



Resources and Governance Scrutiny Committee

Date: Tuesday, 9 November 2021

Time: 2.00 pm

Venue: Council Antechamber, Level 2, Town Hall Extension

This is a **combined agenda pack** containing all published reports

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Membership of the Resources and Governance Scrutiny Committee

Councillors - Russell (Chair), Ahmed Ali, Andrews, Clay, Davies, Hacking, Hitchen, Kirkpatrick, Lanchbury, B Priest, Robinson, Rowles, Simcock, Wheeler and Wright

Agenda

1. Urgent Business

To consider any items which the Chair has agreed to have submitted as urgent.

2. Appeals

To consider any appeals from the public against refusal to allow inspection of background documents and/or the inclusion of items in the confidential part of the agenda.

3. Interests

To allow Members an opportunity to [a] declare any personal, prejudicial or disclosable pecuniary interests they might have in any items which appear on this agenda; and [b] record any items from which they are precluded from voting as a result of Council Tax/Council rent arrears; [c] the existence and nature of party whipping arrangements in respect of any item to be considered at this meeting. Members with a personal interest should declare that at the start of the item under consideration. If Members also have a prejudicial or disclosable pecuniary interest they must withdraw from the meeting during the consideration of the item.

4. Minutes

5 - 12

To approve as a correct record the minutes of the meeting held on 12 October 2021

5. Spending Review and budget update

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

This report updates on the main announcements from the Spending Review 27 October 2021 with a focus on the implications for local government funding, what this means for the Council's budget position and the proposed budget process.

6. Update on the delivery of savings

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Report of the Deputy Chief Executive and City Treasurer attached

This report provides an update on the delivery of savings that were identified for the 2021/22 Financial Year.

7. Housing Governance

67 - 76

Report of the Strategic Director Neighbourhoods and Deputy Chief Executive and City Treasurer attached

This report provides an update on the Housing Revenue Account (HRA) business plan following the bringing back in house of Northwards Housing the Arm's Length Management Organisation (ALMO) that used to manage the Council's housing stock. It also

provides an update on transition progress including updated governance arrangements and workforce update

8. Overview Report

77 - 88

Report of the Governance and Scrutiny Support Unit.

This report provides the Committee with details of key decisions that fall within the Committee's remit and an update on actions resulting from the Committee's recommendations. The report also includes the Committee's work programme, which the Committee is asked to amend as appropriate and agree.

Information about the Committee

Scrutiny Committees represent the interests of local people about important issues that affect them. They look at how the decisions, policies and services of the Council and other key public agencies impact on the city and its residents. Scrutiny Committees do not take decisions but can make recommendations to decision-makers about how they are delivering the Manchester Strategy, an agreed vision for a better Manchester that is shared by public agencies across the city.

The Resources and Governance Scrutiny Committee areas of interest include finances, Council buildings, staffing, corporate and partnership governance as well as Council tax and benefits administration. .

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Smoking is not allowed in Council buildings.

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This agenda was issued on **Monday, 1 November 2021** by the Governance and Scrutiny Support Unit, Manchester City Council, Level 3, Town Hall Extension, Manchester M60 2LA

Resources and Governance Scrutiny Committee

Minutes of the meeting held on 12 October 2021

Present:

Councillor Russell (Chair) – in the Chair
Councillors Ahmed Ali, Andrews, Clay, Hitchen, Kirkpatrick, Lanchbury, B Priest, Robinson, A Simcock, Wheeler and Wright

Also present:

Councillor Craig, Deputy Leader (Finance)
Councillor Rahman, Deputy Leader (Equalities and Human Resources)
Councillor Igbon (Lead Member, Race, Women)

Apologies:

Councillors Davies and Rowles

RGSC/21/41 Minutes

Decision

To approve the minutes of the meeting held on 7 September 2021 as a correct record.

RGSC/21/42 Update from the Revenues and Benefits Unit

The Committee considered the report of the Deputy Chief Executive and City Treasurer, that provided an update on the activity of the Revenues and Benefits Unit, including details of how the service was affected and maintained during the pandemic.

Key points and themes in the report included:

- Benefits administration, including Council Tax Support and the management of the Welfare Provision Scheme as well as other discretionary schemes;
- The financial support provided as part of the Test and Trace Scheme;
- Performance in the collection of council tax and how we balance collection, whilst working in an ethical way and supporting those residents on a low income; and
- Performance in the collection of business rates including the support that has been made to businesses during the pandemic.

Some of the key points that arose from the Committee's discussions were:

- Welcoming the comprehensive report and recognising the positive contribution the service made to the residents of the city;
- Noting that 79% of applications to the Discretionary Housing Payments (DHP) funding were successful, what alternative support was provided to those application that were not successful;

- Noting the increased pressures experienced by residents as a result of a reduction in Universal Credit and the freeze in Local Housing Allowance (LHA), was it anticipated that the LHA rate would increase;
- Was the budget allocated to deliver support to residents sufficient to meet the demand;
- Were the incidents of evictions increasing;
- Are there any figures available to indicate how many households were seeking to move to more affordable accommodation;
- What measures had been introduced through the Council Tax scheme to encourage owners of empty properties to bring them back into use;
- Was data available at a ward level that detailed the numbers of long term empty properties;
- Were officers confident that all residents that were eligible for Council Tax support during the pandemic had accessed this;
- What was the approach taken to the assessment of applications to the Welfare Provision Scheme;
- An explaining was sought as to the changes in the reported figures of 4,331 children who received Free School Meals – Alternative Support during the Easter period and 6,709 for the autumn half-term;
- How had the findings of the Manchester Poverty Truth Commission been communicated to staff administering support;
- With reference to Council Tax collection rates, how did Manchester compare to other cities; and
- What modelling was done to predict future Business Rates levels in the city;
- Was the Director confident that staff were capturing all of the larger families who were potentially eligible for support under our Council Tax Support Scheme, whose third and subsequent children were potentially not eligible for benefit support under national government criteria?

The Deputy Leader (Finance) said that the report represented and reflected the important work that the service provided to protect the most vulnerable residents across the city. She paid tribute to the staff working in the service who continue to strive to improve the outcomes for residents. She highlighted that this was in the context of continued austerity, cuts to Universal Credit and a freeze to the Local Housing Allowance. She gave reference to the Council having passed a motion deploring the cut to Universal Credit and said that Manchester would continue to lobby the Government on this issue. She said that despite the financial challenges placed on the city as a result of unfair funding settlements, Manchester had taken the decision to fund this discretionary scheme.

The Director of Customer Services and Transactions said that all staff assessing an application for a discretionary award took a holistic approach to the circumstances of the individual. She said that each case was treated on its own merits with the priority to keep people safe and to maintain the occupancy of their home. She stated that this could be complex and challenging and regrettably not all applications would be

successful. She added that for those that were unsuccessful appropriate sign posting to alternative support was provided.

The Head of Corporate Assessments commented that a written decision notice would be issued following a DHP application and if an application had been refused the individual could request that decision was reviewed and the applicant had the opportunity to submit any additional supporting evidence to assist the decision maker. He commented that the decision to extend any existing DHP award during the pandemic without the need to reapply was a positive step, noting that as the lock down restrictions began to be lifted people would be invited to reapply, with the budget being used to support the most vulnerable residents and prevent homelessness. He described that systems had been established to support those residents at risk of being evicted from their property.

The Head of Corporate Assessments said that weekly reporting on the DHP budget was undertaken to understand the pressures and trends and to flag any concerns if necessary.

The Head of Corporate Assessments also said that following his previous experience when dealing with the Valuation Office Agency who determine Local Housing Allowance rates, he was not optimistic that the rates would be reassessed.

The Director of Customer Services and Transactions said that the service did not have the time or resources to be able to collate data on the numbers of households across the city wanting to move to more affordable housing at any one time.

The Director of Customer Services and Transactions explained that Officers and Members from the Council were involved in the recent Manchester Poverty Truth Commission that was published earlier this year. This included the commissioner role and to take part in a specific session on how the collection of council tax could be improved. She made reference to principles that had been agreed following this process and said that these had been shared across the service to reinforce the requirements of council staff to support and inform the dialogue that staff had with residents.

The Director of Customer Services and Transactions informed the Committee that having listened to the wishes and preferences of the management team at the Oasis Centre it had been agreed that access to four named individuals in the council tax back office had been given as a contact to deal with any enquiries and resolve issues brought up by the local community who visit the facility.

The Head of Corporate Revenues advised the Members that the numbers of empty properties (empty for 2 years) had reduced from c1400 properties in 2013 to c400 currently. He stated that those properties empty for over ten years attracted a 400% Council Tax charge. He also said that they worked closely with colleagues in Strategic Housing with the intention to work with owners to bring properties back into use. In

terms of empty property data at a ward level, he advised this could be provided to Members following the meeting.

The Director of Customer Services and Transactions addressed the comments regarding Council Tax collection rates by stating that compared to other cities Manchester's performance was not as good in terms of in year collection rates, noting the particular challenges presented by the pandemic. She said it was important to understand why people on a limited income or benefits struggle to pay their arrears or were reluctant to engage on this issue. She said that the intention was to engage with people who have arrears, understand their particular circumstances and establish a realistic and sustainable repayment plan. The Head of Corporate Revenues commented that for those people who were working and earning a reasonable income yet refused to pay their Council Tax an attachment to earnings could be applied to recover debts.

The Head of Corporate Assessments advised that the take up of the Free School Meals – Alternative Support had been promoted by using the eligibility information retained by schools. He stated that as Universal Credit was administered by the DWP the Revenues and Benefits Unit no longer maintain a list of all those that were eligible, however by working with the schools the FSM offer was promoted and as knowledge of this scheme became known amongst families the uptake figures were seen to increase.

The Deputy Chief Executive and City Treasurer explained that he modelling for the predicted levels of Business Rates to be collected in future years was conducted by Finance Officers using a range of metrics. He also confirmed that the Service believed that they were capturing all relevant larger families for the Council Tax Support Scheme.

Decision

To note the report.

RGSC/21/43 Equalities Strategy Implementation Update

The Committee considered the report of the Director of Human Resources and Organisation Development, which provided Members with an update on progress to date to increase diversity in the organisation, ensure we are an inclusive employer and to challenge discrimination.

Key points and themes in the report included:

- The context and development of the Strategy, which had arisen from the findings of an external review of race issues published in 2020;
- An update on a range of activities over the last 12 months against identified actions, arising from the review;
- An update on the ongoing development of a revised Workforce Equalities Strategy; and
- Conclusions.

Some of the key points that arose from the Committee's discussions were:

- The extended scope of the data the organisation now gathers from its workforce, and how the collection of data is embedded across the Strategy
- Progress towards achieving parity across the disciplinary action process for employees
- Changes to the organisation's recruitment practices
- Communication strategy

The Race Lead for Women welcomed the report and the organisation's ambition to eradicate all forms of discrimination. She spoke about her involvement in the Working Group and said that she was encouraged to see that early feedback from staff had been positive. She said it was important to recognise that the overarching purpose of the Strategy was to ensure that the organisation's employment practices recognised and respected differences amongst all employees, and that those differences were not solely confined to race or ethnicity but were represented across all of Manchester's communities. She acknowledged the breadth and quality of work undertaken at pace to develop a more comprehensive and inclusive workforce strategy that discriminates against no one. She thanked officers for their ongoing commitment to developing the Strategy.

There was a discussion about the work undertaken to close the gaps that had been identified in the data that the organisation gathers on the workforce. The Committee was informed that the organisation's staff monitoring classifications had been significantly broadened out to develop a richer picture demographically of the workforce population. This had been done in consultation with Trade Unions, focus and community interest groups and the information gathered would again be evaluated alongside updated census data due next year. The revised categories were tested out in a recent staff survey and had received a good response rate with further surveys underway. The Chair commented that completion of the revised survey had been disappointingly low (44%) amongst managers graded 10 and above. The Chair noted that although she would not wish to see anyone pushed to provide information if it made them uncomfortable, she would be worried if given the work done in this area, large numbers of senior leaders were unhappy about providing it. There was a discussion about potential barriers to completion and the essential role Leaders and Managers play in headlining the implementation of policy change. Mindful that completion itself was discretionary and therefore not a compulsory requirement for any staff, the Committee noted that active discussions with the Senior Management Team were planned to explore ways to improve completion rates and gather data across the directorates.

With regard to tracking employee progression within the organisation, the Deputy Director HROD said that the employee appraisal system was an ideal way to set objectives and monitor progress over 12 months. She agreed to circulate information to committee members about the revised appraisal system following the meeting. She

added that proposals were also underway to review the 'About You' (one-to-one) system with particular reference to the developing Strategy.

Mindful of the sensitivities around the disclosure of suspected discrimination, the use of exit questionnaires as a possible way to explore retention issues was discussed. Members were informed that whilst exit questionnaires were an available option for employees leaving the organisation, uptake was historically low, despite the alternative submission route through HROD. Options were however being considered for the development of exit questionnaires for employees leaving a particular service yet remaining within the wider organisation.

There was a discussion about the need to champion both the organisation's zero tolerance approach to discrimination and the volume of work being delivered to support its implementation. The Race Lead for Women felt that the positive and inclusive message this relayed to staff should be celebrated. The Deputy Director HROD spoke about the broad programme of research and engagement which had revealed a strong message around the need for parity in the Strategy's commitment to both anti-discrimination and inclusivity. This message would therefore form the central message of all aspects of communication about the strategy and would be reflected through various processes to reinforce that balanced approach through variety of strategies to raise awareness.

Discussions moved to a previously reported issue around a disparity in disciplinary cases involving Black, Asian and Minority Ethnic staff who had been disproportionately represented in proceedings that took place in the 2018/19 municipal year. Whilst acknowledging a significant statistical drop in cases more recently, the numbers were still not at parity and Members sought assurance that this matter had been and would continue to be appropriately explored and addressed. The Deputy Director HROD described the extensive involvement of the HR casework team, whose role of support and challenge was to ensure that there was consistency across those proceedings and explore all possible underlying factors that may have influenced the decision to progress to disciplinary action.

With regard to the delivery of equalities training, the Committee noted that amongst a range of learning objectives, this aimed to raise awareness about the impact of unconscious bias as well as exploring other attitudes and beliefs that may adversely affect behaviours or decision-making. Members expressed an interest in being included in this type of training so that they may play a more active role in supporting the delivery of Strategy. It was also suggested that such training should be targeted to managers who are graded below Grade 10.

There was a discussion about how the impact of the various number of outputs would be evaluated for effectiveness. Members expressed the view that there should be an appropriate focus on auditing and measurable outcomes to help determine whether meaningful progress had been made and to underpin further decision making. It was also suggested that staff groups should be consulted about the development of targets.

The Talent and Diversity Lead gave assurance that whilst the Strategy itself formed the overarching document, numerous detailed action plans sat beneath and that specific pieces of work had been commissioned to extract the highest quality and most accurate data. He added that the aim of the Strategy was not purely to focus on protected characteristics but to create a working environment where all employees could thrive, be treated with respect and dignity and feel supported by the organisation's zero tolerance approach to all forms of discrimination.

