	£4.28	£0.06
Brick Built	£4.96	£5.03	£0.07

The report also explained the other key changes in the HRA budget for 2021/22, and the full budget was presented as set out below.

Table 2 – the HRA Budget	2020/21 (Forecast) £000	2021/22 £000	2022/23 £000	2023/24 £000
Income				
Housing Rents	(61,027)	(61,617)	(62,813)	(64,034)
Heating Income	(623)	(533)	(543)	(554)
PFI Credit	(23,374)	(23,374)	(23,374)	(23,374)
Other Income	(984)	(1,132)	(1,107)	(1,083)
Funding (from)/to General HRA Reserve	5,148	(16,494)	(15,448)	4,952
Total Income	(80,860)	(103,150)	(103,285)	(84,093)
Expenditure				
R&M & Management Fee	21,097	25,415	24,170	23,368
PFI Contractor Payments	34,084	32,476	33,054	32,303
Communal Heating	607	532	542	553
Supervision and Management	5,391	5,254	5,319	5,356
Contribution to Bad Debts	547	930	1,264	1,611
Depreciation	17,378	18,435	18,602	18,790
Other Expenditure	1,393	1,105	931	949
RCCO	(2,416)	16,241	16,673	(1,539)
Interest Payable and similar charges	2,779	2,762	2,730	2,702
Total Expenditure	80,860	103,150	103,285	84,093
Total Reserves:				
Opening Balance	(111,871)	(117,019)	(100,525)	(85,077)
Funding (from)/to Revenue	(5,148)	16,494	15,448	(4,952)
Closing Balance	(117,019)	(100,525)	(85,077)	(90,029)

It was noted that an earlier version of the HRA budget report had also been considered at a meeting of the Resources and Governance Scrutiny Committee in January where the committee had noted the proposals in the report (Minute RGSC/21/05).

Decisions

1. To note the forecast 2020/21 HRA outturn as set out in the report.
2. To approve the 2021/22 HRA budget as set out above and note the indicative budgets for 2022/23 and 2023/24.
3. To approve the proposed 1.5% increase to dwelling rents, and to delegate authority to set individual property rents to the Director of Housing and Residential Growth and the Deputy Chief Executive and City Treasurer, in consultation with the Executive Member for Housing and Regeneration and the Executive Member for Finance and Human Resources.
4. To approve the proposal that where the 2021/22 rent is not yet at the formula rent level, the rent is revised to the formula rent level when the property is re-let.
5. To approve the proposed 2021/22 changes for communal heating charges as detailed in the report.
6. To approve the proposals for 2021/for the 22 Northwards management fee as set out in the report.
7. To approve the proposed increase in garage rental charges as set out above.

Exe/21/30 Capital Strategy and Budget 2020/21 to 2024/25

Councillor Midgely declared a personal interest in this item of business, knowing an employee of Northwards Housing.

Consideration was given to the report submitted by the City Treasurer. The report presented the capital budget proposals before their submission to the Council.

The capital programme 2020/21 to 2024/25 comprised the continuation of the existing programme. For continuing schemes, the position was based on that set out in the report on Capital Programme Monitoring 2020/21, also being considered at this meeting (Minute Exe/21/19 above).

Also included were those future projects which were considered likely to be brought forward, subject to the submission of a successful business case. For any project seeking capital expenditure approval a business case must be drafted, covering:

- how the project links to the City Council's strategic priorities, social value, and any statutory requirements;
- what economic value the project will provide to the City, including social value;
- funding model, with evidence of cost and capital and revenue implications;
- timescale for delivery and identification of risks to the project, including legal issues; and
- what the project will achieve, and the benefits that will be realised.

Details on the projects within the programme were set out in the report and the full list of the proposed projects was appended to the report.

If agreed, then the proposals contained in the report would create a capital programme of £479.6m in 2021/22, £331.8m in 2022/23, £135.1 in 2023/24 and £36.3m in 2024/25. A summary of the programme was:

Table 1 – Summary Programme	2020/21 budget £m	2021/22 budget £m	2022/23 budget £m	2023/24 budget £m	2024/25 budget £m	Total £m	Total 21/22- 24/25 £m
Highways	53.0	63.6	2.7	2.2	0.0	121.5	68.5
Neighbourhoods	10.4	30.0	29.9	13.4	0.0	83.7	73.3
Growth	87.6	152.1	80.9	33.1	0.0	353.7	266.1
Town Hall Refurbishment	34.6	63.6	88.2	57.5	36.2	280.1	245.5
Housing – General Fund	13.9	18.8	11.2	12.7	0.1	56.7	42.8
Housing – HRA	16.1	40.2	45.5	3.2	0.0	105.0	88.9
Children’s Services (Schools)	37.2	39.0	44.9	0.0	0.0	121.1	83.9
ICT	3.8	8.8	12.9	7.7	0.0	33.2	29.4
Adults, Children’s and Corporate Services	115.6	63.5	15.6	5.3	0.0	200.0	84.4
Total Programme	372.2	479.6	331.8	135.1	36.3	1,355.0	982.8

