



## **Communities and Equalities Scrutiny Committee**

Date: Tuesday, 9 November 2021

Time: 10.00 am

Venue: Council Chamber, Level 2, Town Hall Extension

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

### **Access to the Public Gallery**

Access to the Public Gallery is on Level 3 of the Town Hall Extension, using the lift or stairs in the lobby of the Mount Street entrance to the Extension. **There is no public access from any other entrance.**

### **Filming and broadcast of the meeting**

Meetings of the Communities and Equalities Scrutiny Committee are 'webcast'. These meetings are filmed and broadcast live on the Internet. If you attend this meeting you should be aware that you might be filmed and included in that transmission.

## **Membership of the Communities and Equalities Scrutiny Committee**

---

**Councillors** - Hacking (Chair), Azra Ali, Shaukat Ali, Andrews, Battle, Chambers, Connolly, M Dar, Douglas, Evans, Grimshaw, Hilal, S Judge, Rawson, Sheikh, Whiston, Wills and Wilson

## Second Supplementary Agenda

---

5. **Neighbourhood Directorate Budget 2022/23** 3 - 16  
Report of the Strategic Director (Neighbourhoods)

Following the Spending Review announcements and other updates the Council is forecasting an estimated shortfall of £4m in 2022/23, £64m in 2023/24 and £85m by 2024/25. This report sets out the high-level position. Officers have identified options to balance the budget in 2022/23 which are subject to approval.

## Further Information

---

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

Rachel McKeon  
Tel: 0161 234 4497  
Email: [rachel.mckeon@manchester.gov.uk](mailto:rachel.mckeon@manchester.gov.uk)

This supplementary agenda was issued on **Friday, 5 November 2021** by the Governance and Scrutiny Support Unit, Manchester City Council, Level 3, Town Hall Extension (Lloyd Street Elevation), Manchester M60 2LA

**Manchester City Council  
Report for Information**

**Report to:** Communities and Equalities Scrutiny Committee – 9 November 2021

**Subject:** Neighbourhood Directorate Budget 2022/23

**Report of:** Strategic Director (Neighbourhoods)

---

**Purpose of Report**

Following the Spending Review announcements and other updates the Council is forecasting an estimated shortfall of £4m in 2022/23, £64m in 2023/24 and £85m by 2024/25. This report sets out the high-level position. Officers have identified options to balance the budget in 2022/23 which are subject to approval.

The position will be clearer in December 2021 when the Local Government Finance Settlement is received although that is unlikely to provide detailed funding allocations for after 2022/23. A longer-term strategy to close the budget gap is being prepared with an estimated requirement to find budget cuts and savings in the region of £40m per annum for 2023/24 and 2024/25. In addition, £50.6m of risk-based reserves have been identified as available to manage risk and timing differences

Appended are the priorities for the services in the remit of this committee, details on the initial revenue budget changes proposed by officers and the planned capital programme.

**Recommendations**

The committee is recommended to:

1. Note the forecast medium term revenue budget position.
  2. Consider the content of this report and comment on the proposed changes which are relevant to the remit of this scrutiny committee.
- 

**Wards Affected:** All

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

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

<b>Manchester Strategy Outcomes</b>	<b>Summary of the Contribution to the Strategy</b>
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	Providing the leadership and focus for the sustainable growth and transformation of the City's neighborhoods and highways
A highly skilled city: world class and home-grown talent sustaining the city's economic success	Ensuring residents are connected to education and employment opportunities across the city.
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	Creating places where residents actively demonstrate the principles of Our Manchester through participation and take responsibility for themselves and their community whilst encouraging others to do the same, supported by strong and active community groups.
A liveable and low carbon city: a destination of choice to live, visit, work	Creating places where people want to live with good quality housing of different tenures and effective use of the highways network; clean, green, safe, healthy, and inclusive neighbourhoods; a good social, economic, cultural offer and environmental infrastructure.
A connected city: world class infrastructure and connectivity to drive growth	Ensuring residents, neighbourhoods, businesses, and goods connect to local, national, and international markets. Through working with partners both internally and externally maximise the impact of the provision of new and enhanced physical and digital infrastructure.