There was a discussion about the organisation's recruitment practices. It was noted that austerity measures had contributed to a greater focus on internal recruitment. The Committee was informed that the organisation was about to embark on a full scale review of the application of its recruitment policies and practices with a view to developing task based assessments to develop a more inclusive recruitment process that provides for all forms of diversity.

The Deputy Leader (Equalities and Human Resources) spoke about the findings of the race review and welcomed the organisation's clear commitment and enthusiasm to address those imbalances at pace. In response to questioning regarding the budget for this work, he stated that there was no specific budget but that resources were being committed as required. He urged the Committee to note that whilst the update given today provided some insight into the wholesale transformation of the organisation's recruitment policies, these initial measures should be seen as the early foundations of the organisation's solid commitment to eradicate the perception of a 'glass ceiling' for any employee and uphold that talent will be recognised irrespective of an employee's background or protected characteristic. He added that progress reports on the development and implementation of the revised Strategy would be submitted to future meetings of this Committee.

Decision

1. To welcome the latest version of the Workforce Equality Strategy and note the progress towards increasing diversity across the organisation.
2. To note that a further reports on the development and implementation of the Workforce Equality Strategy will be submitted to a future meeting of the Committee.

RGSC/21/44 Overview Report

The Committee considered the report by the Governance and Scrutiny Support Unit which provided details of key decisions that fall within the Committee's remit and an update on actions resulting from the Committee's recommendations. The report also includes the Committee's work programme, which the Committee was asked to amend as appropriate and agree.

No amendments to the Work Programme were proposed.

Decision

To note the overview report and agree the Committee's Work Programme.

Manchester City Council Report for Information

Report to: Resources and Governance Scrutiny Committee – 9 November 2021

Subject: Spending Review and budget update

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

Purpose of the report

This report updates on the main announcements from the Spending Review 27 October 2021 with a focus on the implications for local government funding, what this means for the Council's budget position and the proposed budget process.

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.

This report is structured as follows

Main Report	Spending Review Announcement and Medium-Term Revenue Budget
Appendix One	Summary of all Spending Review Announcements
Appendix Two	Corporate Core Priorities and budget
Appendix Three	Commercial & Operations Priorities and budget

Recommendations

The committee is recommended to:

1. Note the Spending Review announcements and 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

Environmental Impact Assessment - the impact of the issues addressed in this report on achieving the zero-carbon target for the city
The budget reflects the fact that the Council has declared a climate emergency by making carbon reduction a key consideration in the Council's planning and budget proposals.

Manchester Strategy outcomes	Summary of the contribution to the strategy
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	The effective use of resources underpins the Council's activities in support of its strategic priorities as set out in the Corporate Plan which is underpinned by the Our Manchester Strategy.
A highly skilled city: world class and home grown talent sustaining the city's economic success	
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	
A liveable and low carbon city: a destination of choice to live, visit, work	
A connected city: world class infrastructure and connectivity to drive growth	

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

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

Financial Consequences – Revenue

The report sets out the announcements in the Spending Review that relate to local government funding and the potential impact on Manchester City Council. The detail and actual levels of funding will not be known until at least the Finance Settlement expected mid to late December 2021.

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.

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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.

The full suite of Autumn Budget and Spending Review documents can be found online at [Autumn Budget and Spending Review 2021: documents - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/collections/autumn-budget-and-spending-review-2021)
Corporate Core Budget Report 2021/22 – Executive 17 February 2021

1. Introduction

- 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 Although there was no individual local authority level information provided this report sets out how the announcements may impact on the City Council's budget position and gives an overview of other key public spending announcements.
- 1.3 This report focuses on the forecast financial impact of the announcements and the Council's medium term revenue budget position.

Part One – Spending Review Announcements

2. Economic Context

- 2.1 The overall economic picture is one of an improving fiscal position, albeit from a very difficult place as the economy emerges from the pandemic. The Office for Budget Responsibility's (OBR) economic forecasts show an improvement compared to those in March 2021. They are now forecasting that the pandemic will result in economic scarring equivalent to 2% of GDP (rather than the 3% forecast in March 2021).
- 2.2 Economic growth is now forecast to be 6.5% in 2021, followed by 6.0% in 2022, 2.1% in 2023. However, from 2024 onwards, GDP is forecast to grow below its long-term trend of 2%.
- 2.3 There is still an exceptionally large budget deficit with high levels of debt, however this has also improved since the March forecast. The budget deficit is expected to reduce by almost half to £183bn in 2021/22 (£51bn lower than in the March forecast). Borrowing reached £320bn (15.2% of GDP) in 2020/21.
- 2.4 The Consumer Price Index (CPI) dropped significantly in 2020 (during the pandemic), and has now bounced-back, with an expected peak of over 4% in the next 6 months. The OBR is expecting CPI inflation to reach 4.4% next year. The OBR forecasts that CPI will have returned to its target level (2%) by 2023 or 2024.
- 2.5 Total departmental spending is set to grow in real terms at 3.8% a year on average over this Parliament – a cash increase of £150 billion a year by 2024/25 (£90 billion in real terms).

3. **Local Government Finance Announcements**

3.1 Core spending power for local authorities is estimated to increase by an average of 3% in real terms each year over the three-year period. Core Spending power is the Government's preferred measure of the resources available to councils and includes the estimated level of Council tax assuming the full precepts are taken.

3.2 The spending power increase includes:

- £4.8bn extra for Local government over the spending review period, with £1.6bn of new grant funding in 2022/23 followed by flat cash thereafter. This includes an additional £200m for the Supporting Families programme, and £37.8m funding to tackle cyber security challenges and invest in cyber resilience. It will also be expected to fund the increased national insurance costs that councils will face as an employer. It is not yet known how the funding will be allocated to individual councils.
- £3.6bn for the previously announced adult social care reforms including the proposed cap on the cost of care.
- A council tax referendum limit of 2% and Adult Social Care precept of 1% per year

3.3 The Local Government Departmental Expenditure Limit (LG DEL) will rise by £3.6 billion by 2024/25, (an average annual real terms increase of 9.4% from 2021/22 to 2024/25). This includes £2bn in 2024/25 related to the income from the health and social care levy, intended to fund the reforms set out in the adult social care reform paper released in September 2021.

	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m
Total LG DEL	9,100	10,800	12,100	12,700
Growth above 2021/22 (£m)		1,800	3,000	3,600
This includes:				
ASC Reform		200	1,400	2,000
Other Funding		1,600	1,600	1,600

3.4 The other main announcements impacting Local Government Funding can be summarised as follows:

- Spending on rough sleeping increased to £639m per annum by 2024/25.
- Specific announcements for Children and Families, the most significant being 'Start for Life' hubs
- £34.5m has been allocated to further strengthen local delivery and transparency. This funding will help strengthen local government's procurement and commercial capacity, establish the Audit Reporting and

Governance Authority as the new local audit systems leader, and help local councils meet new transparency requirements.

- £4.7bn for school's core budget and £2.6bn (capital) for Special Educational Needs and Disabilities to help councils provide places locally, rather than children having to travel to get the support they need.

3.5 **Business Rates** - The Chancellor announced that the Government would provide a package of business rates measures to support businesses in England. For 2022/23 this includes:

- A new relief for eligible retail, hospitality, and leisure properties with 50% relief on rates bills up to £110,000 per business
- A freezing of the multipliers at 49.9p (small business multiplier) and 51.2p (standard multiplier)
- The extension of the current Transitional Relief and Supporting Small Business schemes
- The scope of the discount for 2022/23 will return to pre-Covid-19 eligibility for retail properties. Hospitality and leisure properties will continue to remain in scope.

3.6 Local Government will be reimbursed for the reliefs through Section 31 grant. In addition, the government will provide New Burdens funding to cover matters such as IT costs and additional staff costs.

3.7 The final report for the Review of Business Rates was also published at the Budget. The Budget and the Review commits, in the longer term, to making improvements to the business rates system, including:

- More frequent revaluations, moving to a three yearly cycle starting from the next revaluation in 2023
- New changes to support delivery of the more frequent revaluations, including new duties on ratepayers to provide the VOA with information
- A new relief to support investments in property improvements
- New exemption and relief to support green technologies

3.8 **Council Tax** announcements are as follows:

- Core referendum limit will stay 2% a year
- Social care precept will be up to 1% per year
- Police and Crime Commissioners increase up to £10 per year.

3.9 In conclusion additional government funding is welcome; however, it is not expected this will meet all the extra cost and demand pressures anticipated over the period, especially as there is no planned increase after 2022/23 and no explicit funding to address the existing pressures on adult social care services. There remains concern that the money allocated to social care from the Health

and Care Levy will be insufficient to fund the planned reforms. Finally, there has been no increase in public health funding to address the health inequality issues highlighted by the pandemic.

- 3.10 The Spending Review was also silent on whether local government will receive a three-year financial settlement and whether and when local government finance reforms, such as the fair funding review and changes to business rates retention will be implemented. As individual local authority funding allocations will not be known until the Finance Settlement is received, expected in mid-December, a number of assumptions on how they may impact on Manchester have been made.

4. **Other Spending review Announcements**

- 4.1 The other spending review announcements which will directly impact Manchester are summarised below.

- 4.2 Changes which directly impact on household income:

- National Minimum Wage will increase to £9.50 per hour
- The public sector pay freeze will end
- Universal Credit uplift - reduced the taper from 63% to 55%, UC (Universal Credit) claimants will be able to keep an additional 8p for every £1 of net income earned. A £500 per year increase to the amount that households with children or a household member with limited capability for work can earn before their Universal Credit award begins to be reduced (known as Work Allowances).
- Government will continue the temporary increase in the surplus earnings threshold to £2,500 for UC claimants until April 2023, when the threshold will reduce to £300.
- Workers leaving the furlough scheme and making a UC claim will be prioritised through the Job Finding Support scheme

- 4.3 Funding Announcements which benefit Manchester:

- The £4.8 billion **Levelling Up Fund** -The successful bids include 'The Culture in the City Project' - Almost £20m to transform two listed buildings into technology and creative industry spaces in Manchester.
- **City Region Sustainable Transport** awards totalling £5.7bn were also announced. This includes £1.07bn to Greater Manchester over five years to transform local transport networks, for schemes such as next generation Metrolink tram-train vehicles.
- **Community Renewal Fund** - GMCA (Greater Manchester Combined Authority) have been awarded £4.360m over 8 schemes

4.4 Appendix One provides a summary of all the Spending Review announcements

Part Two – Medium Term Revenue Budget

5. Budget Context

5.1 Since 2010 the Council has had consecutive budgets that have seen it close an aggregate funding gap of £419m as it has contended with funding cuts and inflationary and demographic pressures.

5.2 In this time, the Council has borne the brunt of local government cuts and if it had seen funding cuts in line with an average Council it would have £85m a year more in funding than it currently has.

5.3 The Council has therefore worked hard to reach a balanced budget each year through sound medium term financial planning and monitoring of those plans.

6. Current Forecast Budget position

6.1 The table below shows the estimated budget position for 2022/23 to 2024/25 taking into account the estimated impact of Spending Review Announcements.

Table 1: Forecast budget position

	Approved 2021 / 22 £'000	2022 / 23 £'000	2023 / 24 £'000	2024 / 25 £'000
Resources Available				
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
Total Resources Available	638,183	657,394	619,367	630,617
Resources Required				
Corporate Costs	121,096	112,156	113,378	118,016
Directorate Costs	517,087	549,766	569,732	598,099
Total Resources Required	638,183	661,922	683,110	716,115
Shortfall / (surplus)	0	4,528	63,743	85,498

**2022/23 onwards reflects an indicative 2.99% increase in the CT rate, including 1% ASC precept*

Government Funding assumptions

6.2 As the Spending Review does not contain any detail on how funding will be allocated, or clarity of what is assumed to continue in the base, a number of assumptions have been made. It should be noted that the actual Finance Settlement may be very different to what has been assumed. The assumptions include the following:

- A £16m share of the of £1.6bn Core funding. This is a prudent estimate based on the social care funding formula. It is highly unlikely all the funding will be distributed on a single formula basis.
- New Homes Bonus - no detail has been published so only the previously announced £3.1m legacy funding has been included with no further funding assumed.
- All one-off grants received in 2021/22 to cover the increased costs of COVID-19 will end.
- The Improved Better Care Funding and Better Care Fund will continue.
- Public health funding will be flat cash in real terms (as announced as part of the SR)

Local Resources

6.3 Local resources include Council Tax, Business Rates and commercial income, the main assumptions are as follows:

- Significant commercial income does not resume until after 2024/25.
- After the 2021/22 budget was set the estimated business rates appeal requirement was reduced due to the change in policy not to allow appeals related to the impact of COVID-19 (material change in circumstances) and fully refunded retail reliefs were extended. This has led to a one-off (2022/23) business rates surplus of £12.1m.
- Council Tax has been assumed to increase in line with the Spending Power assumptions of 1.99% for core council tax and 1% for the Adult Social Care precept in each of the next three years.
- An estimated Council Tax surplus of £6.9m (one off 2022/23) due to growth in the tax base with the delivery of new homes in Manchester, a lower number of student exemptions and fewer Council Tax Support claimants than originally estimated. The ongoing impact of the growth in the council tax base is forecast at c£4.2m a year.
- A decision on the future of the Business Rates pilots has not been made yet so it has been assumed the 100% business rates retention pilot will end and that the Council will revert to the national 50% business rates retention regime.

2021/22 Estimated Impact of COVID 19 on Service Delivery

- 6.4 As part of the 2021/22 budget setting process £13.7m additional ongoing funding was included in the budget for the ongoing impact of COVID-19. The budget monitoring process has identified that the following amounts were not required due to either an overestimation of the impact of alternative funding being available. These have now been removed from the budget on a permanent basis:
- Adults Personal protective equipment (PPE) (£2.5m) as it has been agreed the anticipated costs are being covered by the Clinical Commissioning Group.
 - Children's Services (£1.2m) recurrently due to a positive reduction in demand. This is linked to the preventative actions and investments targeted on the front door, edge of care and approach to permanency.

Inflation and Oncosts

- 6.5 Inflation has been rising and the following provisions have been made within the draft Revenue Budget:
- The ongoing impact of the potential 2021/22 pay award (£0.8m) and assumed 3% increase per year (£7.5m a year)
 - An uplift to National Living Wage of 6.6% to £9.50 per hour was announced as part of the Spending Review. An additional £2.5m in 2022/23 has been allowed for over the £3.1m already included in the 2022/23 budget.
 - National Insurance increase of 1.25% (£1.5m)
 - The full year effect of electricity price increases forecast at £7.2m next year reducing to £5.5m thereafter.
 - Increased allowance to cover general contract inflation and gas of £4m (above existing £4m per year). This is net of additional income which could be achieved through a review of Sales, Fees and Charges. A 2.5% increase would raise around £2m and reflect the increases in costs of providing the services charged for.