The proposed funding for the programme in 2021/22 was:

Table 2 – Funding in 2021/22	Housing Programmes		Other Programmes	Total
	HRA	Non-HRA		
	£m	£m	£m	£m
Borrowing	0.0	0.7	257.8	258.5
Capital Receipts	1.6	3.3	25.1	30.0
Contributions	0.0	0.4	36.4	36.8
Grant	1.8	10.4	97.4	109.6
Revenue Contribution to Capital Outlay	36.8	0.0	7.9	44.7
Total	40.2	14.8	424.6	479.6

The revenue budget proposals set out in the report on the Revenue Budget 2021/22 included provision to finance this level of borrowing (Minute Exe/21/21 above).

The report explained that a number of schemes which had been developed and were ready for inclusion in the capital programme. Support was given for five capital budget changes. Taken together these schemes would increase the capital

Programme by £0.186m in 2020/21 and by £32.495m in 2021/22, funded by external contributions and government grant. Approval was given to:

- Highways: City Centre (Triangle) Active Travel Fund Scheme – a capital budget increase of £4.0m in 2021/22.
- Highways: Wythenshawe Active Travel Fund Scheme - a capital budget increase of £1.5m in 2021/22.
- Growth: Public Sector Decarbonisation Scheme - a capital budget increase of £0.041m in 2020/21 and £22.943m in 2021/22.
- Private Sector Housing: Social Housing Decarbonisation Fund - a capital budget increase of £0.075m in 2020/21 and £3.045m in 2021/22.
- Additional Disabled Facilities Grant (DFG) - a capital budget increase of £1.007m in 2021/22.

Decisions

The Executive is requested to:

1. To approve and recommend the report to Council.
2. To approve under delegated powers the five capital budget changes set out above.
2. To note the capital strategy.
3. To note that the profile of spend is provisional, and a further update will be provided in the outturn report for 2020/21.
4. To delegate authority to the Deputy Chief Executive and City Treasurer in consultation with the Executive Member for Finance and Human Resources to make alterations to the schedules for the capital programme 2020/21 to 2024/25 prior to their submission to Council for approval, subject to no changes being made to the overall estimated total cost of each individual project.

Exe/21/31 Treasury Management Strategy Statement 2021/22, including Borrowing Limits and Annual Investment Strategy

The Council's Treasury Management policy complies with the revised CIPFA Code of Practice on Treasury Management. The Council adopted this in March 2010.

The Local Government Act 2003 and supporting regulations require the Council to have regard to the Prudential Code for Capital Finance in Local Authorities and to set Prudential Indicators for the next three years to ensure that the Council's capital investment plans are affordable, prudent and sustainable.

The proposed strategy for 2021/22 was based upon the views of Treasury officers on interest rates, informed by leading market forecasts. The Strategy covered:

Prudential and Treasury Indicators

Minimum Revenue Provision Strategy
Treasury Management Policy Statement
Treasury Management Scheme of Delegation
Borrowing Requirement
Borrowing Strategy
Annual Investment Strategy

We noted the proposed Annual Investment and Borrowing Strategies set out in the report, and agreed to commend them to the Council.

Decisions

1. To recommend the report to Council.
2. To delegate authority to the Deputy Chief Executive and City Treasurer, in consultation with the Executive Member for Finance and Human Resources, to approve changes to the borrowing figures as a result of changes to the Council's Capital or Revenue budget and submit these changes to Council.

Exe/21/38 Appendix to the Minutes

Appendix 1 – Capital Project Budget Virements (for Minute Exe/21/19)

Project Name	2020/21 In year virement proposed	2021/22 In year virement proposed	2022/23 In year virement proposed	2023/24 In year virement proposed
Large Patching repairs	164			
Patching Defect repairs	36			
Carriageway Resurfacing	23			
Highways Maintenance Challenge Fund	-200			
Didsbury West	-23			
Total Highways Programme	0	0	0	0
Moston Miners Low Rise externals		-13		
Newton Heath Limerston Drive externals		-6		
External cyclical works Ancoats Smithfields estate		15		
External cyclical works New Moston		-8		
Electricity North West distribution network		8		
Charlestown Pevensey and Rushcroft Courts door entry systems renewal	-49			
Delivery Costs	-122			5
One offs such as rewires, boilers, doors, insulation		-31		
Boiler replacement programme	6			
Harpurhey - Monsall Multis Internal Works		-8		
Higher Blackley - Liverton Court Internal Works		-62		
Bradford/Clifford Lamb/Kingsbridge/Sandyhill Court Internal Works	33	52		
Charlestown - Rushcroft/Pevensey Court Internal Works			31	
Collyhurst - Mossbrook/Roach/Vauxhall/Humphries Court Internal Works		111		
Charlestown - Rushcroft/Pevensey Courts Lift Refurb				12
Fire Risk Assessments				1
Harpurhey Baths Estate (excl Edward Grant Court) and Cheetham Appleford Estate			1	

