



Resources and Governance Scrutiny Committee

Date: Monday, 28 February 2022

Time: 10.00 am

Venue: Council Chamber, Level 2, Town Hall Extension

This is a **combined agenda pack** for information only.

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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. The Council's Budget 2022/23

The following procedure applies for this item:-

- (i) The Committee will receive a statement by the Leader on the Executive's budget proposals and the key issues underlining the budget process;
- (ii) The Committee is invited to consider any issues arising from individual Directorate Budget Plans that chairs of scrutiny committees wish to draw specific attention to;
- (iii) The Committee is invited to receive a Statement from the Executive Member for Housing and Employment regarding the Housing Revenue Account calculations and to consider any amendment proposed in relation to the Housing Revenue account 2022/23 to 2024/25;
- (iv) The Committee is invited to consider any amendments to the budget proposals; and
- (v) The Committee is invited to summarise its findings and formulate its recommendations to the Council meeting on 4 March 2022.

4a. Minutes of the proceedings of Executive on 16 February 2022 relating to the budget for 2022/23

Minute extracts of the 16 February 2022 meeting attached

- 4b. Minutes of the proceedings of Overview and Scrutiny Committees relating to the budget for 2022/23** 31 - 44
Minute extracts of the February 2022 cycle of scrutiny meetings attached

- 5. The Council's Budget 2022/23 - budget papers pack**
In connection to the above, the following documents were considered by Executive on 16 February 2022.

- (5a) Revenue Budget Monitoring to the end of December 2021
- (5b) Budget Overview and Section 25 Report
- (5c) Medium Term Financial Plan and 2022/23 Revenue Budget
- (5d) Children and Education Services Budget 2022/23
- (5e) Adult Social Care and Population Health Budget 2022/23
- (5f) Neighbourhoods Directorate Budget 2022/23
- (5g) Growth and Development Directorate Budget 2022/23
- (5h) Corporate Core Budget 2022/23
- (5i) School Budget 2022/23
- (5j) Housing Revenue Account 2022/23 to 2024/25
- (5k) Capital Strategy and Budget 2021/22 to 2024/25
- (5l) Treasury Management Strategy Statement 2022/23, including Borrowing Limits and Annual Investment Strategy

These documents will be available to view on the Council's website using the following link and via the Modern.Gov app on tablet devices:-

<https://democracy.manchester.gov.uk/ieListDocuments.aspx?CId=137&MId=3732&Ver=4>

Due to the combined size of all of the above documentation, paper copies will only be provided to Elected Members on request.

(The Constitution provides that amendments to Executive's budget recommendation are to be submitted by 4:00pm on the seventh day after the meeting of Executive).

- 5n. Budget 2022/23 Public Consultation Outcomes** 45 - 66
The report of the Deputy Chief Executive and City Treasurer and Head of Strategic Communications is attached.
- 5o. Budget 2022/23 Equality Impact Assessment** 67 - 74
Report of the City Solicitor, Deputy Chief Executive and City Treasurer attached
- 5p. Details of proposed Budget Amendments** 75 - 78
Report of the City Solicitor attached

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. .

The Council wants to consult people as fully as possible before making decisions that affect them. Members of the public do not have a right to speak at meetings but may do so if invited by the Chair. If you have a special interest in an item on the agenda and want to speak, tell the Committee Officer, who will pass on your request to the Chair. Groups of people will usually be asked to nominate a spokesperson. The Council wants its meetings to be as open as possible but occasionally there will be some confidential business. Brief reasons for confidentiality will be shown on the agenda sheet.

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Further Information

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This agenda was issued on **Friday, 18 February 2022** by the Governance and Scrutiny Support Unit, Manchester City Council, Level 2, Town Hall Extension, Manchester M60 2LA

Executive Minute Extracts – 16 February 2022

Exe/22/15 Revenue Budget Monitoring Update

The Executive considered a report of the Deputy Chief Executive and City Treasurer, which outlined the projected outturn position for 2021/22, based on expenditure and income activity as at the end of December 2021 and future projections.

The Leader advised that the current budget monitoring forecast was estimating an underspend of £1.170m for 2021/22, based on activity to date and projected trends in income and expenditure, and includes the financial implications of COVID 19, government funding confirmed to date and other changes.

In relation to the delivery of the £40.717m of savings identified as part of the budget process the majority were on track for delivery. However, £2.482m (6%) of these were considered high risk and were unlikely to be delivered in this financial year and a further £5.287m (13%) were medium risk, in terms of the likelihood of delivery. Officers were working to ensure all savings are achieved or mitigated.