Use of Reserves

- 6.6 In line with the approach outlined in the Revenue Monitoring reports to Executive, budgets that have been added for 2021/22 and have subsequently not been required have been transferred to a reserve in 2021/22 to support the medium-term budget position and reduce the budget gap. The Revenue Monitoring on the agenda for the Executive provides full details and to date this totals £11.6m. This largely relates to some COVID budget pressures not impacting as severely as initially forecast. The 2021/22 budget is currently forecasted to be £1.353m underspent. Any underspend will be carried forward to support the 2022/23 budget.

- 6.7 The 2021/22 Medium Term Financial Strategy to February 2021 Executive outlined that £50.6m of risk-based reserves had been identified as available to support the future budget position. Whilst the £50m identified could be applied across 2023/24, the reserves will need to be replenished at a later stage and this is not recommended. However, an element of the reserves can be used to smooth the budget position in advance of future savings or commercial income returning, or to support some of the transformation required to support further budget cuts.
- 6.8 The £1.353m relating to the 2021/22 projected underspend will be used to support the revenue budget in 2022/23. The £11.6m recovered from the 2021/22 budget will be used to reduce the forecast budget gap for 2023/24.

7. **2022/23 budget approach**

- 7.1 Work has taken place to address emerging underlying pressures across services and review mitigating actions around forecast future increases in demand. The detail is included in the budget reports to individual scrutiny committees, with a summary below. The impact on the forecast position shown in table two.

Emerging Pressures

- 7.2 The following budget pressures have been identified:
- 7.3 Corporate Core £1.264m net pressure (Gross pressure of £2.319m less savings £1.055m). As part of the work to review the budget the directorate has identified budget pressures, some offsetting savings measures and the need to reallocate some resources to reflect the changing priorities in the Directorate. There is a net budget increase of £1.264m which largely reflects two areas of cost which cannot be absorbed from within Corporate Services namely the reduction in court summons fees of £0.5m due to the reduction in summons due to the reduction in levels of Council Tax support residents had to pay in 2021/22 and changes to debt collection, and the additional costs associated with Gorton Hub. Full details are available in Appendix 2 of this report.
- 7.4 Neighbourhood Services -£464k pressures relating to CCTV (£264k) to cover increased contract costs for monitoring arrangements and Winter Services (£200k) for increased costs of service provision
- 7.5 Childrens centres maintenance of £400k - In 2012, the Council took the decision to withdraw from the direct provision of day-care services to move to a new model, with the Council acting as commissioner of day-care services. As the estate is not in good condition maintenance costs are higher than day care providers anticipated and can afford. A review of the current arrangements with tendered day-care has been concluded and Executive have agreed a capital investment of £3m to improve the condition of these buildings. However, this is a

3-year programme and current projections indicate an ongoing budget shortfall. It is proposed that this pressure is funded going forward.

Measures to Mitigate Pressures

- 7.6 In addition to the £3.7m of COVID-19 pressures already taken out of the budget (referenced at paragraph 5.4), a review of demand assumptions versus actual activity has led to two further recommended changes:
- £2m from Adult Social Care is released on a permanent basis. This still leaves an additional £9m in the budget to deal with ongoing demand from COVID-19 which is deemed to be sufficient to meet the ongoing impact.
 - £7m was added to the Homelessness budget in 2020/21. In addition, a £1.5m contingency remains and further funding has been announced as part of the SR. It is unlikely that the further planned £1.716m per annum increase will be required and this has now been removed from the budget, although the position will be kept under review.
- 7.7 Review staff budgeting and vacancy factors. With the exception of senior graded posts (SS1 and above) positions are currently budgeted at the top of grade less a vacancy factor. This factor is 2.5% in the majority of service areas, higher vacancy factors are adopted in a limited number of service areas (where appropriate). A 1% increase to the vacancy factor would more accurately reflect the fact that many employees are not at the top of the grade and the current levels of turnover and would generate budget savings of c.£2m - with services having the flexibility to delete long term vacancies as an alternative to increasing the vacancy factor. This will be allocated to budgets once more detailed work has been concluded in December. This is in addition to workforce budgeting saving already assumed within the Core.
- 7.8 Historic pension costs are continuing to reduce. In addition, there are some legacy financing charges which are no longer required. The relevant corporate budgets can be reduced by £1m.

Table 2: Emerging pressures and impact on Forecast

	2022 / 23	2023 / 24	2024 / 25
	£'000	£'000	£'000
Current forecast gap / (surplus)	4,528	63,743	85,498
Further Potential Changes:			
Core Pressures Identified	2,319	2,352	4,134
Neighbourhoods Pressures Identified	464	464	464
Children's Centres Maintenance	400	400	400
<i>Total pressures</i>	<i>3,183</i>	<i>3,216</i>	<i>4,998</i>
Potential Total gap / (surplus) after pressures	7,711	66,959	90,496

Proposed savings / demand reduction:			
Core Savings	(1,055)	(1,055)	(1,055)
Adults	(2,000)	(2,000)	(2,000)
Homelessness demand management	(1,716)	(3,765)	(6,237)
Staffing budgets	(2,000)	(2,000)	(2,000)
Corporate Budgets	(1,000)	(1,000)	(1,000)
<i>Total proposed 22/23 savings</i>	<i>(7,771)</i>	<i>(9,820)</i>	<i>(12,292)</i>
Potential Total gap / (surplus) after pressures and savings	(60)	57,139	78,204

7.9 As shown above the proposed adjustments result in a small surplus for 2022/23 of £60k. If there is a requirement for further additional investment this will need to be funded from additional savings or a better-than-expected settlement.

8. Longer term approach

- 8.1 It is likely that detailed local authority funding allocations will only be published for 2022/23 in the Finance Settlement and considerably uncertainty remains on the position after the next financial year. The main sources of local authority funding, business rates and council tax, remain extremely volatile and the potential reforms to local authority funding are still anticipated. These reforms include the move to the 'Fairer Funding' formula to allocate funding and changes to the Business Rates Retention scheme. In addition, the Business Rates reset planned for 2023/24 will mean that the additional business rates growth generated since the last reset in 2013 will be lost. Whilst there is some intelligence around the changes the government plan to make however there is no certainty around impact; whether they will be implemented in 2023/24; or deferred further.
- 8.2 The other risk facing the Council will be the call for significant capital investment to meet the growing list of priorities. This could lead to growing pressures on the capital financing and revenue budget if external borrowing is not restricted. Further work is required on the capital pipeline to ensure that the limited borrowing capacity compliments leveraging in external funding and is used to best affect.
- 8.3 Finally, the potential delay in the return of significant commercial income until after 2024/25 leaves the City Council in a weaker financial position unless proactive action is taken.
- 8.4 The above factors, along with the large number of risks facing local government as a whole, mean early work on the 2023/24 budget is required and has been planned. This will include:

- As part of the Future shape change programme work has started on defining the financial and operational benefits that each workstream will deliver. This work will inform a programme of savings to be developed. The move to a 'digital first' approach within the Council will be one of the areas where further savings will be identified.
- The continued work on Public Service Reform and management of demand / prevention will be important, particularly in limiting future demand growth.
- Work to identify invest to save approaches and budget efficiencies.

8.5 A programme of work will be developed around the above to enable the presentation of a balanced set of options early in the next municipal year. The work will target budget cuts and savings of £40m per annum for 2023/24 and 2024/25.

8.6 This report has set out the estimated budget position for the next three years and the potential scale of budget cuts required. The assumptions are based on a prudent view of the Spending Review announcements and funding available. A range of measures have been identified to ensure a balanced budget for 2022/23 and to put the Council on as firm a footing as possible for 2023/24 and beyond. Should further funding than that estimated be forthcoming as part of the Finance Settlement it is recommended that this is used over more than one financial year to reduce the requirement for future budget cuts. It should also be noted that £50m of reserves are potentially available to smooth the budget position that have not yet been applied. The reserves should only be used as part of a clear strategy to achieve a sustainable balanced budget and not to just plug a gap.

9. Budget consultation

- 9.1 At this point it is not anticipated that formal consultation on specific proposals will be required for 2022/23.
- 9.2 There is a statutory requirement to consult with business rates payers. A public consultation on any proposed council tax increases would take place in late January/early February.

10. Budget setting timeline

- 10.1 At the November meetings all scrutiny committees will receive a short update on the Council's budget and a high-level update on the three-year position following the Spending Review. The reports have been tailored to the remit of each scrutiny as shown in the table below.

Date	Meeting	Services Included
9 Nov 21	Resources and Governance Scrutiny Committee	Chief Executives 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

10.2 The 2021/22 budget will be subject to further scrutiny and formal approval as follows:

- Council Tax and Business Rates decision reports will go to Resources and Governance Scrutiny Committee on 8 December
- The joint process to be considered at Health Scrutiny Committee on the 9 December
- 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 and 2024/25 discussed with Executive members

11. **Conclusion**

- 11.1 As stated in the report it is not possible to accurately quantify what funding will be available until the Settlement is received. Even then it is possible some funding will be announced later in the year. Although the Spending Review covered three years, it is likely the settlement will be for 2022/23 only.
- 11.2 Areas where there remain significant uncertainties include:
- Allocation methods of both the £1.6bn annual grant and £3.6bn social care funding pot are not known
 - Uncertainty around existing grants – New Homes Bonus, Lower Tier Services Grant, Social Care Grant
 - No announcements on Business Rates reforms, reset or Fairer Funding Review. This may become clear in Finance Settlement. It seems unlikely there will be changes in 2022/23.
 - Changes to Business Rates Retention – unlikely in 2022/23 but not clear after that. There has been no decision on the continuation of business rates pilots.
 - Cost of reforms and new responsibilities
- 11.3 This report outlines a prudent approach to the Medium-Term budget with proposed savings and demand management of £7.7m next year then an additional £40m each year for the next three years. There is likely to be a one-year Settlement, the position for 2022/23 and beyond is still extremely challenging. The strategy outlined will allow a balanced budget to be forecast for the next three years, whilst also maintaining risk reserves to achieve a sustainable position for the future.

Appendix One Autumn Budget and Spending Review 2021

1. Introduction

- 1.1. On Wednesday 27th October 2021 Chancellor of the Exchequer Rishi Sunak delivered the Autumn Budget and Spending Review to the House of Commons. The budget was presented with a generally upbeat tone and pitched as government preparing the country for a post-COVID future, with tax and spend announcements covering many policy areas. This is the first budget delivered to the House that is focused on recovery from COVID, with the previous budget statement delivered on 4th March 2021 being more focused on mitigating against the economic impact of the pandemic on people and businesses.
- 1.2. The budget unveiled higher than anticipated public spending funded through tax increases with the aim of boosting productivity growth. The Chancellor has hinted to Conservative backbenchers that he intends to cut taxes before the next election.
- 1.3. This briefing provides a summary of the announcements that are most relevant to Manchester City Council and our partners and stakeholders. For ease of reading announcements have been grouped according to broad policy areas.

2. Economic and Fiscal Overview

- 2.1. The economic impact of COVID-19 clearly sets the fiscal context for this budget; however, it should be recognised that Brexit continues to affect the economy in ways which are continuing to evolve. The budget statement did not make any particular reference to negative impacts of Brexit on the economy.
- 2.2. Economic indicators at the time of the budget statement include:
 - Inflation in September was 3.1% and is likely to rise further, with the Office of Budgetary Responsibility (OBR) expecting Consumer Price Inflation (CPI) to average 4% over the next year
 - Growth this year is revised up from 4% to 6.5%. The OBR then expect the economy to grow by 6% in 2022, and 2.1%, 1.3% and 1.6% over the next three years. The OBR have revised down their scarring assumption from 3% to 2% of GDP.
 - Real terms wage growth of around 3% since February 2020
 - Underlying debt is forecast to be 85.2% of GDP this year, then 85.4% in 2022-23, before peaking at 85.7% in 2023-24.
 - Borrowing as a percentage of GDP is forecast to fall from 7.9% this year to 3.3%, then 2.4%, 1.7%, 1.7% and 1.5% in the following years.
 - Overall spending at Government departments would increase by 3.8% in real terms.
- 2.3. The Chancellor also set out a new Charter for Budget Responsibility. The Charter sets out two fiscal rules:

1. Public sector net debt must, as a percentage of GDP, be falling.
2. The state should only borrow to invest in our future growth and prosperity.
Everyday spending must be paid for through taxation.

3. Local Government Finance

- 3.1. The most significant feature of the budget for local government is the announcement of a multi-year settlement to enable councils to drive levelling up, the equivalent of a 3% increase in core spending power. £4.8bn of grant funding will be available to local government over the next three years, the equivalent of £1.6bn a year. The referendum threshold for increases in council tax is expected to remain at 2% per year. Local authorities with social care responsibilities are expected to be able to increase the adult social care precept by up to 1% per year.
- 3.2. While the multi-year funding settlement is a positive development for local authorities, it should be noted that changes to business rates may affect income. While the retention of business rates pilot will continue, there will be a one year 50% discount to business rates for retail, hospitality, and leisure businesses up to a maximum of £100,000. It is expected that local authorities will be compensated for loss of income as well as being provided with new burdens funding to cover administrative costs.
- 3.3. Other business rates changes include:
 - More frequent revaluations, taking place every 3 years from 2023
 - 12 months relief for businesses adopted green technology or property improvements from 2023
 - Cancellation of next year's business rates multiplier increase making bills 3% lower
 - The temporary £1 million level of the Annual Investment Allowance will be extended for UK businesses until 31 March 2023.
 - The Recovery Loan Scheme will also be extended until 30 June 2022, although the government guarantee it will be reduced from 80% to 70%.

4. Relevant national and regional investments

- 4.1. Investment funding announced was framed as part of the wider levelling up agenda with focus on regions outside London and the Southeast. As we previous announcements, much of the funding made available appears to be piecemeal and allocated via competitive application process. Announcements included:
- 4.2. *Levelling Up Fund* – the first 105 places to receive funding from the £4.8 billion Levelling Up Fund were announced. Manchester's Culture in the City bid has been awarded £19,823,516 but the bid for Withington Village has not been successful. Across Greater Manchester projects in Bury (2 projects), Bolton, Tameside, and

Salford will also receive funding. There are currently no details on timescales or criteria for Round 2.

4.3. *Community Ownerships Fund* - The first 21 projects to receive funding from the Community Ownership Fund were also announced totalling £5.3 million. The overall fund is for £150 million. Wigan and Hyndburn were the only 2 NW projects funded in this round. The 2nd round will be announced shortly.

4.4. *Shared Prosperity Fund* - There was no announcement for the Community Renewal Fund which were submitted at the same time as the Levelling Up fund. GMCA submitted £3 millions of projects on behalf of Manchester to this fund. However, a 3-year budget for the SPF has been announced as follows. As expected, this shows a “ramping up” to European levels of funding by year 3. The revenue/capital split is also as expected and differentiates from the Levelling Up fund which is capital.

£ Billions	2022-3	2023-4	2024-5
Resource	0.4	0.7	1.5
Capital	0.0	0.1	0.3

4.5. *Supporting local priorities*, the UKSPF (UK Shared Prosperity Fund) will include a new initiative (‘Multiply’) to help hundreds of thousands of adults across the UK improve their numeracy skills. All areas will receive access to a learning platform and funding to improve adult skills. £560 million is being allocated to this scheme as part of the SPF. (*There are no current details whether this is out of the above figures or in addition to.)