Project Name	2020/21 In year virement proposed	2021/22 In year virement proposed	2022/23 In year virement proposed	2023/24 In year virement proposed
Newton Heath Troydale and Croyden Drive Low Rise Estates	-52	-32		
Retirement blocks various works				115
Retirement blocks lift replacement apprentice and edward grant courts		-114		
Delivery Costs	-325	-7		
Improvements to Homeless accommodation city wide		-12		
Improvements to Homeless Accommodation Phase 2			12	
Delivery Costs	-17			
Adaptations		-52		
Various Locations - Adaptations			52	
Delivery Costs	-2	-4		
Northwards Housing Programme - Unallocated	528	163	-96	-133
Total Public Sector Housing (HRA) Programme	0	0	0	0
Plymouth Grove Refurbishment	-85			
Piper Hill Special School	15			
SEND Expansions - Melland and Ashgate	3			
Basic need - unallocated funds	67			
Lily Lane Prim Windows		50		
St. Augustine's	-2			
Mauldeth Road Rewire	-94			
Button Lane Primary Fire Alarm	-25			
Charlestown Comm Fire Alarm/Lighting	-38			
Northenden Primary Pipework and Radiators	-23			
Crowcroft Park roof repairs	-79			
Abbott Kitchen ventilation	-60			
Manley Park Primary roof repairs	-50			
Schools Capital Maintenance - unallocated	371	-50		
Total Children's Services Programme	0	0	0	0
Internet Resilience	-3			
ICT Investment Plan	3			
Total ICT Programme	0	0	0	0
Total Capital Programme	0	0	0	0

Manchester City Council Report for Information

Report to: Resources and Governance Scrutiny Committee – 1 March 2021
Council – 5 March 2021

Subject: Budget 2021/22 – Equalities Considerations

Report of: The City Solicitor

Summary

Manchester City Council has had a well-established process for equality analysis of its budget decisions for over a decade. As the organisation works to set its budget for the financial year 2021/22, consideration has been given to the equality implications of this, utilising the equality analysis framework. This report outlines that framework and assesses the findings of the equality analyses submitted at the time of writing. The committee is provided with a brief commentary of the process and steps are outlined for refinement of the process during the course of 2021/22, in anticipation of further challenges in the coming budget rounds.

Recommendations

Members of the Committee are asked to note and comment on the contents of this report.

Wards Affected: All

Environmental Impact Assessment - the impact of the issues addressed in this report on achieving the zero-carbon target for the city

The production of an Equality Impact Assessment does not directly impact on the achievement of the City's zero-carbon target, and environment is not one of the monitored characteristics within the EIA template. However, it is recognised that some resident groups in Manchester will potentially particularly benefit from advancement on the zero-carbon agenda (i.e. health impacts for residents with respiratory conditions, such as some older people and some disabled residents) and the EIA provides an opportunity for services to highlight this under the 'other groups relevant to the activity' section.
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Our 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	Equality analysis is a vital component of how the Council has due regard for equality and equitability in its decision-making processes. Communities and customers are the focus of

A highly skilled city: world class and home grown talent sustaining the city's economic success	the equality analyses which allows the Council to safeguard and enhance community potential and wellbeing in the delivery of its business. This analysis is relevant across all service areas and functions and covers a diverse range of resident groups. As such, the equality analysis framework potentially connects with all of the Our Manchester Strategy outcomes.
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.

- *Medium Term Financial Plan and 2021/22 Revenue Budget report*, Manchester City Council Executive, 17 February 2021
- *Equalities Update report*, Manchester City Council Communities and Equalities Scrutiny Committee, 11 February 2021
- *Awareness and Understanding of EHRC Guidance on the Public Sector Equality Duty*, Equality and Human Rights Commission, 2016
- *Equality Analysis and the Equality Duty: a Guide for Public Authorities*, Equality and Human Rights Commission, 2011