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

- Equal Opportunities
- Risk Management
- Legal Considerations

### **Financial Consequences Revenue**

The changes included within this report are officer proposals and, subject to Member comments and consultation, these will be included as part of the 2022/23 budget preparation.

### **Financial Consequences – Capital**

None directly arising from this report.

**Contact Officers:**

Name: Fiona Worrall  
Position: Strategic Director (Neighbourhoods)  
Telephone: 0161 234 3926  
Email: fiona.worrall@manchester.gov.uk

Name: Paul Hindle  
Position: Head of Finance  
Telephone: 0161 234 3025  
Email: paul.hindle@manchester.gov.uk

Name: Sue Davison  
Position: Directorate Support, Service Lead  
Telephone: 07904 478730  
Email: sue.davison@manchester.gov.uk

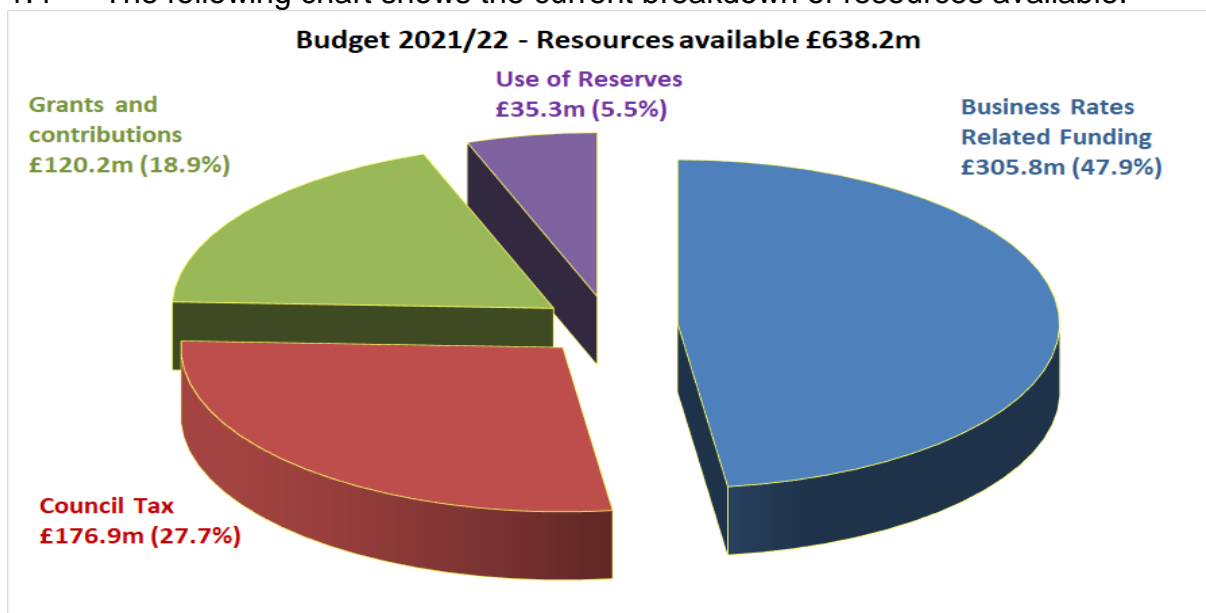
**Background documents (available for public inspection):**

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.

Neighbourhoods Directorate Budget Report 2021/22 – Executive 17<sup>th</sup> February 2021

## 1. Context and Background

- 1.1 On 27 October 2021, the Chancellor of the Exchequer, Rishi Sunak MP, delivered the Spending Review and Autumn budget 2021 to the House of Commons. The Spending Review sets the quantum of funding available for local government whilst the Finance Settlement (expected in December) sets out the distribution to individual local authorities.
- 1.2 The medium-term financial plan remains challenged by uncertainty. There are potential changes to how local government funding is distributed, the Business Rates Retention scheme, and Adult Social Care Reform and associated funding.
- 1.3 The Council's 2021/22 net revenue budget is currently funded from four main sources which are Council Tax, Business Rates, government grants and contributions and use of reserves. In recent years as central government funding has reduced and business rates retention has been introduced the ability to grow and maintain the resources raised locally has become even more important for financial sustainability and is integral to the Council's financial planning.
- 1.4 The following chart shows the current breakdown of resources available.