4.6. *Levelling up parks fund* - £9 million made available in 2022-23 to fund more than 100 green spaces across the UK on unused, undeveloped, or derelict land that will broaden accessibility for all.

4.7. *Housing* - an additional £1.8 billion for housing supply consisting of:

- £300 million locally led grant funding for Mayoral Combined Authorities and Local Authorities to unlock smaller brownfield sites for housing
- £1.5 billion to regenerate underused land and deliver transport links and community facilities
- Reconfirmation of £11.5 billion investment through the Affordable Homes Programme (2021-26) of which £7.5 billion is over the SR21 period. 65% of the funding will be for homes outside London.

4.8. *Culture* - a raft of announcements including:

- £850 million for cultural and heritage infrastructure to safeguard national treasures and boost culture in local communities and on high streets

- £52 million in new funding for museums and cultural and sporting bodies next year to support recovery from COVID-19 and an additional £49 million in 2024-25 thereafter
- £14 million in each year to support creative industries, including supporting SMEs to scale up and providing bespoke support for film and video game industries
- £205 million to transform grassroots football infrastructure and multi-use sports facilities by rolling out up to 8,000 state-of-the-art community pitches and £22 million to refurbish more than 4,500 public tennis courts.

5. Health and Social Care

5.1. As expected, the budget included many measures designed to support the NHS (National Health Service) in dealing with the consequences of the COVID-19 pandemic. Social care announcements included:

- £3.6 billion will go directly to local government to implement the cap on personal care costs and changes to the means test. The Health and Social Care Levy is expected to raise £5.4 billion of additional funding to reform adult social care.
- The Government also confirms that £1.7 billion will be invested over three years to improve social care more broadly of which at least £500 million will be dedicated to improving skills, qualifications, and wellbeing in the adult social care workforce.
- Capping personal care costs at £86,000 and expanding the means tested support to people with less than £100,000 in relevant assets
- A new funding package of £104 million by 2024-25 to take forward reforms to unregulated provision in children's social care, improving safeguarding standards.
- £7 million in 2024-25 to implement DfE's Adoption Strategy 'Achieving Excellence Everywhere', to improve access to services and support for adopted children and their families.
- £259 million over the SR21 period to maintain capacity and expand provision in secure and open residential children's homes.
- The public health grant will be maintained over the SR21, with a continued £100 million announced last year to tackle obesity.

6. Children and Families

6.1. The most significant announcement is the investment of £500 million over the next three years to transform 'Start for Life' and family help services in half of the council areas across England. This will fund a network of Family Hubs, Start for Life services, perinatal mental health support, breastfeeding services, and parenting programmes. It will also expand the Supporting Families programme with an additional £200m of funding, providing up to 300,000 families with high quality, multidisciplinary support.

6.2. Government has also committed £200 million per year to continue the holiday activities and food programme, providing healthy food and enriching activities for

disadvantaged children in England, delivering the government's Flexible Childcare Fund commitment.

6.3. Other announcements include:

- £170m by 2024/2025 to pay providers more. This includes an increase to the hourly rate to be paid to early years providers for the government's free hours offers
- £200m for the Supporting Families programme, representing around a 40% real-terms uplift in funding by 2024-25.
- £150 million for training of early years staff to support children's lost learning.
- £104 million by 2024-25 for reforms to unregulated children's social care, and £7 million by 2024-25 to improve access to services and support for adopted children and their families.
- £259 million will be provided over the SR period so more children and young people can receive the care they need.

7. Education

7.1. The announcement of an additional £4.7 billion towards the core schools' budget in England by 2024-25 will be welcomed by headteachers and is the equivalent to an increase of almost £1,500 per pupil compared with 2019-20. The government has also committed to "level-up" school education standards by rebuilding 500 schools in England over the next decade as part of a long-term rebuilding programme and committing to increase teacher starting salaries to £30,000.

7.2. Other announcements include:

- £2.6 billion for 30,000 new school places for children with special educational needs and disabilities (SEND) in England, more than tripling current capital funding levels to over £900 million by 2024-25.
- £3.2bn to help education recovery, including a £1bn Recovery Premium for the next two academic years, and support for additional learning hours, tutoring courses for disadvantaged pupils and teacher training.
- £560 million for youth services in England, including financing the government's commitment to a Youth Investment Fund, which will deliver up to 300 youth facilities in areas most in need.
- £1.8 billion over to help schools to deliver evidence-based approaches to support the most disadvantaged pupils and more learning hours for 16–19-year-olds.

8. Employment and Skills

8.1. Given Manchester's increasing focus on fair pay and good conditions, particularly to reduce the cause of poverty in the city, the announced increase in the National Living Wage (NLW) by 6.6% to £9.50 an hour for people aged 23 and over is particularly welcome.

8.2. The government has also committed to increasing skills spending by £3.8bn, an increase of 42%, over the parliament. The Budget looks to meet the government's commitment to the National Skills Fund by providing 29% real terms increase in adult skills funding from 2019-20 to 2024-25.

8.3. Other announcements include:

- £3 billion for post-16 education and adult education and training. including quadrupling the number of skills camps in areas such as artificial intelligence, cybersecurity and nuclear.
- £2.6bn has for the UK Shared Prosperity Fund to help people access new opportunities UK-wide, including through the Multiply adult numeracy programme, which will receive £560 millions of funding.
- An additional £1.6 billion by 2024-25 has been set aside for 16–19-year-olds' education in England, maintaining funding rates in real terms per student.
- Increasing apprenticeships funding to £2.7 billion by 2024-25 and continuing to meet 95% of the apprenticeship training cost for employers who do not pay the Apprenticeship Levy and will also deliver apprenticeship system improvements for all employers.
- The £3,000 apprentice hiring incentive for employers will be extended until 31 January 2022 and the government will invest approximately £10 million a year in the Sector Based Work Academy Programme (SWAPs) for work experience, new skills, and retraining.
- Expansion of Plan for Jobs schemes taking the total DWP (Department for Works and Pensions) spend on labour market support to more than £6 billion over the next three years.
- £68 million (by 2024-25) to “level up” the adult skills system.
- £1.5 billion capital investment to improve the condition of the Further Education (FE) estate in England.
- Funding to open 20 Institutes of Technology (IoTs) throughout England.

9. Housing and planning

9.1. Most housing announcements are covered earlier in this report (see section 4.7) however a number of announcements are particularly relevant to Manchester, including the allocation of £5bn to remove unsafe cladding from highest-risk buildings, partly funded by Residential Property Developer Tax charged at 4% on profits exceeding an annual allowance of £25 million.

9.2. Other relevant announcements include:

- £65 million will go towards developing new software to support the digitisation of the planning system. The system will be rolled out to up to 175 local authorities in England in the first phase.
- £639m a year by 2024-25 will go towards eradicating rough sleeping and homelessness.

10. Climate and Net Zero

10.1. While climate change and net zero did not feature heavily in the Chancellor's speech and initially attracted criticism for some changes to Air Passenger Duty and roads funding, there are several relevant announcements for local government. However, the bulk of announcements in this section are not relevant to Manchester and concern large scale national infrastructure and investment.

- £300 million will be provided to implement free, separate food waste collections in every local authority in England from 2025.
- £950 million for the Home Upgrade Grant and £800 million for the Social Housing Decarbonisation Fund. It also allocates £1.4 billion to help decarbonise the public sector estate in England.
- £2 billion of investment in cycling and walking over the parliament to build hundreds of miles of high-quality, segregated bike lanes and other facilities to improve cyclists' safety. This includes £710 millions of new investment in active travel funding over the next three years
- £3.9 billion for energy efficiency improvements and clean heat installation in buildings, making the transition to net zero cheaper and easier for households, while making their homes warmer. This also support the decarbonisation of the public estate.
- £315 million for the Industrial Energy Transformation Fund to help firms cut their carbon emissions and reduce energy bills.
- £450 million to grow the heat pump market in England and Wales as part of the ambition to work with industry to reduce the costs of heat pumps by 25-50% by 2025. The Budget and SR continues support for heat networks in England with £338 million to encourage private investment.
- £620 million for public charging in residential areas and targeted plug-in vehicle grants, building on the £1.9 billion committed at SR20. The SR and Budget also announces an increase in capital support to £817 million over the SR21 period for the electrification of UK vehicles and their supply chains.
- From 2023, the government will introduce exemptions for eligible plant and machinery used in onsite renewable energy generation and storage and a new 100% relief for eligible heat networks, to support the decarbonisation of buildings

11. Welfare and benefits, unemployment

11.1. As expected, the impact of the ending of the Universal Credit uplift has been softened by reducing the taper rate by 8% from 63% to 55%, meaning Universal Credit claimants will be able to keep an additional 8p for every £1 of net income they earn. There will also be a £500 per year increase to the amount that households with children or a household member with limited capability for work can earn before their Universal Credit award begins to be reduced (known as Work Allowances).

- 11.2. The government will continue the temporary increase in the surplus earnings threshold to £2,500 for Universal Credit claimants until April 2023, when the threshold will reduce to £300.
- 11.3. Workers leaving the furlough scheme and making a Universal Credit claim who will be prioritised through the Job Finding Support scheme, and older workers who will benefit from additional support to return to, or remain in, work. In addition, young people will continue to benefit from the extension of existing schemes, and jobseekers with disabilities will benefit from extra work coach support.
- 11.4. The government announced the £500 million Household Support Fund on 30 September, which will provide £421 million to local authorities in England. Local Authorities are best placed to direct help to those who need it most, and at least 50% of the funding will be used to support households with children

12. Transport

- 12.1. Greater Manchester has been awarded £1.07bn in capital funding for the infrastructure elements of the Bee Network integrated transport plan, however detail on wider regional rail improvements and HS2 was notable in its absence.
- 12.2. In addition, £2 bn of investment in cycling and walking is expected over the Parliament, including £710m of new active travel funding. £620m of additional investment to support the transition to electric vehicles, including public charge points in residential areas and targeted plug-in vehicle grants.

13. Other relevant announcements

- 13.1. Finally, there were a selection of policy announcements hidden in some of the detail that are of interest to local authorities. These include:
- Continued funding for the places for growth programme, which aims to move 22,000 civil service roles outside London by 2030, to bring policymakers closer to the communities they serve.
 - The Levelling Up White Paper will provide further information on the government's plans regarding devolution deals. The government has already committed to £7.5 billion of non-ringfenced 'gainshare' investment funding over 30 years, as part of nine city region devolution deals, including £750 million being delivered over SR21.
 - Full funding for association to the European Union scientific research initiative Horizon Europe, enabling further collaboration with European partners in research and development.
 - £42 million has been promised for new programmes that reduce crime and drugs misuse and £108 million to continue existing programmes.
 - Funding of £20,520 per person will be made available to local authorities resettling circa 20,000 Afghan refugees over the next five years. An additional

£17 million will be available for housing costs, along with an extra £20 million pot of flexible funding.

- End to the public sector pay freeze.

14. Conclusion

- 14.1. This budget marks a shift from previous conservative governments with tax raises and increasing spending aimed at boosting growth contrasting with previous years' austerity. There were few Manchester specific announcements although many of the planned initiatives and changes will be particularly relevant to our recovery plans. As usual, detail on many announcements will arrive over the coming weeks and months.
- 14.2. Reaction from think tanks, trade unions industry bodies and other organisations has generally been cautiously positive. Many have noted the impact of ten years of austerity as context, and wider economic circumstances such as the rate of inflation will mean that some policy announcements are less effective than they initially appear.
- 14.3. While increases in funding will be welcome by public services, increases in inflation, living wage, public sector pay and normal council running costs mean that the impact of extra funding is unlikely to be very significant. Cost of living increases, and tax rises mean that many families will be worse off, however the very poorest families should see small real terms increase in income.

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APPENDIX TWO CORPORATE CORE

The Corporate Core is made up of Chief Executives and Corporate Services and delivers four main functions:

Direct delivery of services to residents and businesses including through the new Customer Service model, the billing and collection of business rates and council tax income and services such as Registrars.

Providing effective support services to Council Directorates and the MLCO (Manchester Local Care Organisation).

Governance and Assurance functions to ensure the council operates and makes decisions safely and provides support to members and the democratic process. City wide and council leadership with a key role in supporting the delivery of the Our Manchester Strategy and the nine Corporate Plan priorities. This includes supporting relationships with a wider range of key partners across Manchester, Greater Manchester, nationally and internationally.

Revenue Budget

The 2021/22 Corporate Core gross budget is £323.3m. This includes c£192m for benefits payments to residents. The net budget is £80.6m and the core employs 1,932 fte. The Corporate Core net 2021/22 cash limit budget is £80.634m and this is net of the initial £6.635m savings that were approved as part of the 2021/22 budget process. The budgets have been adjusted to reflect the transfer of the Operational Property and Facilities Management Service from the Growth and Development Directorate.

Chief Executives	2021/22 Gross Budget	2021/22 Net Budget	2021/22 Budgeted Posts (FTE)
	£'000	£'000	
Coroners and Registrars	3,624	2,281	49
Elections	1,178	1,079	12
Legal Services	12,907	6,924	263
Communications	4,514	3,129	78
Executive	972	972	13
CEX Corporate Items	1,617	605	-
Total Chief Executives	24,812	14,990	415

Corporate Services	2021/22 Gross Budget	2021/22 Net Budget	2021/22 Budgeted Posts (FTE)
	£'000	£'000	

Policy, Performance and Reform	18,528	13,066	155
Finance, Procurement and Commercial Governance	8,573	7,563	214
Customer Services and Transactions	232,652	11,092	523
ICT	13,044	13,044	158
Human Resources & OD	4,252	3,631	84
Audit, Risk and Resilience	1,844	1,365	42
Capital Prog, Operational Property & FM (Facilities Management)	19,599	15,883	341
Total Corporate Services	298,492	65,644	1,517
Grand Total Corporate Core	323,304	80,634	1,932

Included within Customer Services and Transactions above is Revenue and Benefits service, this includes the payments of housing benefits and other specific support to residents that have been approved by members, see table below for a further breakdown of this area.

Revenue and Benefits	2021/22 Gross Budget	2021/22 Net Budget	2021/22 Budgeted Posts (FTE)
	£'000	£'000	
Revenue and Benefits	206,998	6,986	319
Discretionary Housing Payments	3,850	1,000	-
Welfare Support Scheme	645	600	-
Food Bank Support	100	100	-
Total	211,593	8,686	319

Headline priorities for the service

Priorities

Direct delivery of Services

- Implementation of a new Customer Services Model
- Continue to support both residents and businesses to access all available support, including council tax support and Government business Grants.
- Ensure that all customers who had to cancel weddings through Covid are accommodated with alternative dates.