The report set out the following virements that had been applied in relation to COVID 19 and other virements between directorates as well as COVID 19 related grants received:-

COVID 19 related virements:-

- £131k virement from Coroners;
- £200k from Homelessness; and
- £350k virement from HR/OD.

These adjustments brought the 2021/22 transfer to smoothing reserve to £10.590m.

Other virements between directorates included:-

- £2.124m ICT budget centralisation to enable better analysis over the whole spend on IT Hardware, Phones and Printing

COVID 19 related Grants (where the Council was acting as principal and were added to Directorate budgets):-

- £1.805m – Workforce recruitment and retention fund;
- £666k – COVID Adult Social Care Omicron Support Fund;
- £185k – Community Vaccine champions programme;
- £0.729m – Protect and vaccinate;
- £0.689m – Homeless prevention grant top up; and
- £0.999m – Additional Restriction Grant Omicron (ARGO).

COVID 19 related Grants (where the Council was principal for the discretionary element of the funding and as agent for the remainder):-

- Test and Trace Support Payments (October - December), for adults who were self-isolating. £254k added to Directorate budgets, and £169k treated as agency as the council was acting on behalf of government and has no discretion over the use of funds.
- New Burdens 4 restart and ARG grant schemes, £85k added to the directorate budgets and £97k treated as agency to help meet the costs of delivering the Restart Grant Scheme and the ARG Top Ups from 14 October 2020 to the end of March 22.

COVID 19 related Grants (where the Council was agent for the fund):-

- £6.090m – Business Support - Omicron Hospitality and Leisure grant;
- £23.993m – COVID Additional Relief Fund (CARF); and
- £91.515m – Section 31 extended retail relief.

Since the Period 6 Revenue Monitoring report there had been additional non COVID-19 grant notifications which are now reflected in the revised budget as Follows:-

- £1.456m – Afghanistan Resettlement Education Grant;
- £3.870m. – Holiday activities and food programme 2022; and
- £200k – delivery of the Serious Violence Action Plan

Approval was also sought on the following allocations from corporate budgets:-

- Home to school transport - £120k to address the implications of the increases in fuel costs are now starting to impact on the provision of the Home to School Transport service;
- Unitary Charge Inflation – Street Lighting, £59k to address higher inflation (RPIX), lower interest earned on reserves and increased spend to save recharges than were assumed in the original model; and
- Biffa pay award, £556k to cover the estimated pay award, increase to the contract price and retention of HGV drivers

Taking into account the forecast financial implications of COVID 19, confirmed and anticipated government funding and any other known budget changes the budget forecast was an underspend of £1.170m for 2021/22. There remained significant uncertainties and risks to the position as COVID 19 restrictions eased, these were being monitored closely.

Whilst the position for 2021/22 and 2022/23 looked manageable, the financial position from 2023/24 was much more challenging. The Medium-Term Financial Strategy elsewhere on the agenda set out the financial context for ensuring future financial sustainability.

Decisions

The Executive:-

- (1) Note the forecast outturn position which is showing a £1.170m underspend.

- (2) Approve the proposed revenue budget virements as set out in the report.
- (3) Approve additional COVID 19 grants to be reflected in the budget.
- (4) Approve the use of other unbudgeted external grant funding (non COVID 19).
- (5) Approve the allocation of budgets from corporate inflation.

Exe/22/16 Capital Programme Budget Monitoring 2021/22

The Executive considered a report of the Deputy Chief Executive and City Treasurer, which informed of the progress against the delivery of the 2021/22 capital programme to the end of December 2021, the latest forecast of capital expenditure and the major variances since the Capital Programme Monitoring report submitted in September 2021 and the proposed financing of capital expenditure for 2021/22 and affordability of the Capital Programme.

The Leader commented that the revised capital budget sat at £502.2m, with a further £652.8m budgeted to be spent across 2022-2025, taking total Council led capital investment in the city to £1,155.0m.

The latest forecasted expenditure for 2021/22 for Manchester City Council was £328.2m compared to the current approved budget of £502.2m. Spend as of 31 December 2021 was £173.3m. It was reported that the programme was subject to continual review to establish whether the forecast remained achievable.

Whilst the intention was for the Council to progress the programme as stated, some projects and their sources of funding might require re-profiling into future years. The total approved programme was forecasted to be £1,139.1m over the next four years.