## 2. Current budget position

- 2.1 The indicative medium-term position is shown in the table below, full details are provided in the Spending Review and budget update report to Resources and Governance scrutiny committee 9 November 2021.

	Approved 2021 / 22 £'000	2022 / 23 £'000	2023 / 24 £'000	2024 / 25 £'000
<b>Resources Available</b>				
Business Rates Related Funding	156,416	318,969	315,557	333,520
Council Tax	176,857	205,528	204,116	214,567
Grants and other External Funding	120,243	83,040	76,957	74,957
Use of Reserves	184,667	49,857	22,737	7,573
<b>Total Resources Available</b>	<b>638,183</b>	<b>657,394</b>	<b>619,367</b>	<b>630,617</b>
<b>Resources Required</b>				
<i>Corporate Costs</i>	121,096	112,156	113,378	118,016
<i>Directorate Costs</i>	517,087	549,766	569,732	598,099
<b>Total Resources Required</b>	<b>638,183</b>	<b>661,922</b>	<b>683,110</b>	<b>716,115</b>
<b>Shortfall / (surplus)</b>	<b>0</b>	<b>4,528</b>	<b>63,743</b>	<b>85,498</b>

2.2 The budget assumptions that underpin 2022/23 to 2025/26 include the commitments made as part of the 2021/22 budget process to fund ongoing demand pressures as well as provision to meet other known pressures such as inflation and any pay awards (estimated at 3% from 2022/23). Whilst this contributes to the scale of the budget gap it is important that a realistic budget is budget set which reflects ongoing cost and demand pressures.

2.3 Officers have identified options to balance the budget in 2022/23 which are subject to approval. The detail relevant to this scrutiny remit is included at Appendix 2. If these proposals are supported a balanced budget will be achieved. In addition, £50.6m of risk-based reserves have been identified as available to manage risk and timing differences.

### 3. Scrutiny of the draft budget proposals and budget reports

3.1 The reports have been tailored to the remit of each scrutiny as shown in the table below. This Committee is invited to consider the proposed changes which are within its remit and to make recommendations to the Executive before it agrees to the final budget proposals in February 2022.

Date	Meeting	Services Included
9 Nov 21	Resources and Governance Scrutiny Committee	Chief Exec Corporate Services Revenue and Benefits / Customer and Welfare Support Business Units
9 Nov 21	Communities and Equalities Scrutiny Committee	Sport, Leisure, Events Libraries Galleries and Culture Compliance and Community Safety Housing Operations including Homelessness Neighbourhood teams

10 Nov 21	Health Scrutiny Committee	Adult Social Care and Population Health
10 Nov 21	Children and Young People Scrutiny Committee	Children and Education Services
11 Nov 21	Environment and Climate Change Scrutiny Committee	Waste and Recycling Parks Grounds maintenance
11 Nov 21	Economy Scrutiny Committee	City Centre Regeneration Strategic Development Housing and residential growth Planning, Building Control, and licensing Investment Estate Work and skills Highways

#### 4. **Next Steps**

4.1 The proposed next steps are as follows:

- The Local Government Finance Settlement is expected mid to late December. The outcome will be reported back to January Resources and Governance Scrutiny Committee (11 January) and Executive (19 January) along with an update on the budget position.
- February Scrutiny Committees (8-10 February) and Executive (16 February) receive proposed budget
- Resources and Governance Budget Scrutiny – 28 February
- March Council - approval of 2022/23 budget - 4 March
- New Municipal Year – early options around 2023/24 & 2024/25 discussed with members.