Providing effective support services

- Complete the reset of the Our Manchester Strategy and monitor and support delivery of the aligned corporate plan priorities by providing intelligence which enables performance and outcome management.
- Deliver the ICT (Information & Communication Technology) strategy, pipeline of key projects and technological enablers
- Development and implementation of a comprehensive organisation development plan that is owned by leaders in the Council.
- A review of the Our People Strategy to ensure it reflects the rapid and large-scale shift in ways of working due to the pandemic's impacts and a refreshed focus on health, mental health, and wellbeing.
- Implementation of a more coordinated staff engagement programme supporting and engaging the workforce in ways aligned to staff surveys, Listening in Action, and corporate reward and recognition.
- Produce a balanced budget in 2021/22 reflecting Member priorities and the Our Manchester reset. Deliver the budgets, savings and income generation proposals as set out in the budget report.
- Monitor evolving demand on services via the design, delivery, assurance, and translation of data models. Use intelligence to lobby for necessary funding and allocate this in a targeted way based on need (e.g., business grants)
- Adapt working environments to make efficient use of space and create environments which support agile working across the estate (this includes the delivery of key projects such as the refurbishment of Hammerstone Road, Gorton Hub, and support to the Our Town Hall Project).
- Targeted development of the workforce which will help ensure fair representation at all levels is achieved. This includes the launch of a new management development offer and digital skills offer for staff.
- The delivery of capital projects including The Factory and Our Town Hall project.

Governance and Assurance

- Ensure appropriately robust Governance is in place for all commercial activities.
- Ensure that the council operates effectively, with assurance over core processes and decision making.

Leadership Role

- The Corporate Core continues to have an important role to play in supporting the Council in delivering all nine corporate plan priorities and supporting some of the major changes that will need to be delivered next year. These include:
- Support the delivery of place-based working and reform, including through Bringing Services Together for People in Places and the locality model in Children's Services.

- Support the integration of Health and Social Care through partnership arrangements with the NHS.
- Lead and coordinate the delivery of the Future Shape whole Council change programme. the Council-wide portfolio of programmes which has been set up with a view to changing how we work as an organisation to ensure we can deliver our corporate priorities and effectively address our challenges
- We will continue to develop and implement social value and commitments to various charters and covenants that the Council has signed e.g., Care Leavers Covenant and the Armed Forces Covenant.
- Leadership for the Council's action plan to being zero carbon by 2038 at the latest, and support arrangements with partners to meet the city's ambition to live within the science-based carbon budget and be zero carbon by 2038 at the latest.

Deliver on our equality, diversity, and inclusion commitments to support Manchester's vision to be a progressive and equitable city.

- Work together with Manchester's citizens and our partners to understand our diverse communities, improve life chances, and celebrate diversity.
- To strengthen and utilise our growing evidence bases at both Corporate and Directorate levels to identify the differential experiences of individual identity groups in Manchester accessing Council services, and proactively respond to make these as fair and equitable as possible.
- To maintain Excellent level accreditation against the Equality Framework for Local Government
- Ensure new policies, budget, service changes and new models of delivery across the council will be underpinned by equality relevancy assessments and where appropriate full Equality Impact Assessments at the design / concept stage.

Delivery of the workforce equalities plan

- Ensuring equality, diversity and inclusion is embedded within workforce strategies and objectives and is a core part of the culture of the organisation.
- Develop a plan and to ensure the Council workforce develops to be representative of the communities we serve.
- Develop our existing workforce, including targeted development, so that fair representation at all levels is achieved.
- Implementation of the Race Equality Action Plan and the Workforce Equalities Strategy.
- Service specific responses to the workforce race review including staff groups, reviewing recruitment practices, mentoring and increased training.
- Communications was a key workstream of the Workforce Race review and a series of recommendations have been accepted in full and built into future communication plans.

Changes to the 2022/23 Budget

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

In addition to the £6.635m approved 2021/22 savings a further £1.358m of savings were approved for 2022/23, these are the full year effect of part year implementation in 2021/22 and the breakdown is: -

- **Legal Services - £25k** through a combination of increased income and reduced general supplies and services budgets.
- **ICT - £300k** further reduction in licensing and operating costs particularly around telephony costs.
- **HR/OD - £237k** savings from reduced staffing costs, HR/OD are undertaking a service redesign and the total savings of £0.543m were approved with £306k part year savings in 2021/22 to allow staff to support other services whilst undertaking redesigns and an additional £237k approved for 2022/23.
- **Operational Property - £0.591m** further savings through reductions in the costs of the operational estate through the rationalisation of buildings.
- **Advertising - £225k** through new advertising screen in Piccadilly gardens.

New Proposed Changes

As part of the work to review the budget several budget pressures have been identified, there are some offsetting savings measures but this will require the reallocation of some resources to reflect the changing priorities in the Directorate.

There is a net budget increase of £1.2m which largely reflects two areas of cost which cannot be absorbed from within the Corporate Core:

- The reduction in court summons fees of £0.5m due to the reduction in summons from the increased levels of Council Tax Support provided and changes to debt collection.
- The additional £0.5m costs from Gorton Hub

These proposed changes are shown in the table below:

	2022/23£'000	2023/24£'000	2024/25£'000
CHIEF EXECUTIVES			
Legal and Democratic Services - additional £52k ICT licensing costs and £110k additional capacity requirements to support Democratic services.	162	-	-
Registrars and Coroners - increased income from increased ceremonies	(50)	-	-

Legal services increased fee income for works undertaken.	(82)	-	-
Reduction in supplies and services budget from new ways of working	(30)	-	-
Sub Total	0	-	-
CORPORATE SERVICES			
Operational Property – Increased costs for Gorton Hub to cover the running costs both Council rented space, and any vacant space until a tenant is secured.	500	-	-
Commercial Governance - additional resources in Commercial Governance to ensure all commercial activity is correctly undertaken.	117	-	-
Equalities and Diversity – additional capacity to support the Equalities and Diversity work.	50	-	-
Finance - additional support costs for the income management system	85	-	-
Customer Services and Transactions – Due to the increased council tax support provided to residents and changes to debt collection the number of residents summonsed to court has reduced with a reduction in Court summons fee income.	500	-	-
Human Resources & Organisational Development - to deliver the identified priority training to all staff across the council additional resources are required.	400	-	-
HROD - there has been a reduction in the schools payroll income from loss of schools.	78	-	-
ICT – Additional network security and license costs.	100	-	-
Internal Audit - A reduction in the level of external fee income received, and other resourcing pressures.	227	-	-
Policy Performance and Reform - reduced project income as more funding programmes from government do not provide any revenue funding for associated staff costs.	100	-	-

Sub Total	2,157	0	0
Capital Programmes - increased fee income and increased efficiencies from shared management arrangements with Northwards.	(230)		-
A reduction in supplies and services, printing, and mobile telephony costs through new ways of working	(200)	-	-
1% increase in vacancy factor across Corporate Services to reflect actual levels of staff turnover.	(463)	-	-
Sub Total	(893)	0	0
Net Total of Proposed Changes	1,264	0	0

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
The Factory and St John's Public Realm	50,552	38,496	-	-	89,048
Corporate Estate - Asset Management Programme	9,054	2,990	-	-	12,044
Corporate Estate - Hammerstone Road	7,533	10,692	4,970	-	23,195
Corporate Estate - Other	1,459	3,648	-	-	5,107
Civic Quarter Heat Network	4,679	1,377	-	-	6,056
Our Town Hall Refurbishment	60,386	83,501	65,573	40,680	250,140
ICT - Network Refresh	2,452	5,594	1,000	-	9,046
ICT - End User Experience	3,471	727	-	-	4,198
ICT - Other	432	2,190	6,317	-	8,939
Corporate	3,797	4,450	2,808	-	11,055
Airport Loan	36,248	-	-	-	36,248
Inflation contingency	8,800	6,000	2,527	-	17,327
Total	188,863	159,665	83,195	40,680	472,403

Funding of Approved Capital Programme

Service Area	2021/22	2022/23	2023/24	2024/25	Total
	£'000	£'000	£'000	£'000	£'000
Grant	18,071	6,620	-	-	24,691
External contributions	-	-	-	-	-
Revenue Contribution to Capital	3,381	2,202	500	-	6,083
Capital Receipts	10,411	5,390	-	-	15,801
Borrowing	157,000	145,453	82,695	40,680	425,828
Total	188,863	159,665	83,195	40,680	472,403

Future Investment Priorities

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

1. Capital investment to support carbon reduction measures on the Council's corporate estate remains a significant priority.
2. Further investment in the Council's core ICT systems and infrastructure, including the Council's payroll, HR, finance ledger and procurement systems.

APPENDIX 3 COMMERCIAL AND OPERATIONS

In addition to the Corporate Core, there are other services that are under the remit of the Resources and Governance Scrutiny Committee, these are mainly traded services and are set out in the following table:

Commercial & Operations

Revenue Budget

Operations and Commissioning	2021/22 Gross Budget	2021/22 Net Budget	2021/22 Budgeted Posts (FTE)
	£'000	£'000	
Advertising	63	(4,175)	0
Fleet	963	(277)	14
Pest Control	722	118	18
Markets	9,173	(1,058)	52
Catering	3,034	169	219
Management	26	26	0
Bereavement Services	2,436	(1,022)	48
Residual City Works	149	149	0
Total	16,566	(6,070)	351

Headline Priorities for the Service

Business Units

- Markets – traditional, local, wholesale and specialist markets.
- Pest Control - tailored service for domestic and business premises to treat, monitor and eradicate pests.
- Bereavement Services - Manchester's five cemeteries and one crematorium (at Blackley) manage some 3,000 funerals a year, working seven days a week to meet the needs of the city's diverse cultural communities.

Priorities:

- Investment in New Smithfield Market – business case being prepared.
- Markets – Investment proposals for Gorton and Longsight prepared for potential inclusion in Levelling-Up fund bids.

Commercial

- Civic Quarter Heat Network – providing a sustainable heat and power system to several buildings in Manchester city centre.
- Parking - The service directly supports the transport strategy for the city and our aim is to keep the city's roads safe and moving.

Priorities

- Delivery of outstanding savings from advertising.
- Development of parking strategy and review of on / off street pricing.

Manchester City Council Report for Information

Report to: Resources and Governance Scrutiny Committee – 9 November 2021

Subject: An update on the delivery of savings approved in 2021/22

Report of: Deputy Chief Executive and City Treasurer

Purpose of Report

To provide an update on the delivery of savings that were identified for the 2021/22 Financial Year.

Recommendations

The Committee is asked to note the 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 2021/22 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.

Manchester Strategy outcomes	Summary of the contribution to the strategy
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	Whilst this has no direct implications for the Our Manchester Strategy outcomes a balanced budget is a pre-requisite to the provision of the council services that support the outcomes. Achievement of planned savings is a critical element to delivering a balanced budget in 2021/22.
A highly skilled city: world class and home grown talent sustaining the city's economic success	
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	
A liveable and low carbon city: a destination of choice to live, visit, work	

A connected city: world class infrastructure and connectivity to drive growth	
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Full details are in the body of the report, along with any implications for:

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

Financial Consequences – Revenue

The report highlights that £38.876m (95.5%) of the £40.717m 2021/22 savings are expected to be achieved as planned, with the remaining £1.841m (4.5%) being mitigated in year through one-off measures. This shortfall is reflected in the overall 2021/22 monitoring position and a balanced budget is expected this year. The Medium-term budget position is more challenging, as covered elsewhere on the agenda.

Financial Consequences – Capital

None

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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.

1. Introduction

- 1.1 The 2021/22 budget approved by Council included approved savings of £40.717m in 2021/22 across 86 initiatives, increasing to £47.704m by 2024/25.
- 1.2 The details are included in the directorate budget reports considered by February 2021 scrutiny committees and listed in Appendix 1. The summary position by directorate is shown below.

Table 1: Savings Proposals

	Amount of savings proposals					Indicative FTE reduction
	2021/22	2022/23	2023/24	2024/25	Total	
	£000	£000	£000	£000	£000	
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	1,108	0	300	0	1,408	11.0
Corporate Core	6,635	1,153	304	(905)	7,187	127.0
Total Savings Options	40,717	4,820	2,872	(705)	47,704	161.0

2. Current position

- 2.1 The table below shows the achievability risk breakdown of the total savings of £40.717m. As at the end of September £1.841m (4.5%) is considered high risk, £4.365m (10.7%) medium risk and the remainder low risk or achieved.
- 2.2 Of the high-risk savings £1.580m is expected to be achieved as planned next year. The remaining £261k (car park income) is no longer considered achievable as planned and subject to further investigative work. These have been mitigated during 2021/22 through one-off measures. Directorates will replace any unachievable savings on a recurrent basis with alternative options to be considered as part of the 2022/23 budget setting process.

Table Two: Forecast 2020/21 Savings achievement at September 2021

	Savings Target 2021/22			
	Green	Amber	Red	Total
	£000	£000	£000	£000
Children's Services	10,779	0	1,580	12,359
Adults and Social Care	10,597	1,000	0	11,597
Neighbourhoods Directorate	4,241	2,181	261	6,683
Homelessness	2,335	0	0	2,335
Growth and Development	840	268	0	1,108
Corporate Core	5,719	916	0	6,635
Total Budget Savings	34,511	4,365	1,841	40,717
%	84.8%	10.7%	4.5%	100.0%

Table Three: Forecast impact in 2022/23

	2021/22 savings - Impact in 2022/23			
	Achieved as planned (Green & Amber)	Not achievable		Total
		New proposal identified (Red)	New proposal to be identified (Red)	
	£000	£000	£000	
Children's Services	10,779	1,580	0	12,359
Adults and Social Care	11,597	0	0	11,597
Neighbourhoods Directorate	6,422	0	261	6,683
Homelessness	2,335	0	0	2,335
Growth and Development	1,108	0	0	1,108
Corporate Core	6,635	0	0	6,635
Total Budget Savings	38,876	1,580	261	40,717
%	95.5%	3.9%	0.6%	100.0%

2.3 The position in each directorate is set out in the following paragraphs.

Children's services - Savings target of £12.359m

2.4 Of the £12.359m savings target, £10.779m (87.2%) has been or is forecast to be achieved. There is significant risk in realising savings of £1.580m (12.8%) which is being mitigated by underspends this year. The high risk savings are:

- Leaving care (£1.003m) due to a delay in registered provider's provision. This is expected to be achieved once provision is delivered which is scheduled for November 2021 onwards. This saving is partially achieved this year (£0.764m) and is expected to be achieved in full next year.
- Manchester City Council (MCC) and Manchester Health and Care

Commissioning (MHCC) have a joint and consistent decision-making process for allocating resources to meet the complex care needs of children and young people in a transparent, fair and equitable manner. The multi agency agreed placements saving of £1m has been partially achieved in 2021/22 (£423k) with £0.577m at high risk. All efforts will be made to achieve the £1m saving in full next year as the process for allocation of resources with partners is operational.

- 2.5 The shortfall in the savings is being mitigated from Looked After Placement underspends.