1. Introduction

- 1.1 Manchester City Council has assessed the impacts on equality arising from its budget and business planning processes for over a decade. During that time, the Council has been significantly affected by, amongst other things, ongoing spending reviews and budget reductions, extensive staffing reductions and most recently, the damaging effects of the Coronavirus pandemic on the City's economy and its residents. As a service provider, leader and employer in a City as diverse as Manchester, it has been important for the Council to maintain its focus on equality issues when considering its budget and business planning for 2021/22.
- 1.2 The budget position for the next few years is increasingly difficult. In 2021/22, the budget impact of the pandemic is estimated at £58m, increasing to £144m in the next financial year. These types of losses are anticipated to continue over approximately a five-year period. The proposals to achieve the required savings in 2021/22 include options relating to costs reduction, rates and underspend recovery, alternative use of budgets and use of reserves. In addition to these, a significant number of employees are expected to leave the Council (predominantly but not exclusively from the Corporate Core) through the utilisation of the Voluntary Early Retirement / Voluntary Severance Scheme.
- 1.3 These savings proposals have a minimally disruptive impact on services to residents in 2021/22. As the Council's financial pressures continue in the coming years and the impact of this is likely felt by the City's communities, the importance of having a good quality, well managed process around equality impact assessment to identify and mitigate adverse impacts where possible will heighten.
- 1.4 The strategic context for the budget reductions in 2021/22 and beyond remains the Our Manchester Strategy, the Corporate Plan and the Locality Plan. The Single Council Business Plan 2021/22 describes in more detail the action being taken to deliver the Corporate Plan, including specific reference to services' equality priorities and activities.
- 1.5 The budget position and service proposals are described more fully in the Medium Term Financial Plan and 2021/22 Revenue Budget report considered by the Executive at its 17 February 2021 meeting.

2. Equality Analysis of the Budget 2021/22

- 2.1 In line with its standard procedure, the Council committed to undertake equality analysis of its budget proposals where appropriate upon the confirmation of the Provisional Local Government Financial Settlement announced on 17 December 2020. The Council has a well-established process around equality analysis, comprising of two tools:

A brief **Equality Relevance Assessment tool (ERA)** helps services to assess whether there is any relevance to protected groups and / or the Equality Duty stemming from their functions, where this is not immediately clear.

Where there is a demonstrable relevance to equality issues, services are required to complete a more detailed **Equality Impact Assessment (EIA)**, to establish the nature of any impacts arising and to help inform what action can be taken to avoid a disadvantageous impact.

- 2.2 The scope of the Council's equality analysis framework is described more fully in the Equalities Update report considered by the Communities and Equalities Scrutiny Committee at its 11 February 2021 meeting.
- 2.3 When considering equality analyses across the range and nature of the Council's budget related proposals, the task has been approached with regard to relevance and proportionality. Determining relevance can be achieved through the use of the Equality Relevance Assessment tool, where this cannot be determined otherwise. In accordance with guidance from the Equality and Human Rights Commission, the concept of proportionality when seeking to meet the Public Sector Equality Duty should be taken to mean concentrating resources and capacity where there is most likely to be an equality impact.
- 2.4 In approximately a third of cases, the proposals relate to reorganisation of back-office arrangements in order to achieve an efficiency without impacting on residents (i.e. adjustment to how an activity is funded, or recovery of underspend, without the public-facing activity changing). In these cases, the function remains unaffected, avoiding any adverse impact. Applying the proportionate approach described above, these proposals have not been prioritised for equality analysis.
- 2.5 Equality analyses were carried out for 38% of the budget proposals. Of these, the majority (61%) were Equality Relevance Assessments (ERAs) and 39% were Equality Impact Assessments (EIAs).
- 2.6 A significant proportion of the proposals (32%) relate to changes of staffing arrangement or staff reductions, managed in the main through the Voluntary Early Retirement / Voluntary Severance (VER / VS) Scheme. The VER / VS scheme has been subject to an EIA and has been found to not adversely impact on any of the protected characteristic groups in the Council's workforce; it is available to all staff within scope (primary those performing back-office functions working in the Corporate Core) on a voluntary basis and is neither more beneficial or detrimental on the basis of the applicant's characteristics. The HROD Service has committed to undertake an analysis once the movement of staff has concluded to assess what the affect has been on the profile of the workforce, to inform future activities.
- 2.7 Of those proposals that were impact assessed, an overview of the cumulative impacts on different protected characteristics is below. It is worth noting that this is an assessment of the analyses that were shared at the time of writing (circa 75% of the expected total). In addition, the delivery timescales of some

proposals, where the proposed activity will happen later in the calendar year, mean that any meaningful equality analysis has not been achievable at this time, but services have committed to undertaking the analysis at an appropriate point in the future.

3. Key Themes of the Budget 2021/22 Equality Analysis

- 3.1 This section considers the impacts identified across the equality analyses submitted at the time of writing, along with the actions put forward by services to mitigate any adverse impacts arising, by characteristic group.
- 3.2 A significant proportion of the analyses submitted identified either: 'no relevance' to one or more protected group, or; were generally relevant to all groups (i.e. not target services) but were not assessed as affecting a particular group disproportionately. These 'neutral' impacts were found in Equality Relevance Assessments that concluded that a full EIA would not be required.