## **Appendix 1 – Headline priorities for the services**

Neighbourhood Services is the City Council's largest directorate with almost 1,500 staff and includes a wide range of services, all working to improve the lives of Manchester residents and showcase the city to our millions of visitors every year. Our services work directly with the people of Manchester and together we want to make Manchester a better place to live, work and play.

We have committed, via the Our Manchester Strategy to creating sustainable, safe, resilient, and cohesive neighbourhoods, with more affordable housing, good quality green spaces, and accessible culture and sporting facilities. We will work with colleagues and partners to achieve our zero-carbon ambition by 2038 at the latest, via green growth, low-carbon energy, retrofitting of buildings, green infrastructure, and increasing climate resilience.

The services under the remit of Communities and Equalities Scrutiny Committee are as follows:

### **Community Safety, Compliance and Enforcement**

- Protect the public and the environment and keep citizens safe through reducing crime, safeguarding vulnerable people, building community resilience, and preventing vulnerable people from being drawn into extremism
- Enforce the law in a fair and consistent manner, helping businesses to meet their legal obligations and taking firm action against those who disregard the law or act irresponsibly.

### ***Priorities:***

- Early Intervention and prevention remain a priority across community safety services to safeguard vulnerable people particularly given the increases in domestic violence and serious violent crime and those at risk of being drawn into crime and ASB (Antisocial Behaviour).
- Working with businesses, across a range of sectors to ensure Covid risks are managed, and risks mitigated.
- Managing backlogs created because of the redirection of staff onto covid work and temporary suspension of annual programmes of work e.g., Food Safety Interventions, HMO/Selective Licensing programmes, Shisha smoke free enforcement etc., This is challenging whilst covid related workload remains high. New duties e.g., Protect Duty in public spaces and new allergen related legislation as well as increased checks because of EU (European Union) exit will add to capacity challenges.
- Refresh community safety strategy and this work is underway.
- New duties related to serious violence expected to be enacted 2022

## Housing Operations

Housing Operations comprises two of the council's critical services areas - Homelessness and Housing Operations:

### Homelessness

Preventing people from becoming homeless and supporting individuals and families who find themselves homeless, to secure new permanent homes and better outcomes.

#### **Priorities:**

- Significantly increasing the prevention of homelessness in the first instance  
Improving the quality-of-service provision for people and families who find themselves homeless
- Reducing the cost of the service (£27m net per annum) by creating more innovative and sustainable housing options in temporary and permanent accommodation
- Delivering better outcomes for families and single people

The Homelessness Transformation Programme will transform the delivery of homeless services and includes the workstreams below:

- Ending the routine use of B&B for families (households with children or pregnant household member), by changing the way we work and bringing forward the move into longer term accommodation for families.
- Redesigning the Homelessness Service through mapping and redesigning existing pathways and processes with an emphasis on increased prevention, improved customer journeys and outcomes, and reduced administration and failure demand.
- Undertake a comprehensive review of the Council's Temporary Accommodation provision and implement recommendations for service improvements and significantly reduced costs.
- Redesign of the Private Rented Sector (PRS) incentive scheme to increase the supply of PRS properties with an emphasis on homes in MCC (Manchester City Council).

### Northwards Housing Operations

Housing Operations was previously managed by Northwoods Housing and in July 2021 the service was brought back into the Council. The move sees the Council become the largest provider of social housing in the city, for the first time in 16 years providing good quality homes to and with local communities.

#### **Priorities:**

- Significantly improving the repairs and voids service to residents with our partner, EQUANS

- Implementing the Social Housing White Paper and forthcoming Building Safety Act
- Establishing the new governance/committee arrangements for the New Year 2022
- Developing Northwards Strategy with Residents & Partners
- Creating a sustainable HRA (Housing Revenue Account) 30 Year plan
- Establishing a new operating model to ensure delivery of key priorities and improved coordination with wider MCC (Manchester City Council)
- Delivering Zero Carbon – Retrofit of the Northwards estate
- Establishing New Ways of Working – Digital, Modern, Human, Effective

### **Sport, Leisure and Events**

Helping residents lead healthy, active lifestyles and bringing people together to enjoy their leisure time across the city. As part of our vision for Manchester to be in the topflight of world-class cities by 2025, our Sport, Leisure and Events teams deliver an exciting programme of work to support residents become regularly active and reach their full potential.