Decision

The Executive note the report.

Exe/22/17 2022/23 Budget Overview and Section 25 Report

The Executive considered a report of the Deputy Chief Executive and City Treasurer, which sets the strategic and financial context which supported the 2022/23 Budget.

A Medium-Term Financial Strategy report to Executive in February 2021 included a three-year budget forecast, indicating an annual shortfall in the region of £40m a year from 2022/23. This was based on assumptions of a flat government settlement and cost pressures including inflationary increases and demography.

As reported to Executive on 17 January 2022, the settlement was at the positive end of expectations. It provided additional unringfenced funding, increased Social Care Grant and additional one-off resources through the continuation of New Homes Bonus. The additional funding announced, alongside the proposed savings and

mitigations of £7.7m previously proposed would enable a balanced budget to be delivered in 2022/23.

The Medium-Term Financial Plan and Capital Strategy had been updated to reflect the 2022/23 budget position including the current and anticipated financial impacts of the COVID-19 pandemic.

The report went on to set out the strategic and statutory context for setting the budget, which included:-

- The Our Manchester Strategy;
- Progress to date on delivering the Our Manchester Strategy, building on the recent State of the City analysis;
- The Corporate Plan;
- A summary of the financial position and context;
- The required statutory assessment of the robustness of the proposed budget and adequacy of proposed reserves;
- Other fiduciary and statutory duties; and
- Financial Governance.

Decision

The Executive note the Medium Term Financial Strategy 2022/23 and 2024/25

Exe/22/18 Medium Term Financial Plan and 2022/23 Revenue Budget

The Executive considered a report of the Deputy Chief Executive and City Treasurer, which set out the budget proposals for 2022/23 based on the outcome of the Final Local Government Finance Settlement, which had been released on 7 February 2022.

The budget report considered at the 17 November 2021 meeting of Executive set out the funding proposals for unavoidable cost pressures to cover the rising costs of inflation and specific service pressures that had been identified, resulting in £7.7m of efficiency measures required to deliver a balanced budget. Of these measures £4,017m relates to new savings proposed, these were listed at Appendix 1 of the report. A further £3.716m related to the following mitigations:

- The Adult Social care budget had been adjusted by £2m for the overestimated impact of the pandemic on care home places. There remained £9.3m to meet the estimated costs of ongoing COVID-19 related demand.
- Homelessness - It was not expected that the planned £1.7m per annum demand increase that was originally budgeted for 2022/23 would be required and this had now been removed from the budget assumptions, although the position would be kept under review. To manage risk in this area a £1.5m homelessness contingency reserve remained as well as the £7m which was added to the initial 2021/22 budget to reflect the additional impact of COVID-19 on demand for homelessness services, in anticipation of the impact of the removal of the universal credit uplift and the tenant eviction ban ending.

Whilst the Provisional Finance Settlement was at the positive end of expectations and enabled a balanced budget to be proposed, the funding for local government was 'front loaded' with all the funding announced as part of the spending review being received in 2022/23 with no further increases in line with inflation or demographic pressures for the following two years. This put further pressure on 2023/24 and 2024/25 financial years and significant budget cuts would need to be delivered over the Spending Review period to set a balanced budget:-

Impact of settlement announcements on budget gap			
	2022/23	2023/24	2024/25
	£,000	£,000	£,000
Forecast Shortfall / (surplus) reported to Executive 17 November 21	(60)	57,139	78,204
Net Changes following settlement	(479)	(16,209)	(16,607)
Application of additional smoothing		(4,076)	(4,000)
Revised forecast Shortfall / (surplus) to Executive 17 January 22	(539)	36,854	57,597

The report to 17 January 2022 Executive set out that the funding announced for 2022/23 made available £12m to fund additional pressures, emerging risks and new priorities, and that, in line with the previously agreed approach, this was used across a three-year period. In addition, the draft budget position reflected a tighter estimated financial position and included £7.8m efficiencies and funding for unavoidable and specific budget pressures only. The following reflected these pressures, resident priorities and those in the updated Corporate Plan:-

Summary of proposed Investments			
	Total 22/23	Total 23/24	Total 24/25
	£'000	£'000	£'000
Improving basic services and street cleaning	700	1,700	1,700
Investment in Youth Provision	500	500	500
Zero Carbon investment	800	800	800
Neighbourhood Priorities	700	700	700
Support to Residents	700	700	700
Preventing Violence Against Women and Girls	200	200	200