3.3 Age – Children and Young People

- 3.3.1 The analyses received do highlight the potential for some service reduction from current levels in relation to this characteristic (i.e. the commissioned parenting service, commissioned speech and language service), which would affect circa 20% of current users. However, in these instances, any adverse impact is mitigated for through changes to the way that the service is delivered (i.e. changing working arrangements and partnerships, using workforce development approaches to adapt the skills of officers delivering the service).
- 3.3.2 In doing so, services aim to maintain the level and the standard of service provided but do so more efficiently. This is also the case for a couple of proposals relating to leaving care services, whereby partners such as the Council, health, housing and education will adjust their collaborative efforts to not only maintain service standard, but potentially improve on them. In these instances, the proposals have been assessed in the equality analyses as having a positive impact on the children and young people in scope.
- 3.3.3 The mitigations cited for avoiding impacts on children / young people involve multiple agencies aligning their working practices and resources. These are established partnerships working towards recognised standards. Some but not all EIAs in this category include action plans to assess risk and review progress on an ongoing basis.
- 3.3.4 One EIA that identifies an impact on children and young people as the key recipients of the service (the speech and language service in Early Years) notes that the proposed reduction could have damaging effects on school-readiness, attainment prospects etc. if implemented immediately. Instead, the EIA notes the benefit of maintaining the existing contract for 2021/22 to enable a period to refocus this intervention. During that time, language support from outreach workers including individual and group work would offset any adverse impact and ensure early intervention remains in place. It further notes that making the proposed reduction over a three year period from 2022 affords

the service the time to work with commissioners and MHCC to scope out a revised delivery model. This is reflected in the EIA's action plan.

- 3.3.5 In the case of Senior Schools Quality Assurance (SSQA), the proposal is not to cease this provision but to change the funding arrangement that supports it, with funding moving from the City Council budget to the School Improvement budget. The service notes that changes to the way the School Improvement grant is used potentially reduces its ability to fund targeted interventions for. In mitigation, schools will be asked to use school budgets to fund interventions and brokered support in response to identified needs or concerns.
- 3.3.6 In general, the analyses submitted do not describe profoundly adverse impacts for children and young people arising from the 2021/22 budget. Those impacts that have been identified are mitigated and the mitigating actions presented appear to be realistic and achievable.

3.4 Carers

- 3.4.1 Only two of the submitted analyses (parenting service and speech and language service) identified any impacts for carers. Here, services noted that the service being offered benefitted not only the children accessing it, but also their wider support network, i.e. families and carers. Any adjustment to the service then, means that potentially fewer carers will benefit from it.
- 3.4.2 In mitigation, services noted the use of Early Help Assessments, which take a whole family approach to ensure that the support needs of carers are identified and supported. This includes young carers who would be referred for additional support.
- 3.4.3 Overall, there is a minimal impact on carers arising from the submitted analyses and those impacts that were identified are mitigated through achievable activities.

3.5 Disability

- 3.5.1 Several of the analyses submitted identified disability as an affected characteristic. The Parenting Service notes that of the 1,205 families considered in the EIA, 56% had children with a speech and language delay, and 25% of parents were disabled. An adjustment to that service would impact disproportionately compared to the numbers of disabled people in Manchester more generally. However, the nature of the impact is mitigated by the approaches described at 3.3.3 regarding changes to the way the service is delivered.
- 3.5.2 As with the mitigation cited at 3.4.2 in relation to carers, here the service notes that Early Help Assessments have a whole family approach and ensure actions to meet additional needs and disability are delivered through partnership working alongside one to one support.

- 3.5.3 As noted above, the Senior Schools Quality Assurance (SSQA) analysis notes the potential for a change of funding arrangements to impact on school children's needs and it goes on to note the particular relevance of children with Special Educational Needs and Disability. The mitigation though, where schools are asked to use school budgets to fund interventions, seeks to avoid any adverse impact on this characteristic.
- 3.5.4 The Homelessness Service identified disability as one characteristic of several that are relevant to its budget proposals, stating that approval of the budget funding source will allow opportunity to review pathways to service. The service assesses that this would lead to positive impacts for, amongst others, disabled people.
- 3.5.5 The mitigations outlined across this small number of identified impacts do not highlight a cumulative risk. The alterations to delivery and funding arrangements seek to maintain the standard of service already provided as a minimum measure, if not improve it in the case of the Homelessness Service.

3.6 Race

- 3.6.1 The equality analyses for the parenting service and the speech and language service consider the impact of any service changes based on the proportion of Black, Asian and Minority Ethnic families receiving the services at present. As these proportions are higher than those in Manchester's population, the analyses identify the potential for an adverse impact in numerical terms but are less clear on the specific nature of it (i.e. any impacts directly connected to ethnicity). The services seek to avoid any impact arising by working with partners and community groups to provide open universal access, based on individual needs and both commit in their action plans to ongoing review and performance monitoring going forwards.
- 3.6.2 As noted elsewhere in this section, the SSQA analysis notes the potential for a change of funding arrangements to impact on school children's needs with regard for their race. The mitigation, to ask schools to fund interventions based on identified need, aims to provide tailored responses as they arise.
- 3.6.3 The mitigations described do not pose a cumulative risk in the 2021/22 budget process, and measures are put forward to monitor these going forward to avoid risk arising.