Adults and Social Care - Savings target of £11.597m

- 2.6 Adults Services and Social Care is delivered in partnership with the NHS through the Manchester Local Care Organisation (MLCO). Of the £11.597m initial target, £5.5m was achieved through system support via the application of the Adult Social Care grant funding, which will be mainstreamed through the spending review and local government funding settlement.
- 2.7 The balance of £6.097m was to be achieved through the Better Outcomes, Better Lives (BOBL) transformation programme. It is expected that £5.097m of this saving will be achieved across older peoples and physical disability services via the strengths-based assessment work and reduced client numbers overall.
- 2.8 The remaining £1m (8.6%) savings target is in relation to learning disability packages, where the service is facing challenges in recruiting suitably qualified staff to undertake the required strength based assessments. The savings are still expected to be delivered and will be achieved in 2022/23. The impact in 2021/22 has been mitigated by underspends across the Adult Social Care service, which is forecast to underspend, as a whole, by £3m this financial year.

Neighbourhoods - Savings target of £6.683m

- 2.9 £4.241m (63.5%) of savings will be achieved as planned by year end, and a further £2.181m (32.6%) of savings have been delayed because of COVID-19 impact.
- 2.10 The high-risk savings in Neighbourhoods total £261k (3.9%) and this relates to the off street car parking season ticket income which is not expected to be achieved going forward due to the likely increased number of people working from home for part of the week, and therefore not committing to an annual season ticket. Further details on all the amber and red savings are set out below.
- 2.11 As part of 2021/22 budget process savings of £450k was approved in respect of a proposed new advertising screen at Piccadilly Gardens, the savings were phased over 2021/22 and 2022/23 linked to work required to implement the new screen. £275k savings was set for 2021/22 and is considered at moderate

risk of being achieved this year. Discussions are ongoing with both the Events team and City Centre Regeneration around plans for the area and how a screen can potentially be integrated in the short term. Once agreed a planning application will be required, it is expected that this saving will be achieved in 2022/23.

- 2.12 The provision of off street car-parking reverted to the City Council with effect from 1 January 2021. The car parking income was forecast at £12m per year. This is used to fund the management and maintenance of the car parks and provide a net saving of £4.1m per annum.
- 2.13 The savings were predicated on car park usage returning to pre COVID levels, provision was made to allow for lower than forecast quarter 1 car park income, but budget forecasts did assume the usage would continue to increase through to September, by which time it was anticipated we would be back to normal usage. Whilst car park usage has seen a steady month on month increase in quarter 2, it has not yet returned to pre COVID levels and appears to have levelled off from September onwards. The lower usage is largely due to the continued reduction in commuter usage as commuters are not coming into the office 5 days per week.
- 2.14 Whilst the key challenge will be around increasing the numbers of annual season tickets that are purchased due to the likely ongoing changes in the working arrangements for individuals, it is anticipated that general day to day usage will increase from Spring next year as more commuters return to City Centre offices. The overall reduction is forecast to be c£2.167m and of this £261k relates to season tickets and is rated red because it is not expected to return, whilst c£1.906m is in relation to ongoing reduced usage and it is anticipated this will return in quarter 1 of 2022/23. To support this, work is ongoing to look at options around increasing users including increased marketing and looking at options that could lead to identification of alternative users such as tourists and hotel users.

Homelessness - Savings target of £2.335m

- 2.15 All Homelessness savings targets have been or are forecast to be achieved by year end.
- 2.16 £1.4m - Initial indications were that the annual cost of provision for providing accommodation for those previously sleeping rough in response to COVID-19 and 'Everyone In' is £7m. However, the Directorate are working with partners to confirm the expected provision beyond March 2021 which recognised the longer term needs of those who were sleeping rough and recognised their longer-term accommodation needs. Therefore, current provision has been maintained at £1.4m below the original estimate of £7m as rough sleepers were moved out of temporary hotel accommodation and into more permanent accommodation ensuring residents do not return to the streets.
- 2.17 £0.621m - Discussions with housing providers as part of the budget process centred around maintaining current service delivery as far as possible with

improved outcomes. £0.621m investment funding linked to the Rough Sleepers COVID-19 response was repurposed to support the Housing Related Support Complex Pathway provision as move on from hotel accommodation, retaining the services which deliver the greatest value for money for Homelessness. Funding via the investment avoids the need to close some schemes which would have impacted significantly on service delivery and therefore protects accommodation schemes, resettlement and other support services.

- 2.18 £66k - A review of the Homelessness Commissioned budgets identified £66k of budget reductions which were implemented without impacting on the number of bed spaces available and had minimal impact on service delivery.
- 2.19 £89k - As part of 2020/21 budget setting, funding was assigned for 3 FTE grade 10 posts to lead on the service redesign. These posts were removed as part of the 2021/22 budget setting process, as the posts were proposed as 18-month posts so reduction in posts would deliver £89k of savings in 2021/22.
- 2.20 £159k - As part of the service redesign 4 FTE posts were removed from the structure.

Growth and Development - Savings target of £1.108m

- 2.21 £0.840m (75.8%) of the approved savings will be achieved by year end, there a further £268k (24.2%) that will not be delivered in this financial year but have been mitigated in year by alternative savings.
- 2.22 The approved savings for Work and Skills (£150k), Housing and Residential Growth (£190k) and additional Investment Estate Income (£300k) are all on track to be achieved in line with the original savings proposals.
- 2.23 Staff savings of £393k were approved from within the Planning and Building service, it was recognised that there was a redesign being undertaken in order to provide a fit for the future structure with built in career paths and succession planning for the service. This is almost complete and although the savings have been mitigated this year through ongoing vacancies the long-term staff savings following the redesign are expected to be c£200k. This leaves unachieved savings of c£193k and officers are looking at alternative savings options to mitigate this in 2022/23 onwards, the options will be brought forward as part of the 2022/23 budget process.
- 2.24 As part of the investment estate proposals additional income of £75k was to be realised from increased fee income; due to COVID-19 the fees have not yet been increased and remain at the original levels, and the service is offsetting the forgone income by other cost reductions within the service. The service has now commenced a review of surveyor's fee levels and expect to implement the required changes by the end of January 2022 in order that the full saving can be achieved in 2022/23.

Corporate Core - Savings target of £6.635m

- 2.25 Of the £6.635m savings target £5.719m (86.2%) will be fully achieved in 2021/22. The majority of these were workforce savings with the deletion of 116 FTE posts. Savings of £0.916m (13.8%) have not been achieved as originally planned in the current year but mitigated through alternative savings, but work is ongoing to ensure they are achieved in 2022/23.
- 2.26 Net savings of £0.610m were approved in respect of reduced office costs as part of reviewing the estate requirements linked to the Town Hall redevelopment. Some of the savings were only temporary and the initial £0.610m saving for 2021/22 has not been achieved because the operation of a planned lease break was not actioned in 2021/22 and the building is still in use. This will be achieved when the city centre lease ends in October 2022. The initial £0.610m is expected to be achieved in 2022/23, and there is a further £0.5m additional savings for 2022/23. Whilst office closures are not expected to achieve the whole £1.1m in 2022/23 officers are looking at options for mitigating any unachieved savings in 2022/23 and this will be considered as part of the 2022/23 budget process.
- 2.27 £306k relates to staffing reductions in HR/OD. This has been mitigated in this financial year through ongoing vacancies. The service is continuing to work through their restructure to ensure the structure meets the service needs, and this is mindful of the need to deliver with a reduced overall number of posts. It is expected this saving will be achieved in 2022/23 once the new structure is implemented.

3. Conclusion

- 3.1 The in year savings target for 2021/22 was set at £40.717m. £34.511m (84.8%) of savings are expected to be achieved as planned.
- 3.2 £4.365m (10.7%) of savings are rated as at moderate risk of being achieved and £1.841m (4.5%) at high risk. All unachieved savings are being mitigated in year.
- 3.3 The shortfall is reflected in the overall 2021/22 monitoring position at the end of September and a balanced budget is expected this year. The longer term impacts is being picked up as part of the 2022/23 budget setting process, and revisions will be subject to reporting through scrutiny committees and Executive approval.

**Appendix 1 - Savings and Efficiency Proposals 2021/22 as approved by Council
March 2021**

Adults Services

Service Area	Description of Saving	20/21 £000	22/23 £000	23/24 £000	24/25 £000	Total	FTE's
Adults Services	Better Outcomes Better Lives	6,097	7,003	5,300	0	18,400	0
Adults Services	Health and Social Care System Support	5,500	(5,500)	0	0	0	0
Adults Services	To be identified	0	1,823	(1,823)	0	0	0
Total		11,597	3,326	3,477	0	18,400	0.0

Children Services

Service Area	Description of Saving	20/21 £000	21/22 £000	23/24 £000	24/25 £000	Total	FTE's
Children's Services	Placement Stability	627	415	0	0	1,042	0
Children's Services	Re-commission – Lyndene	462	0	0	0	462	0
Children's Services	Multi-Agency Arrangements	1,000	0	0	0	1,000	0
Children's Services	Leaving Care	1,767	0	0	0	1,767	0
Children's Services	Market Development	400	376	0	0	776	0
Children's Services	Unaccompanied Asylum Seeking Children	515	0	0	0	515	0

Service Area	Description of Saving	20/21 £000	21/22 £000	23/24 £000	24/25 £000	Total	FTE's
Children's Services	Commissioning Review	300	0	0	0	300	0
Children's Services	Pace Beds	28	0	0	0	228	0
Children's Services	Improving Permanence	160	159	0	0	319	0
Children's Services	Stability Team and Wrap Around Support	300	0	0	0	300	0
Education	Premises	129	0	0	0	129	0
Education	Attendance	70	0	0	0	70	0
Core	Business Support	130	0	0	0	130	0
Children's Services	Adoption Services	357	0	0	0	357	0
Education	SLA Schools	30	0	0	0	30	0
Children's Services	Families First	445	0	0	0	445	0
Children's Services	Section 17	50	0	0	0	50	0
Children's Services	No Recourse to Public Funds	600	0	0	0	600	0
Children's Services	Workforce Development	140	0	0	0	140	0
Children's Services	Legal - Fees reduction	260	0	0	0	260	0
Education	Schools Quality Assurance	300	(150)	0	0	150	0
Education	Free Travel	400	0	0	0	400	0
Core	Strategic Business Support	80	0	0	0	80	1.5

Service Area	Description of Saving	20/21 £000	21/22 £000	23/24 £000	24/25 £000	Total	FTE's
Children's Services	CAMHS	148	0	0	0	148	0
Children's Services	Early Years – Core offer, Speech & Language	200	100	100	100	300	12.5
Children's Services	Managing Demand	1,000	0	0	0	1,000	0
Children's Services	Troubled Families	1,150	(1,150)	0	0	0	0
Education	DSG reserve	1,000	(1,000)	0	0	0	0
Children's Services	Children's Services Reserve	311	(311)	0	0	0	0
Children's Services	Children's Services Reserve	0	1,409	(1,409)	0	0	0
Total		12,359	(152)	(1,309)	100	10,998	14.0

Homelessness Services

Service Area	Description of Saving	20/21 £000	22/23 £000	23/24 £000	24/25 £000	Total £000	FTE's
Singles Accommodation	New Provision Rough Sleepers, utilising established schemes and ensuring there is move on available through the system	1,400	0	0	0	1,400	0.0

Service Area	Description of Saving	20/21 £000	22/23 £000	23/24 £000	24/25 £000	Total £000	FTE's
Homelessness Commissioning	Realign service provision to support move on from single rough sleeper provision funded via investment	621	0	0	0	621	0.0
Homelessness Commissioning	Budget reductions in Homelessness Commissioned services with minimal impact on service delivery	66	0	0	0	66	0.0
Homeless Management	As part of 2020/21 funding was assigned for 3 FTE grade 10 posts to lead on the service redesign, this work will now be undertaken within existing resources	89	0	0	0	89	3.0
Homeless Management	Management reductions for G10 and above	108	0	0	0	108	2.0
Families Specialist Accommodation	Full service redesign linked to VS/VR offer	51	0	0	0	51	2.0
Total		2,335	0	0	0	2,335	7.0

Neighbourhoods

Service Area	Description of Saving	20/21 £000	22/23 £000	23/24 £000	24/25 £000	Total £000	FTE's
Compliance	Outsource the Animal Welfare Service	64				64	2
Compliance	Increase income from fines & advice	80				80	0
Compliance	Use EU exit funding to fund 3 posts for 1 year	137	(137)			0	0
Compliance	Source volunteers to work a 4 day week	20				20	0
Parks, Leisure, Youth and Events	Prioritise £12m capital investment to generate income streams	127	100	100	100	427	0
Parks, Leisure, Youth and Events	Develop a strategy for Leisure collaborations		155			155	0
Operations and Commissioning	Bereavement Services above inflation increase in fees & charges	85				85	0
Operations and Commissioning	Renewal of small format advertising contract	1,300				1300	0
Operations and Commissioning	Piccadilly Gardens community scheme	225	225			450	0

Service Area	Description of Saving	20/21 £000	22/23 £000	23/24 £000	24/25 £000	Total £000	FTE's
Operations and Commissioning	Dawson Street large format advertising screen	50				50	0
Highways	Off street parking	4,100				4,100	0
Highways	Reduction in claims for accidents & trips	100	150			250	0
Highways	Charge 50% of Development Specialist to capital	40				40	0
Highways	Bring in a new service to recover costs for damaged highway items	25				25	0
Highways	Increase charges for permits	25				25	0
Highways	Recharge developers for oversail of the highway	50				50	0
Highways	Additional winter gritting service to 3rd parties	25				25	0
Highways	Charge remaining 50% of Gully/Drainage staff to capital	66				66	0
Highways	Increase fees to cover costs on external schemes	164				164	0
Total		6,683	493	100	100	7,376	2.0

Growth and Development

Service Area	Description of Saving	20/21 £000	22/23 £000	23/24 £000	24/25 £000	Total £000	FTEs
Investment Estate	Revise Surveyors Fee Scales	75	0	0	0	75	0.0
Investment Estate	Maximise income generation from assets	300	0	0	0	300	0.0
Investment Estate	Increased ground rent -long leasehold	0	0	300	0	300	0.0
Planning, Licensing & Building Control	Hold/delete 11 vacant posts	393	0	0	0	393	11.0
Housing & Residential Growth	Additional income from housing redevelopment	190	0	0	0	190	0.0
Work & Skills	Reduction in commissioning activity	150	0	0	0	150	0.0
Total		1,108	0	300	0	1,408	11.0

Corporate Core

Service Area	Description of Saving	20/21 £000	22/23 £000	23/24 £000	24/25 £000	Total	FTE's
Legal Services	Staff Reduction	96	0	0	0	96	3.0
Legal Services	Increased income and other budget reductions	49	25	0	0	74	0.0
Coroners & Registrars	Staff Reduction	198	0	0	0	198	7.0
Executive	Travel/subsistence expenses reductions	15	0	0	0	15	0.0
Comms	Staff Reduction	137	0	0	0	137	4.0
Comms	Reduce printing costs, increase recharges and postage	163	0	0	0	163	0.0
Procurement, Commissioning and Commercial Governance	Staff Reduction	122	0	0	0	122	2.0
Procurement, Commissioning and Commercial Governance	Increase income and reduce supplies and services	36	0	0	0	36	0.0

Service Area	Description of Saving	20/21 £000	22/23 £000	23/24 £000	24/25 £000	Total	FTE's
Revenues and Benefits	Staff Reduction	160	0	0	0	160	5.5
Revenues and Benefits	Reduce Discretionary Housing Payments	1,000	0	0	0	1,000	0.0
Financial Management	Staff Reduction	843	0	0	0	843	20.0
ICT	Staff Reduction	400	0	0	0	400	10.0
ICT	Savings on system running costs and telephony	300	300	0	0	600	0.0
HR/OD	Staff Reduction	306	237	0	0	543	13.0
Audit	Staff Reduction	118	0	0	0	118	3.0
Operational Property	Reduce office costs through reduced estate	610	591	304	(905)	600	0.0
Operational Property	Reduce staff resources – 1.4fte's (Vacant)	36	0	0	0	36	1.4
Facilities Management	Reduce staff resources – 10fte's (Vacant)	270	0	0	0	270	10.0
Shared Service Centre	Staff Reduction	252	0	0	0	252	8.8
Customer Services	Staff Reduction	614	0	0	0	614	19.3
City Policy	Staff Reduction and special projects budget	270	0	0	0	270	4.0

Service Area	Description of Saving	20/21 £000	22/23 £000	23/24 £000	24/25 £000	Total	FTE's
PRI	Staff Reduction	500	0	0	0	500	13.0
Reform & Innovation	Staff Reduction	140	0	0	0	140	3.0
Totals		6,635	1,153	304	(905)	7,187	127.0

Manchester City Council Report for Information

Report to: Resources and Governance Scrutiny Committee – 9 November 2021

Subject: Housing Revenue Account Business Plan

Report of: Strategic Director Neighbourhoods and Deputy Chief Executive and City Treasurer

Summary

This report presents members with an update on the Housing Revenue Account (HRA) business plan following the bringing back in house of Northwards Housing the Arm's Length Management Organisation (ALMO) that used to manage the Council's housing stock. It also provides an update on transition progress including updated governance arrangements and workforce update.