Talent & Diversity Team	200	200	200
Contribution to GMCA for new protect duty	20	20	20
Total proposed investments	3,820	4,820	4,820

In addition to the investment proposals set out above there were a number of other changes to be reflected in the final budget position:-

Proposed changes since Executive meeting on 17 January 2022			
	2022/23	2023/24	2024/25
	£'000	£'000	£'000
Forecast Shortfall / (surplus) reported to Executive 17 January 22	(539)	36,854	57,597
Remove unallocated investment funding	(4,000)	(4,000)	(4,000)
Add total proposed investments	3,820	4,820	4,820
Collection Fund Key Decisions	(4,131)	(760)	(518)
Increase inflation contingency	700	700	700
Revisions to Airport reserve use	4,494	(717)	(918)
Other changes	(344)	(116)	(134)
Total proposed changes	539	(73)	(50)
Current Position	0	36,782	57,547

The report explained that the Council's net revenue budget was funded from five main sources: Business Rates, Council Tax, government grants, dividends, and use of reserves. In recent years the on-going reductions in central government funding had increased the importance of growing and maintaining local income and local funding sources, which was now integral to the Council's financial planning

The table below summarised the Medium-Term budget position after the impact of the settlement announcements, Collection Fund decisions and a full review of all the resources available and expenditure commitments.

Summary budget position				
	Revised 2021/22	2022/23	2023/24	2024/25
	£'000	£'000	£'000	£'000

Resources Available				
Business Rates Related Funding	260,465	235,553	323,847	341,840
Council Tax	176,857	208,965	206,620	217,197
Grants and other External Funding	120,243	104,533	87,374	85,374
Use of Reserves	184,667	141,548	31,510	16,491
Total Resources Available	742,232	690,599	649,351	660,902
Resources Required				
<i>Corporate Costs:</i>				
Levies / Statutory Charge	66,580	67,871	69,862	74,500
Contingency	600	1,060	860	860
Capital Financing	39,507	39,507	39,507	39,507
Transfer to Reserves	117,594	24,638	0	0
<i>Sub Total Corporate Costs</i>	<i>224,281</i>	<i>133,076</i>	<i>110,229</i>	<i>114,867</i>
<i>Directorate Costs:</i>				
Additional Allowances and other pension costs	8,316	7,316	7,316	7,316
Insurance Costs	2,004	2,004	2,004	2,004
Inflationary Pressures and budgets to be allocated	4,551	28,212	37,656	51,808
Directorate Budgets	503,080	519,991	528,928	542,454
<i>Subtotal Directorate Costs</i>	<i>517,951</i>	<i>557,523</i>	<i>575,904</i>	<i>603,582</i>
Total Resources Required	742,232	690,599	686,133	718,449
Shortfall / (surplus)	0	0	36,782	57,547

The report presented in more detail the main elements that had been part of the Local Government Finance Settlement, which had been outlined in the January report.

The assumption on the Council Tax was that the Council would apply a 1.99% Council Tax increase in the basic amount, and a further 1% increase to provide extra funding for Adult Social Care, equating to a 2.99% Council Tax increase overall.

The assumption for the Council Tax collection rate had been increased from 94.5% to 95.5% in 2022/23 increasing forecast income by £1.9m. By 2023/24 collection was assumed to be back at the usual pre-pandemic level of 96.5%.

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

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

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

Non Ring-Fenced Grants and Contributions				
	Revised 2021/22	2022/23	2023/24	2024/25
	£'000	£'000	£'000	£'000
COVID-19 related unringfenced grants	32,419	0	0	0
Better Care Fund (Improved)	30,815	31,748	31,748	31,748
Children's and Adult's Social Care Grant	23,877	31,924	31,924	31,924
Market Sustainability and Fair Cost of Care Fund	0	1,800	1,800	1,800
2022/23 Services Grant	0	12,324	12,324	12,324
Settlement Risk	0	0	(6,000)	(8,000)
Lower tier services grant	1,236	1,328	0	0
New Homes Bonus Grant	8,330	9,857	0	0
Loan Income	14,901	6,913	6,913	6,913
Contribution from MHCC	4,000	4,000	4,000	4,000
Education Services Grant	1,200	1,200	1,200	1,200
Housing Benefit Admin Subsidy	2,514	2,514	2,514	2,514