3.7 Pregnancy and Maternity

- 3.7.1 The parenting service recognises that a service reduction would mean approximately 20% fewer pregnant women / new mothers accessing the service would benefit from targeted interventions addressing parental mental health and attachment difficulties. However, the mitigation illustrates that multi-agency support arrangements aim to alleviate that, noting that focused support is available both antenatally and postnatally. This aims to identify any needs on a case by case basis and ensure pregnant women continue to receive multi agency support.

3.8 Children, families and other people living in poverty

- 3.8.1 Across the equality analyses submitted, only two identified potential impacts relating to poverty. Living in poverty affects a significant proportion of the people accessing the parenting and speech and language services. In addition to the proportions of people that this affects, the services also note the specific nature of some poverty-related impacts (i.e. digital exclusion, social exclusion). The measures to mitigate these impacts through improved partnership ways of working are as set out elsewhere in this section. Particular focus is put on providing sufficient supporting for people in this cohort to access services either digitally, or through other accessible means.

3.9 Sex

- 3.9.1 The analysis of the SSQA notes the significant gap in educational outcomes for males and females. As with the other characteristics considered in the analysis, the proposal for a change in funding arrangement would require schools to identify and fund targeted interventions to address any needs based on a child's sex.

3.10 People with continuing health conditions

- 3.10.1 The analysis of the parenting service notes the significance of mental health problems affecting a large proportion (69%) of its users, with 8% of users disclosing an attempted suicide. The analysis identifies that Early Help Assessments have a whole family approach and ensure actions to address parental mental health are delivered through partnership working alongside one to one support.
- 3.10.2 The significance of mental health affecting such a large proportion of users of this service is notable and reflects a wider decline in mental health across the UK. In response, consideration will be given to how the equality analysis guidance can be further developed (see section 5 below) to direct and support services to undertake more specific analysis of mental health issues in future.

3.11 Homeless People

- 3.11.1 As indicated above, the Homelessness Services identify that refreshed and improved pathways to the service will have positive impacts on a range of characteristic groups. In particular, the service identifies the characteristics of older age, disability, gender identity, race and sex as beneficiaries of this proposal. There is no adverse impact identified.
- 3.11.2 The EIA for Leaving Care, Registered Providers also identified a relevance to homeless people, although as indicated at 3.3.2 above, any services changes are to be mitigated through revised delivery methods to maintain service standards. Again, the purpose of the proposal here is to improve choice and stability for the young people using the service, by operating an effective service more efficiently.

3.11.3 This is to be achieved by training for staff to assess a young person's capability to make the step to independent living at the right time for the young person and with relevant support in place through partnership approaches.

3.12 No Identified Impact

3.12.1 Across the range of equality analyses submitted, a number of characteristics were not identified as experiencing any significant impact from the proposals. These were:

- Older age
- Religion or belief (or lack of religion or belief)
- Sexual orientation
- Ex-armed forces personnel and their families
- Marriage and Civil Partnership
- Trans people, non-binary people and other consideration of gender identity

3.12.2 Services are given the option to specify any other group relevant to the activity. There were no additional groups identified by services across the analyses submitted.

3.13 Relevance to the Equality Duty

3.13.1 In both equality analysis documents, services are asked to identify which of the aims of the Equality Duty their assessment is relevant to. The aims are described in the tool as:

- Removing or minimising disadvantages suffered by individuals or groups because of their characteristics
- Meeting the needs of people from protected or disadvantaged groups where these are different from the needs of other people
- Promoting diversity and encouraging people from protected or disadvantaged groups to participate in activities where they are underrepresented

3.13.2 Aims 1 and 2 are most frequently identified as relevant (in 32% of the analyses), with aim 3 identified as relevant almost half as frequently (in 18% of analyses). However, 68% of the analyses received did not identify any aim of the duty to be relevant. In some cases, but not all, this was in a relevance assessment and supported the decision not to progress to a full EIA. That so many assessments resulted in this conclusion though, could denote uncertainty about the purpose of the aims and how they should be interpreted in relation to a service change. This will be considered and acted upon in the measures outlined at section 5 of this report.

4. Commentary on the Budget EIA Process

4.1 As noted at 1.2 of this report, the budget process for 2021/22 is largely comprised of proposals that would have limited effects on service provision,

and therefore would have minimal impact on the City's diverse resident groups and communities. This is broadly reflected in the equality analyses that have been submitted. Owing to this, there are not examples where a 2021/22 budget proposal has been removed or substantively changed directly as a result of the completion and consideration of an EIA.