Recommendations

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

Wards Affected: Ancoats & Beswick, Charlestown, Cheetham, Crumpsall, Harpurhey, Higher Blackley, Moston, Ardwick, Clayton & Openshaw, Miles Platting & Newton Heath and Piccadilly

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

The retrofitting of existing homes to meet zero carbon objectives is at the heart of the revision of the HRA.

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	A healthy and fit for purpose affordable housing market will support a functioning local and sub regional economy.
A highly skilled city: world class and home-grown talent sustaining the city's economic success	Access to appropriate affordable housing and services will support residents to achieve and contribute to the city.
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	The supply of affordable good quality homes will provide the opportunity for Manchester residents to raise their individual and collective aspirations.

A liveable and low carbon city: a destination of choice to live, visit, work	The right mix of affordable quality energy efficient housing is needed to support growth and ensure that our growing population can live and work in the City and enjoy a good quality of life.
A connected city: world class infrastructure and connectivity to drive growth	Affordable social housing plays an important part in ensuring that there are neighbourhoods where people will choose to live, and their housing needs and aspirations are met.

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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.

Housing Revenue Account Budget 2021/22 to 2023/24 – Executive 17 February 2021

1.0 Introduction

- 1.1 The purpose of this report is to update members on the HRA business plan and highlight areas that will need to be considered as part of the budget process. It sets out the latest current years forecast position and includes an update on the savings that were forecast to be achieved following the insourcing of Northwards.
- 1.2 The report also sets out the progress on the transition of the ALMO into Manchester City Council (MCC), including an update on the TUPE process and the new governance arrangements with local members, residents, and council officers.
- 1.3 Following the insourcing of Northwards Housing and in the context of the government's social housing white paper, the emerging building safety regulations, and the drive to zero carbon, the council is actively reviewing its social housing strategy. This, in turn, will impact the longer term HRA business plan, as we consult more broadly with social housing residents over 2022/23.
- 1.4 The HRA budget focuses on three main areas of activity:
 - Repairing, maintaining and improving existing stock and progressing zero carbon /retrofit.
 - Providing services for council tenants and leaseholders; and
 - Continuation of provision of new affordable homes programme to maintain existing levels of stock.
- 1.5 In addition, it sets out the associated factors that need to be considered as part of the HRA business planning to effectively contribute towards achieving the housing strategy objectives.

2.0 Background

- 2.1 The use of the HRA is governed by statute. It is a ringfenced account used solely to record the income and expenditure incurred on managing and maintaining the councils own housing stock and closely related services or facilities, which are primarily for the benefit of the council's own tenants. The main features of the HRA are:
 - It is a landlord account, recording expenditure and income arising from providing housing accommodation by local housing authorities.
 - It is not a separate fund but a ringfenced account of certain defined transactions, relating to local authority housing.
 - The main items of expenditure included in the account are management and maintenance costs, capital investment funding, borrowing costs, Private Finance Initiative (PFI) charges and depreciation.
 - The main income sources are from tenants' rents, and PFI funding.

- 2.2 Until 2012 the HRA was managed on a national subsidy system whereby authorities that were deemed to have surplus HRA income paid into the system, and these resources were redistributed to authorities whose income was deemed not to be enough. The distribution was based on a formula and did not provide for any long-term planning by authorities and was unsustainable in the longer term.
- 2.3 The subsidy system was replaced by the Self-Financing regime in April 2012. The key changes were that the Council must manage its housing stock on a similar basis to Registered Providers, this included retaining all the tenants' rents, but having to fund all associated costs including both in year operating costs and longer-term investment needs. A condition of the changes was that authorities are required to develop a rolling 30-year business plan to demonstrate long term sustainability and reviewing the use of existing assets to ensure that benefits are maximised.
- 2.4 In developing the 30-year business plan it is essential that the Council considers all risks and ensures that any investment decisions are affordable both in the short and longer term. There is also a statutory requirement to ensure the HRA remains in balance over the 30-year period.
- 2.5 Prior to the implementation of Self Financing, the HRA was sustainable over the long term. Since 2012 there have been government-imposed policy changes that have affected the HRA budget, most notably the imposition of a 1% annual rent cut for four years from 1st April 2016. The annual 1% reduction for 4 years had a cumulative effect of a c£300m reduction in rental income over the life of the business plan compared with the initial business plan.
- 2.6 The self-financing regime also saw the removal of the borrowing cap in the HRA which in theory enabled significant further borrowing. In reality this is constrained by the affordability of servicing and repaying the debt within the business plan and provides limited additional capacity for new capital funding. Currently the servicing of the debts is covered within the business plan through rental income and the use of reserves. The use of all resources linked to the HRA, including the use of RTB receipts is being considered and a further paper on the capacity for further investment and recommendations on how this should be targeted will be prepared as part of the budget process.
- 2.7 The required four-year rent reductions has necessitated the need to identify further efficiencies. The 2021/22 business plan developed the efficiencies in operating costs to allow the continuation of investment in the stock and improve the quality of tenant's homes and ensure the long-term sustainability of the HRA. Officers have already started on this work and details of areas under review is set out below.
- 2.8 Members will recall that in 2019 there was an options review into the management of the Northwards HRA stock. As a result of this review, in January 2021, tenants voted to bring Northwards Housings back in house. The benefits of bringing Northwards back in-house included improvements to

services for tenants and providing financial efficiencies of c£77m over the 30-year business period.

- 2.9 As part of the in-sourcing programme a transitions budget of £2.7m approved to fund the change management, legal costs associated with TUPE and the closure of the company, staff and pension arrangements and other liabilities including the surrender of leases on operational buildings.
- 2.10 Efficiencies of £2.4m per annum were to be achieved through a combination of operational savings through changes to the ways of working and reduced duplication in senior management and accommodation costs. These measures will ensure a balanced budget for housing operations within the HRA and stop the previous reliance on reserves to support the revenue position each year. To assist with the implementation period, the forecast savings have not been assumed in the HRA budgets until 2022/23.
- 2.11 Progress to date has been positive and has already realised full year savings of £1.3m through a combination of reduced accommodation costs through the planned exit of Hexagon Tower in December 2021 and staff savings through integrating teams within the City Council and reducing senior management costs.
- 2.12 Work is underway to further integrate the professional disciplines and improve the planning and delivery of the capital programme within the City Council's capital programme team. This is expected to deliver the balance of the savings
- 2.13 This integration will deliver the longer-term capital programme through the simplification of the management arrangements and improving value for money through integration of the wider Council capital delivery and efficiencies in process, procurement, and design. The programme will continue with the strategic objectives of maintaining the Decent Homes standard, building and fire safety and achieving the zero-carbon target for the stock through retrofit to reduce carbon emissions and improve energy efficiency for tenants.
- 2.14 The existing capital programme includes capital investment in excess of £87m over the three years 2021/22 -2023/24 and beyond 2024/25 an annual investment budget of c£25m per annum uplifted by CPI has been assumed in the business plan. The capacity for investment is being relooked at as part of the business plan review. Whilst this does allow for some investment in schemes that support the carbon agenda it does not allow for any costs to fund carbon reduction retrofitting of stock to achieve zero carbon; initial estimates are that this will cost c£25k per property which is unaffordable within the business plan and will only be possible if significant external grant funding is made available. Some energy efficiency grant funding is available, but this is constrained because funding support is targeted at properties not yet at EPC C, and the majority of the HRA stock is already at that standard or below.
- 2.15 In addition to the ongoing investment in existing stock, officers are looking at options around increasing the volume of social housing within the city, this

includes looking at different delivery models and potential opportunities for funding new social housing. As well as helping to offset the loss of stock through the right to buy scheme it will help improve the overall condition of existing stock and help contribute towards the reduced carbon targets through new design and building techniques.

- 2.16 Despite all the ongoing work, the HRA business plan does remain under pressure and the 2022/23 budget will include an updated plan for future years. The HRA business plan is formulated on several assumptions that determine the forecast HRA income and expenditure, and some of the key assumptions that will need to be agreed include: -

- Annual rent increase formula CPI +1%.
- The level of bad debts – currently 1.5% 21/22 increasing by 0.5% to 2.5% in 23/24.
- Implications of inflation – currently linked to CPI.
- Right to buys forecast to be 1.25% of existing stock per annum.

Annual rents

- 2.17 The government guidance allows authorities to increase rents by a maximum of CPI plus 1% up until 2024/24, and beyond that the business plan currently assumes CPI at 2%. For the purposes of rent calculations CPI is based on September figures, and the Office for National Statistics September CPI figure was 3.1%. If the Government guidance is to be followed this will require an average annual rent increase of 4.1%, and the average weekly rent increase will be £3.16 (52 weeks).
- 2.18 Given the current economic climate, and other household pressures it is proposed that a further paper will be drafted for Member's consideration setting out options around rent increases for 2022/23, together with the implications on the HRA as part of those options. The final 2022/23 rent proposals will be considered as part of the 2022/23 budget setting process.
- 2.19 Good progress has been made on delivering the planned efficiencies through bringing Northwards back in house. The delays in the delivery of the capital programme over the past few financial years means that the HRA reserves are higher than usual. This provides for some limited capacity for investment, but there will still be significant pressures on the HRA, and it will not deliver all of the Council's ambitions in relation to maintaining, retrofitting and retaining the level of social housing stock without access to external funding.
- 2.20 It is worth noting that small changes in assumptions have a material impact on the overall business plan position, as demonstrated by the 4 years of rent reductions resulting in lost income of £300m over the 30 years of the business plan. Conversely, a 1% increase in CPI is worth c£29m increased rental income over the 30-year period and highlights the need to review and refresh the assumptions in the plan each year.

- 2.21 A more detailed paper will be developed as part of the budget process that updates on the interlinked areas of the capital programme priorities, capacity to invest, the 30-year business plan position and recommendations for the annual rent increase.

Northwards Transition Update

- 2.22 This section of the report focuses at a high level on the progress of the transition of Northwards into MCC, with a specific focus on governance and workforce.
- 2.23 The Executive agreed in January 2021, following a residents' test of opinion on the council's proposals, to bring back Northwards under council control. As highlighted in the report, the main aspects of the decision centred on
- The considerable change in the social housing regulatory landscape, post Grenfell and the financial impact of the four-year rent reduction cap on the shaping and delivery of services.
 - The profound impact of Covid-19 on public service delivery, which has led to a major rethink of how local services are and can be delivered.
 - Although Northwards, initially met its key priority in achieving the Decent Homes standard and funding, 15 years on from its creation Northwards' performance, operating costs and governance were not at expected levels.
 - The opportunity to improve services to residents through closer working with the council in local neighbourhoods, as well as on the Zero Carbon agenda.
- 2.24 Following the decision to bring Northwards in house, the Senior Management Team have overseen the transition from ALMO to MCC through the council's Future Shape programme, which focussed on multiple areas, however, the clear priority was to ensure that residents continued to receive a seamless housing service during the period of the transition and that, similarly, any disruption to staff was minimal, during this period of change.
- 2.25 Central to the smooth transition was a carefully managed project plan, overseen by the council's ALMO Project Board and the Northwards' Transition Board. The remit of these boards was to work collaboratively to oversee these deliverables, as well as the ICT (Information & Communication Technology) (Information & Communication Technology), Legal, HR, Property and Finance activity that underpinned the transition. The HR element, as requested by members, is set out in more detail in point 2.28, whilst the table below sets out the key activity of the transition plan.

HR & TUPE	See 2.28
Governance & Legal	<ul style="list-style-type: none"> Establishment of Northwards Shadow Board Filing Northwards Statutory 2020/21 Accounts Transfer of contracts from NW to MCC Award and early mobilisation of Equans contract which provides the repairs and maintenance service to Northwards' residents.
ICT	<ul style="list-style-type: none"> Successful transfer of Northwards to MCC which is ongoing but includes access to SAP (Finance and HR)
Services	<ul style="list-style-type: none"> Establishment of YES Manchester as an independent charity supporting North Manchester communities into work, developing personal and professional skills, as well as a money advice service.
Finance	<ul style="list-style-type: none"> Financial Management processes transferred from NW to MCC Suppliers transferred from NW to MCC
Communication	<ul style="list-style-type: none"> Extensive staff and resident communication and engagement pre and post transition
Accommodation	<ul style="list-style-type: none"> Agreement to exit Hexagon Tower in Sep 2021

- 2.26 From a service delivery perspective, the transition of the ALMO to MCC, which went live on 5th July 2021, went smoothly with continuity of all resident services across all areas of, what is now Northwards Housing Operations, maintained prior, during and post the transfer to the council.
- 2.27 Leading on from the transition plan, the council developed a 100-day plan which was specifically focussed on the first 100 days from 5th July 2021 to 13th October 2021 when Northwards re-joined the council and overseen by the Strategic Director of Neighbourhoods, supported by the Deputy Chief Executive & City Treasurer, Director of Human Resources & Organisation Development and Director of Inclusive Growth.