Council Tax Support Admin Subsidy	856	856	856	856
Care Act Grant - Prison only from 16/17	95	95	95	95
Total Non Ring-fenced Grants	120,243	104,559	87,374	85,374

The report also examined the use of resources and the proposed revenue expenditure by the Council in 2022/23. The forecast of levy payments the Council would have to make to other authorities in 2022/23 was:-

Levy Payments and Payment to GMCA				
	Revised 2021 / 22	2022 / 23	2023 / 24	2024 / 25
	£'000	£'000	£'000	£'000
GMCA - Waste Disposal Authority*	28,731	29,956	31,747	32,704
Transport Levy	37,525	37,573	37,773	37,973
Statutory Charge to GMCA	0	0	0	3,481
Environment Agency	230	248	248	248
Port Health	78	84	84	84
Probation (residuary charge for debt)	7	7	7	7
Magistrates (Residual debt)	9	3	3	3
Net Cost of Levies	66,580	67,871	69,862	74,500

The waste disposal levy was paid over to Greater Manchester Combined Authority (GMCA) and this contributed towards their costs of funding Greater Manchester Waste Disposal Authority (GMWDA). Based on figures provided by GMCA the 2021/22 levy costs were to increase by £1.225m, due to changes in costs, recycling rates and market prices for recyclates and energy. The budget had been uplifted to reflect the increased costs. The final amount would be confirmed following the meeting of the GMCA on 11 February 2022. As such, a contingency provision of £1.69m was being proposed, which included:-

- £0.6m as an unallocated contingency to meet future unforeseen expenses. This was deemed to be reasonable amount and should be considered in conjunction with the Council's policy on reserves.

- £460k in relation to risks associated with the waste levy, the estimated tonnages submitted to inform the levy were based on 7% above pre-COVID levels. Any increase above this would result in the council being liable for a higher charge.

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

The capital financing budget of £39.507m was to cover the costs of borrowing. For 2022/23 the forecast breakdown included:-

- Interest costs of £31.3m;
- Minimum Revenue Provision (MRP) of £33.0m, being the provision for the repayment of debt incurred to fund an asset, spread over the useful economic life of the asset;
- Debt Management Expenses of £0.2m, and
- Contributions to the Capital Fund Reserve of £25.9m

Specific transfers to reserves totalling £13.545m in 2020/21 and £24.638m in 2021/22 were also proposed

Allowances of £8.316m had also been made for retired staff and teachers' pensions to meet the cost of added-years payments awarded to former employees.

The report explained the main assumptions that had been made when calculating provision to be made for inflation and other anticipated costs. These could not, at this point in time, be allocated to Directorate or other budgets. They would instead be allocated throughout the coming year. The total provision being proposed was £4.551m for 2022/23, broken down into:-

Inflationary pressures and budgets to be allocated				
	Revised 2021/22	2022/23	2023/24	2024/25
	£'000	£'000	£'000	£'000
Non Pay Inflation	0	10,804	14,235	18,235
Sales Fees & Charges Inflation	0	(2,000)	(2,000)	(2,000)
Electricity Inflation	0	7,200	5,500	5,500
Pay Inflation	3,302	10,929	18,611	26,531
Pension Contribution Increase 1% estimate	0	0	0	2,200
Apprentice Levy (0.5%)	999	1,029	1,060	1,092
Digital City work	250	250	250	250

Total	4,551	28,212	37,656	51,808
Year on year Impact	(1,544)	23,661	9,444	14,152

The report explained that the Council held a number of reserves, all of which, aside from the General Fund Reserve, had been set aside to meet specific future expenditure or risks. A fundamental review of all the reserves held had been carried out as part of the budget setting process and the planned use of reserves in 2022/23 to support revenue expenditure was as follows:-

Use of reserves supporting the revenue budget				
	2021/22	2022/23	2023/24	2024/25
	£'000	£'000	£'000	£'000
Reserves directly supporting the council wide revenue budget:				
Business Rates Reserve	155,632	109,609	7,036	0
Budget smoothing reserve	11,266	0	15,590	7,481
Bus Lane (supporting Transport Levy)	5,092	4,092	4,092	4,092
Capital Fund - Supporting the revenue budget	7,763			
General Fund		2,970	0	0
Airport Dividend Reserve	4,913	24,851	4,792	4,918
Sub Total	184,666	141,522	31,510	16,491
Reserves directly supporting directorate budgets				
Adult Social Care	3,350	9,834	4,815	0
Children's Social Care	7,446	2,095	0	0
Anti Social Behaviour Team	540	0	0	0
Our Manchester Reserve	1,654	1,403	0	0
Sub Total	12,990	13,332	4,815	0
Bus Lane and Parking reserves	4,650	5,091	4,400	4,400
Other Statutory Reserves	197	197	197	197