- 4.2 There are, however, examples of services building mitigation into the development of their proposals, responding to potential issues raised through the equality analysis process. These examples indicate the benefit of the equality analysis approach, and the Council has experienced in the past that a high standard of equality analysis on a significant change to a front line service can be an effective tool to avoid adverse community impact, challenge and litigation.
- 4.3 The relatively low number of equality analyses completed as part of the budget process, alongside the low relevance to either characteristic impacts or advancement of the equality duty identified in those completed, mean that the read across cumulative impacts presented at section 3 is limited in its scope. In future budget rounds, and in particular in instances where community-level services are potentially affected, the exercise will be repeated with the aim of understanding equality implications across characteristics in more detail. Pivotal to this intention is the production of a larger volume of good quality equality analyses. This will be addressed through the measures described in section 5 below.
- 4.4 Although the analysis of poverty impact available through the completed assessments is limited, poverty as a monitored characteristic will remain on the equality analysis templates going forward. This enables consideration of Section 1 of the Equality Act 2010, the socioeconomic duty, despite it not being enacted. It will be useful for the Council to better understand the connection between reductions to its budget and the dynamics of City poverty levels in future.
- 4.5 At its meeting of 11 February 2021, the Communities and Equalities Scrutiny Committee indicated an interest in seeing an assessment of equality impact at Ward level. Whilst there is no plan to produce such a report at this time, officers have committed to investigating whether it is possible to resource and deliver in the future. However, the annual State of the City report describes the progress toward the Our Manchester strategic aims at a city-wide level, and its 'Progressive and Equitable City' section addresses community and equality issues.
- 4.6 In addition, the Communities of Identity report will be refreshed in 2021. This report outlines the experiences, achievements and challenges for a wide range of identity groups in Manchester in relation to the aims of the Our Manchester strategy. Using a combination of qualitative and quantitative data, and presenting evidence from a range of City partners, the Communities of Identity report will provide an equalities assessment based on a broader evidence base, citing issues at both city-wide and Ward levels.

5. Improving the Equality Analysis Approach

- 5.1 The Council's current equality analysis approach has been widely utilised in recent years and has been considered fit for purpose with regards to the toolkit and guidance available to this point. However, as noted elsewhere in this report, the Council faces some challenging budget decisions over the next few years and enabling a robust understanding the equality implications of this requires an equally robust analysis approach. This has prompted a review of the equality analysis framework with specific consideration to strengthen it on a number of elements.

5.2 Templates and Guidance

- 5.2.1 The current equality analysis templates are not proposed for change. They currently require services to give consideration to all characteristics protected by the Equality Act 2010, alongside a number of additional groups that generally experience inequality. However, the guidance that accompanies the tool will be expanded on to promote a greater depth and breadth of analysis and give examples of how to achieve this. The guidance will also clarify some of the terms used in the analysis tool.

5.3 Training and Upskilling

- 5.3.1 Training support on EIAs has been requested by individual services sporadically over the last few years and these requests have been met successfully. Building on this, a standard equality analysis training tool will be developed to progress assessors from basic start-up skills to more advanced equality analysis skills.

5.4 Quality Assurance and Sign-off

- 5.4.1 It is recognised across the public sector nationally that the quality and depth of analysis found in EIAs is inconsistent. The Equality and Human Rights Commission (EHRC), in its research report 'Awareness and Understanding of EHRC Guidance on the Public Sector Equality Duty', noted that a common reason for this is 'you don't know what you don't know'; the notion that some lines of enquiry and analysis are not followed up because the service completing the assessment was not aware of their existence.
- 5.4.2 The Equality, Diversity and Inclusion Team currently has a role to provide support and challenge to the process and to give quality assurance, and this will continue. However, consideration will be given to how the mechanism for this can be strengthened to ensure that all draft EIAs receive specialist input before progressing through the sign-off process.

5.5 Publication

- 5.5.1 Linked to this, a more systemised approach to ensuring that EIAs are published once they are signed off will be established. The EHRC guidance on equality analysis notes that the duty on public bodies is to:

Publish evidence of the analysis that they undertook to establish whether their policies or practices would further or have furthered the aims of the duty, details of the information that they considered, and details of engagement undertaken when doing the analysis.

5.6 Timeliness

- 5.6.1 EHRC guidance also notes the importance of EIAs being completed at such a time that they can be fully considered as part of a decision-making process. This involves them being commenced at the earliest opportunity, developed alongside a policy or function change and provided to decision makers with a reasonable period to review them. This requirement is generally adhered to but the required stages and periods of time involved will be formalised and built more firmly into the equality analysis framework going forwards.