#### ***Priorities:***

- Continue to create great places for people to be active – £81M of capital Investment going into Abraham Moss, the National Cycling Centre, and the Manchester Aquatics Centre.
- Decarbonise the leisure estate.
- Working with leisure service providers to ensure that the Leisure services continue to recover and generate income to ensure sustainable going forward.
- Managing supply chains shortages particularly shortages of security staff, trained stewards, delivery drivers, event infrastructure, plastics etc. All impacting on events and seasonal activity.
- Work is underway to explore additional financing solutions for new event content to stimulate economic recovery
- The service has an annual sponsorship target of £0.95m to underpin the delivery of events, awards, and services. Due to the impact of Covid-19 on businesses 35% of this is high risk.

### **Libraries, Galleries & Culture**

Responsible for providing all the city-wide libraries, Information and archive services, Cultural activity which includes supporting Manchester Art Gallery and a range of cultural organisations across the city.

The service is operating across Central Library, 15 neighbourhood and 6 community libraries, a HM Prison library as well as the 'Books to Go' service for housebound library users

We lead on the library strategy and renewal programme, with 80% of Manchester libraries having been refurbished and co-located over the last ten years. We develop

the Manchester standard for national, regional and Greater Manchester library initiatives, supporting the Universal Public Library Offers (digital, health, information, learning and reading) as well as working closely with several city-wide and local partners

***Priorities:***

- Reawakening of the city centre - currently reduced footfall at Central Library, need return of tourists, students, and office workers, developing a channel plan and strong cultural programme to reconnect and introduce to new residents.
- Income generation and fundraising challenging across Libraries, Galleries and Culture.
- External funding - Arts Council bids developed/Ing for Libraries, Galleries and Culture capital projects and monitoring other opportunities.
- Civic Quarter Cultural Offer including Our Town Hall Visitor Experience.
- Capital Programme - c£7m libraries incl new Abraham Moss, Gorton, refurbished Charlton, Central Library and District Library refresh, £1.87m Galleries and several Cultural schemes being developed.
- The Factory.
- MADE – Manchester Cultural Education Partnership and Joint Audiences programme

**Neighbourhood Teams**

Neighbourhood teams (North, Central, and South) are responsible for the management and development of the neighbourhoods, and for making sure that services delivered at a neighbourhood level maintain a strong place-based focus by working closely with local organisations.

***Priorities:***

- Continue to drive forward the Bringing Services Together for People in Places model through working with partners to deliver priorities in place. Focus on post Covid recovery and working to develop an early help offer for adults.
- Continue to work with residents, VCSE, elected members and partner organisations to improve neighbourhoods – aiming to make neighbourhoods cleaner, safer and more vibrant.
- Build resilience in and celebrate neighbourhoods - take actions to build on the capacity and capability of communities to grow, thrive and support communities to recover post COVID.
- Support economic growth activity such as Victoria North, NMGH, Wythenshawe Hospital, Etihad Campus and Eastern Gateway to ensure new and existing residents are engaged and involved.
- Manage resources -take actions to manage existing resources well and work with partners to increase resources/ funding in neighbourhoods
- Work with residents and community groups at grass roots level to put in place actions that support the city's ambition to reach net zero by 2038.

## Appendix 2 - Revenue Budget Strategy

The Neighbourhood Directorate has a gross budget of c£187.9m and a net budget of c£93.1m, with 1,489 fte's. This is net of the £6.683mm savings that were approved as part of the 2021/22 budget process.

The breakdown by service area under the remit of this scrutiny committee is provided in the table below, this now includes operational housing which is the cost of managing and maintaining the housing stock following the bringing in house of Northwoods with effect from July 2021.

The operational housing gross budget is £22m, with a net nil budget as all costs are funded through the ringfenced Housing Revenue Account.