The 100-day plan focussed on four themes, which are set out in the table below but focus on the short-term activity post-transition as well as developing the longer-term strategic direction for the new Northwards Housing Operations service.

Commercial	<ul style="list-style-type: none"> HRA Business Plan Equans Mobilisation
Customers	<ul style="list-style-type: none"> Resident Charter & Engagement Social Housing White Paper Commitments
Colleagues	<ul style="list-style-type: none"> Leadership & Values Systems Integrations
Collaboration	<ul style="list-style-type: none"> Governance Partner and Stakeholder Working

Highlights of the 100-day plan include:

- The successful mobilisation of the Equans contract for repairs and maintenance of Northwards stock.
- The commencement of the resident engagement activity on the new resident charter.
- The recruitment to the new Northwards Housing Operations leadership team.
- The development of the new governance arrangements.

As requested by members, the governance aspect of the 100-day plan is set out in more detail in point 2.38.

Northwards-Housing Operations HR Update

- 2.28 In relation to the TUPE of Northwards ALMO staff to MCC, this took place successfully on 5th July 2021.
- 2.29 The transfer was governed by the Transfer of Undertakings, Protection of Employment (TUPE) Regulations 2006, which stipulate that all terms and conditions of employment (apart from existing pension rights) in force immediately prior to the transfer, are protected as is continuity of employment with Northwards Housing.
- 2.30 As part of the consultation that has taken place relating to the transfer, several 'measures' were set out that were effective from the date of transfer. Our main principle in determining these 'measures' was to maintain all contractual terms and conditions of service where possible unless there was an overriding reason this could not be accommodated for business and administrative purposes.
- 2.31 These 'measures' were around parking and travel, mobile phones, early finishing before Christmas and removing a birthday day of paid leave.
- 2.32 All staff received a service specific induction from their receiving managers, as well as a corporate induction after 5th July 2021. This includes a Listening in Action event and a session on the 'Our Manchester' experience.
- 2.33 All Senior Managers received an invitation to the City Council's Senior Leadership Group meetings.

Governance Update

- 2.34 Following the transition to MCC, new governance arrangements are being established with the Executive Member for Neighbourhoods, North Manchester Councillors, local residents and the leadership of Northwards Housing Operations.
- 2.35 The Board, chaired by the Executive Member of Neighbourhoods, will be responsible for overseeing the delivery of housing services to the Council's housing stock; primarily in, but not limited to, North Manchester. This includes

the monitoring of the performance of all housing functions and the engagement of residents in the effective delivery of services

- 2.36 The Board will be a committee under the Local Government Act 1972 and will be subject to the Council's Procedure Rules and the Access to Information Procedure Rules. The Board will be a standard (non-area) advisory committee and therefore subject to political balance rules.
- 2.37 As an advisory committee the Board has no decision-making powers of its own but may make recommendations to the Council or the Council's Executive on matters relating to the discharge of their housing functions, insofar as those functions relate to the Council's housing stock.
- 2.38 The Board will be composed of six elected councillors and five co-opted residents from the Council's housing stock. Residents will be appointed to the Board by the Council. Elections will be used to decide which nominees are put forward to the Council for consideration.
- 2.39 Although a non-decision-making board, an essential element of the new social housing white paper and Our Manchester values is the importance of working, collaboratively with local communities in shaping local services, which is at the heart of the new governance arrangements.
- 2.40 It is vital that the Council puts in place the appropriate arrangements to ensure that there is excellent governance in place, with an enhanced focus on performance, resident satisfaction, and local accountability.
- 2.41 Following the endorsement of the proposed governance by the Northwards Shadow Board, the council is in the process of recruiting to the new arrangements, with a focus on attracting a diverse range of candidates to reflect the broad make up of North Manchester communities. Once recruitment to the new arrangements is finalised a separate report will need to go to Council so the committee can be formally set up.

**Manchester City Council
Report for Information**

Report to: Resources and Governance Scrutiny Committee – 9 November 2021

Subject: Overview Report

Report of: Governance and Scrutiny Support Unit

Summary

This report provides the following information:

- Recommendations Monitor
- Key Decisions
- Work Programme
- Items for information

Recommendation

The Committee is invited to discuss and note the information provided and agree the work programme.

Wards Affected: All

Contact Officer:

Name: Mike Williamson
Position: Governance and Scrutiny Support Manager
Telephone: 0161 234 3071
E-mail: michael.williamson@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.

None

1. Monitoring Previous Recommendations

This section of the report contains recommendations made by the Committee and responses to them indicating whether the recommendation will be implemented, and if it will be, how this will be done.

Items highlighted in grey have been actioned and will be removed from future reports.

Date	Item	Recommendation	Action	Contact Officer
25 May 2021	RGSC/21/22 Updated Annual Property Report 2020/2021	To request that the Committee receive an update on the delivery of the projects funded through the Government Public Sector Decarbonisation Scheme at an appropriate time.	This action was completed on 20 July 2021 when the Committee received a report on the Public Sector Decarbonisation Scheme	Richard Munns

2. Key Decisions

The Council is required to publish details of key decisions that will be taken at least 28 days before the decision is due to be taken. Details of key decisions that are due to be taken are published on a monthly basis in the Register of Key Decisions.

A key decision, as defined in the Council's Constitution is an executive decision, which is likely:

- To result in the Council incurring expenditure which is, or the making of savings which are, significant having regard to the Council's budget for the service or function to which the decision relates, or
- To be significant in terms of its effects on communities living or working in an area comprising two or more wards in the area of the city.

The Council Constitution defines 'significant' as being expenditure or savings (including the loss of income or capital receipts) in excess of £500k, providing that is not more than 10% of the gross operating expenditure for any budget heading in the in the Council's Revenue Budget Book, and subject to other defined exceptions.

An extract of the most recent Register of Key Decisions, published on **1 November 2021**, containing details of the decisions under the Committee's remit is included below. This is to keep members informed of what decisions are being taken and, where appropriate, include in the work programme of the Committee.

Corporate Core					
National Taekwondo Centre 2018/10/19A Enter into a 39 year lease with Sport Taekwondo UK Ltd for areas within the building.	Chief Executive	Not before 1st Nov 2018		Briefing Note and Heads of Terms	Richard Cohen r.cohen@manchester.gov.uk
Strategic land and buildings acquisition	City Treasurer (Deputy Chief	Not before 3rd Jul 2019		Checkpoint 4 Business Case &	Richard Cohen r.cohen@manchester.gov.uk

2019/06/03B The approval of capital expenditure for the purpose of the strategic acquisition of land and buildings to support the Eastlands Regeneration Framework.	Executive)			Briefing Note	
Strategic land and buildings acquisition 2019/06/03C The approval of capital expenditure for the purpose of the strategic acquisition of land and buildings to support the Eastlands Regeneration Framework	City Treasurer (Deputy Chief Executive)	Not before 1st Mar 2020		Checkpoint 4 Business Case & Briefing Note	Richard Cohen r.cohen@manchester.gov.uk
Establishment of a multi-supplier framework for the supply of gas TC473 (2020/01/28A) To approve a tender to establish a Multi-supplier framework for the supply of Gas. The framework agreement will also be made available on the same basis to other AGMA local authorities and any North	City Treasurer (Deputy Chief Executive)	Not before 1st May 2020		Report and Recommendation	Walter Dooley w.dooley@manchester.gov.uk

West based public sector funded organisation.					
Manchester City Centre Triangle (2021/01/14A) The approval of capital expenditure for the construction of a scheme to connect travel hubs in the city centre	City Treasurer (Deputy Chief Executive)	Not before 1st Mar 2021		Checkpoint 4 Business Case	Steve Robinson, Director of Operations (Highways) steve.robinson@manchester.gov.uk
Provision of Postal Services TC514 (2021/03/10A) To seek approval to appoint a supplier/s to provide Postal Services to Manchester City Council.	City Treasurer (Deputy Chief Executive)	Not before 8th Apr 2021		Confidential Contract Report with Recommendation.	Anna Caswell-Thorp anna.caswell-thorp@manchester.gov.uk
(TC145) Framework for the Provision of Financial Services (2021/05/11A) The appointment of provider(s) to deliver Financial Services Advice and Support.	City Treasurer (Deputy Chief Executive)	Not before 11th Jun 2021		Report & Recommendation	Louise Causley louise.causley@manchester.gov.uk
Corporate Printer Contract (2021/07/15) To award a new corporate	City Treasurer (Deputy Chief Executive)	Not before 17th Aug 2021			Andrew Blore a.blore@manchester.gov.uk

printing contract to the existing supplier of corporate print services.					
Early Years - Tendered Daycare Settings (2021/07/16B) The approval of capital expenditure to support the continued provision of high-quality Early Years settings across the City.	City Treasurer (Deputy Chief Executive)	Not before 16th Aug 2021		Checkpoint 4 Business Case	Amanda Corcoran, Director of Education a.corcoran@manchester.gov.uk
New Highways Maintenance & StreetWorks Asset Management Software (2021/09/17C) To approve expenditure to purchase and implement a new highways solution to manage maintenance and StreetWorks.	City Treasurer (Deputy Chief Executive)	Not before 11th Oct 2021		Checkpoint 4 Business Case	Chris Wanley, Director of ICT chris.wanley@manchester.gov.uk
Delivery of the Household Support Fund (2021/10/15A) To agree the Council's approach for the allocation of the £6,453,136.20 Household Support Fund	Executive	17 Nov 2021		Report to Executive	Julie Price j.price2@manchester.gov.uk,

government grant funding.					
Security Services Contract (2021/10/15B) To award a five-year contract for Security Services. Security Services include access control, visitor management and CCTV.	City Treasurer (Deputy Chief Executive)	Not before 15th Nov 2021		Checkpoint 4 Business Case	Andrew Blore a.blore@manchester.gov.uk

3. Resources and Governance Scrutiny Committee - Work Programme – November 2021

Tuesday 9 November 2021, 2.00pm (Report deadline Friday 29 October 2021)

Item	Purpose	Executive Member	Strategic Director/Lead Officer	Comments
Spending Review and Initial Budget proposals 2022/23	To receive an update on the Spending Review and any implications for local government funding (if available), the Council's budget position and process and any implications and draft proposals for any services in the remit of this committee.	Councillor Craig (Deputy Leader - Finance)	Carol Culley Tom Wilkinson	
Update on the delivery of savings	To receive an update on the delivery of savings that were identified for the 2021/22 Financial Year.	Councillor Craig (Deputy Leader - Finance)	Carol Culley Tom Wilkinson	
Housing Governance	To receive an update on the HRA Business Plan development and governance and workforce arrangements, including the TUPE process	Cllr White (Executive Member for Housing and Employment)	Carol Culley Fiona Worrall	Invite Cllr H Priest – Chair of ESC
Overview Report	The monthly report includes the recommendations monitor, relevant key decisions, the Committee's work programme and any items for information.	N/A	Scrutiny Support	

Tuesday 7 December 2021, 2.00pm (Report deadline Friday 26 November 2021)

Item	Purpose	Executive Member	Strategic Director/Lead Officer	Comments
Update on the Government's Finance Settlement (if available)	To receive an update from the Deputy Chief Executive and City Treasurer that outlines the key headlines of the Governments Settlement figure for Manchester (if this has been determined).	Councillor Craig (Deputy Leader - Finance)	Carol Culley Tom Wilkinson	
Setting of the Council Tax base and Business Rates shares for budget setting purposes	To receive a report that details the method of calculating the Council's Council Tax base for tax setting purposes and Business Rates income for budget setting purposes for the 2022/23 financial year.	Councillor Craig (Deputy Leader - Finance)	Carol Culley Tom Wilkinson	
S106 Annual Report and Update	<p>To receive and update report following Internal Audit's review of the new S106 governance arrangements and that this report includes the following information:-</p> <ul style="list-style-type: none"> An indication of affordable housing being provided from S106 contributions How Developers are encouraged to mitigate any harm from their developments Best practice and comparison of S106 arrangements with other GM local authorities; and The S106 triggers for planning applications 	Councillor Rawlins (Executive Member for Environment)	Julie Roscoe	Representatives from Neighbourhoods and Capital Programmes attend to help address the Committee's concerns around the rate of spend of S106 agreements

	within the Deansgate Ward (Land Bounded By Chester Road, Mancunian Way And Former Bridgewater Canal Offices and Land Bound by Jackson Row, Bootle Street, Southmill Street and 201 Deansgate.			
Community safety spend	To receive a report on Community Safety spend.	Councillor Craig (Deputy Leader – Finance) Councillor Akbar (Executive Member Neighbourhoods)	Carol Culley Sam Stabler	Invite Cllr Hacking – Chair of CESC
Parks spend - capital & revenue	To receive a report on Parks spend.	Councillor Craig (Deputy Leader – Finance) Councillor Akbar (Executive Member Neighbourhoods)	Carol Culley Neil Fairlamb	Invite Cllr Igbon – Chair of ECCSC
Overview Report	The monthly report includes the recommendations monitor, relevant key decisions, the Committee's work programme and any items for information.	N/A	Scrutiny Support	Overview Report

Tuesday, 11 January 2022, 2.00pm (Report deadline Wednesday 29 December 2021) * To account for New Year's day Bank Holiday

Item	Purpose	Executive Member	Strategic Director/Lead Officer	Comments
Finance Settlement.	To receive an update from the Deputy Chief Executive and City Treasurer that outlines the key headlines of the Governments Finance Settlement figure for Manchester	Councillor Craig (Deputy Leader - Finance)	Carol Culley Tom Wilkinson	
Overview Report	The monthly report includes the recommendations monitor, relevant key decisions, the Committee's work programme and any items for information.	N/A	Scrutiny Support	Overview Report

Tuesday, 8 February 2022, 2.00pm (Report deadline Friday 28 January 2021)

Item	Purpose	Executive Member	Strategic Director/Lead Officer	Comments
2022/23 Budget Report	Consideration of the final 2022/23 budget proposals that will go onto February Budget Executive and Scrutiny and March Council.	Councillor Craig (Deputy Leader – Finance)	Carol Culley Tom Wilkinson	
Overview Report	The monthly report includes the recommendations monitor, relevant key decisions, the Committee's work programme and any items for information.	N/A	Scrutiny Support	

Items to be Scheduled

(Items highlighted in grey indicate that these have been included in the work plan of one of the above meetings).

(New items added are highlighted in blue)

Item	Purpose	Executive Member	Strategic Director / Lead Officer	Comments
Commercial activity	Precise Details to be confirmed	Councillor Craig	Carol Culley	
Contract Monitoring	Precise Details to be confirmed	Councillor Craig	Carol Culley	
Future Strategy for City Centre Car Parks	To receive a report on the strategy for the return of NCP city centre car parks to the Council's control	Councillor Rawlins	Carol Culley Steve Robinson	
Review of investments being made by the Council into its Capital Strategy in terms of delivering future VFM post COVID19	Precise scope to be determined	Councillor Craig	TBC	
GMCA Governance and Public Sector Reform	To receive an update on what is being delivered for the City through these arrangements	Cllr Leese (Leader)	TBC	Date to be confirmed