5.7 Overview and Governance

- 5.7.1 The Council's Equality Champions Group, a range of Directorate representatives and staff network chairs from across the Council, will have oversight of and promote the EIA process to support the measures above, and to provide Directorate level coordination and governance to the task. The structure of the Equality Champions Group is currently under review and a refreshed group with revised terms of reference will be established in quarter one of 2021/22. Progress reports on EIA activity will be provided to the City Solicitor as the SMT lead on equalities.

6. Conclusion

- 6.1 The Council has continued to implement its equality analysis approach in respect of its budget for 2021/22, although the nature of the savings proposals put forward and the findings of the analyses completed are such that a deeply detailed cumulative assessment has not been forthcoming. As noted in this report, it is unlikely that this will be the case moving forward. Progressing the measures to develop a more robust, quality-assured and well governed process outlined in section 5 will be important in the coming financial year.
- 6.2 The current focus on equality, diversity and inclusion provides the Council with an important opportunity to grow awareness and capacity in the organisation to support this aim. Societal matters such as the disproportionate impacts of COVID-19 on some identities and the public debate around racism are bolstered by Council-level activities like those related to the workforce race review, the development of a workforce equality strategy and inclusion being a stated priority for the Council in 2021/22. That focus will be reflected in the management of the equality analysis framework and the resultant depth of analysis available as a result.
- 6.3 Alongside the strengthening activity in this area, parallel work will be progressed to ensure robust compliance with the Public Sector Equality Duty more generally. These activities will be included in the Council's submission

for re-accreditation against the Equality Framework for Local Government, scheduled for the summer of this year.

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Manchester City Council Report for Resolution

Report to: Resources and Governance Scrutiny Committee – 1 March 2021
Council – 5 March 2021

Subject: Details of proposed Budget Amendments

Report of: The City Solicitor

Summary

This report provides details of amendments to the Executive's budget proposals that have been submitted in accordance with Paragraph 18.3 of the Council's Rule of Procedure.

Recommendations

The Committee is requested to give consideration to the proposed budget amendments and, if appropriate, make recommendations to the Council.

Wards Affected: All

Environmental Impact Assessment - the impact of the issues addressed in this report on achieving the zero-carbon target for the city

Not applicable

Alignment to the Our Manchester Strategy Outcomes (if applicable)

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	Not applicable
A highly skilled city: world class and home grown talent sustaining the city's economic success	Not applicable
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	Not applicable
A liveable and low carbon city: a destination of choice to live, visit, work	Not applicable
A connected city: world class infrastructure and connectivity to drive growth	Not applicable

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Background documents (available for public inspection):

None

1. Background

- 1.1 In accordance with Council Rule of Procedure 18.3, when the Executive makes recommendations to the Council in relation to calculating the budget requirement and setting the Council tax, any amendments to those recommendations which affect those calculations or the level of Council Tax must be submitted in writing and received by the Chief Executive by 4.00 p.m. on the seventh day after the meeting of the Executive (this being Wednesday 24 February 2021).
- 1.2 Any such amendment, together with the recommendations of the Executive, is to be referred to the Resources and Governance Scrutiny Committee which will report to the Council meeting in March at which the Council calculates the budget and sets the Council Tax ("the Budget Council").
- 1.3 In doing so, nothing in Rule 18.3 will prevent Members moving amendments at Budget Council in accordance with Rule 18.1 (amendments to be moved at Council must be in writing and be received by the Chief Executive at least 30 minutes before the meeting) or the Executive reconvening and revising their recommendations to Budget Council.
- 1.4 Where such amendments or revised recommendations arise out of the proceedings of the Resources and Governance Scrutiny Committee, nor will anything in Rule 18.3 require a further meeting of the Resources and Governance Scrutiny Committee in such circumstances.

2. Details of Amendment received

2.1 Amendment proposed by Councillor Richard Kilpatrick, seconded by Councillor John Leech

To allocate a budget of £1.5m to enable the Council to deliver road safety and traffic calming schemes in areas of need; to be funded through the transfer from the Bus Lane Enforcement Reserve.

To allocate £500,000 additional funds to Neighbourhoods to address the additional pressures on the ground maintenance, parks, and waste removal teams due to behavioural changes as a result of restrictions brought about by the COVID-19 pandemic; to be funded from the Contain Outbreak Management Fund.

To defer the proposed £160,000 cut to the revenue and benefits team by one year in anticipation of further demand on the service in the administration of grants and benefit requests due to the impact of the COVID-19 pandemic; to be funded from the Contain Outbreak Management Fund.

To allocate a budget of £960,000 to enable the Council to make available a Green Neighbourhood Investment Fund in each of the 32 wards, enabling our communities to fund projects in line with ward climate change action plans; to be funded out of the On-street Parking Reserve.

All proposals in this amendment are one off spending commitments for 2021/2022.

- 2.2 This amendment was submitted and received on Wednesday 24 February at 15:46.

3. Recommendations

- 3.1 The recommendations are set out at the front of this report.