Service Area	2021/22 Gross Budget £000	2021/22 Net Budget £000	2021/22 Budgeted Posts (FTE)
Leisure, Events and Youth	20,234	6,729	27
Compliance and Community Safety	15,800	10,415	283
Libraries, Galleries and Culture	12,905	9,366	268
Neighbourhood Area Teams	3,422	2,782	58
Northwoods Housing Operations.	22,112	0	299
Homelessness	61,775	27,495	303
<b>Grand Total</b>	<b>136,248</b>	<b>56,787</b>	<b>1,238</b>

### Changes to the 2022/23 Budget

Changes approved for 2022/23 as part of the 2021/22 Budget Process

#### 2022/23 Savings

As part of the total £6.683m Neighbourhoods service approved 2021/22 savings, savings from services under the remit of this scrutiny committee totalled £301k and a **net £18k** of savings were approved for 2022/23 and the savings to be delivered in 2022/23 are set out below.

- Leisure Services **£155k** to be achieved through a combination of increased collaboration with other Leisure providers, and increased income.
- Compliance & Community Safety savings of **(£137k)** were time limited through use of external grant funding, so the savings were only 1 year.

#### New Proposed Changes

As part of the work to review the budget additional time limited £0.5m budget pressures has been identified. This is in respect of the ongoing support required for the Leisure estate. This is anticipated to reduce in future years, and work will continue with GLL (Greenwich Leisure Limited) to try and mitigate any increase. The proposed change is shown in the table below:

	2022/23 £'000	2023/24 £'000	2024/25 £'000
<b>Leisure Services</b>			
Ongoing support to GLL post Covid	500	(250)	(250)
<b>Net Total of Proposed Changes</b>	<b>500</b>	<b>(250)</b>	<b>(250)</b>

### Appendix 3 – Capital budget and pipeline priorities

The current approved capital programme, as at period 6 in 2021/22, is shown below alongside the funding to be used. Details on potential future investment opportunities are also shown, but these remain subject to approval.

#### Approved Capital Programme

Service Area	2021/22	2022/23	2023/24	2024/25	Total
	£'000	£'000	£'000	£'000	£'000
Environment & Operations (exc. Waste)	3,614	193	-	-	3,807
Abraham Moss Leisure Centre	6,540	15,279	452	-	22,271
Manchester Aquatics Centre	5,729	14,184	10,542	-	30,455
National Cycling Centre	6,032	18,527	42	-	24,601
Leisure - other	2,703	535	-	-	3,238
Culture & Libraries	1,024	1,678	1,426	-	4,128
Homelessness	3,830	70	-	-	3,900
<b>Total</b>	<b>29,472</b>	<b>50,466</b>	<b>12,462</b>	<b>0</b>	<b>92,400</b>

#### Funding of Approved Capital Programme

Service Area	2021/22	2022/23	2023/24	2024/25	Total
	£'000	£'000	£'000	£'000	£'000
Grant	2,217	2,312	-	-	4,529
External contributions	1,462	168	-	-	1,630
Revenue Contribution to Capital	1,646	-	-	-	1,646
Capital Receipts	2,950	639	1,426	-	5,015
Borrowing	21,197	47,347	11,036	-	79,580
<b>Total</b>	<b>29,472</b>	<b>50,466</b>	<b>12,462</b>	<b>-</b>	<b>92,400</b>

#### Future Investment Priorities

The following projects are potential future investment opportunities, which may be brought forward in the future:

- The redevelopment of New Smithfield Market, with work continuing to understand the scope of work.
- Investment to update crematoria and other markets
- Recognising the importance of culture to the economic recovery of Manchester, potential investment to support cultural and creative industries, particularly where such investment can be leveraged against external funding.
- Further investment in the Council's leisure estate to maintain facilities.
- Further investment in affordable housing to support Homelessness, through either direct delivery or working with registered providers and

- other partners. This would include reviewing the role the HRA (Housing Revenue Account) can play in creating new affordable housing
- Investment in temporary accommodation, either through direct ownership or through lease arrangements.