Balances Held for PFI's	84	368	191	251
Reserves held to smooth risk / assurance:				
Transformation Reserve	333	333	335	1
Other Reserves held to smooth risk / assurance	4,077	11,195	24,939	1,549
Reserves held to support capital schemes:				
Capital Fund	13,826	20,000	29,886	20,000
Investment Reserve	906	1,463	1,876	1,504
Manchester International Festival Reserve	1,060	1,107	1,154	1,204
Eastlands Reserve	5,173	5,118	4,389	2,550
Enterprise zone reserve	1,061	1,061	1,061	668
Reserves held to support growth and reform:				
Better Care Reserve	5,682	9,295	0	0
Town Hall Reserve	2,383	2,330	3,699	3,984
Other Reserves to support growth and reform	639	221	30	0
Grants and Contributions used to meet commitments over more than one year	32,152	1,493	1,825	0
Small Specific Reserves	1,070	566	766	288
School Reserves	6,920	0	0	0
	277,870	214,692	111,073	53,087

Where reserves were used to support the Council's overall budget position or corporate expenditure such as levies, these were shown gross as part of the Resources required. The use of these reserves totalled £141.5m in 2022/23 (or £31.9m after the impact of the S31 grants carried forward in reserves to offset the deficit in 2021/22 is considered).

No new Airport Dividend from the Manchester Airport Group was being budgeted for in 2022/23. The reserve balance from previous years receipts was £44m at the start of 2021/22 and it was proposed that this was used over five years, to partly mitigate the loss of dividend income.

The proposals for the Directorates' cash limit budgets were detailed in the Directorate Budgets 2022/23 reports that were also being considered at the meeting (Minute Exe/22/19 to 22/23 below). The overall position was:

Directorate budgets				
	2021 / 22		2022 / 23	
	Net Budget	Gross Budget	Net Budget	Gross Budget
	£'000	£'000	£'000	£'000
Children Services	118,701	151,932	129,020	162,251
Adults Services	219,031	225,562	227,094	233,625
Corporate Core	82,895	331,348	84,535	332,988
Neighbourhoods (Incl. Highways)	91,486	227,880	89,094	225,488
Growth and Development	(9,033)	38,737	(9,752)	38,018
Total	503,080	975,459	519,991	992,370

The budget assumptions that underpinned 2022/23 to 2024/25 included the commitments made as part of the 2021/22 budget process to fund ongoing demand pressures, as well as provision to meet other known pressures and investments. Whilst this contributed to the scale of the budget gap it was important that a realistic budget is budget set which reflects ongoing cost and demand pressures.

Although a balanced budget could be delivered for 2022/23, the future financial position remained challenging, and the resilience of the Council had been reduced by the need to use its reserves to support the budget position. The focus going forward would be on identifying savings and mitigations to keep the Council on a sustainable financial footing. It was proposed that budget cuts and savings of £60m over the next three years would developed for member consideration and £30m of risk-based reserves had been identified as available to manage risk and timing differences.

Decisions

The Executive:-

- (1) Note that the financial position has been based on the final Local Government Finance Settlement announced on 7 February together with any further announcements at that date;
- (2) Note the anticipated financial position for the Council for the period of 2022/23 which is based on all proposals being agreed;

- (3) Note the resources available are utilised to support the financial position to best effect, including use of reserves and prior years dividends; consideration of the updated Council Tax and Business Rates position; the financing of capital investment, and the availability and application of grants;
- (4) Note that the Capital Strategy and Budget 2022/23 to 2024/25 have been presented alongside this report (Minute Exe/22/25 below)
- (5) Note the Deputy Chief Executive and City Treasurer's review of the robustness of the estimates and the adequacy of the reserves.
- (6) Recommend to Council to approve, as elements of the budget for 2022/23:
 - an increase in the basic amount of Council Tax (i.e., the Council's element of Council Tax) by 1.99% and Adult Social Care precept increase of 1%;
 - the contingency sum of £1.060m;
 - corporate budget requirements to cover levies/charges of £67.853m, capital financing costs of £39.507m, additional allowances and other pension costs of £7.316m and insurance costs of £2.004m;
 - the inflationary pressures and budgets to be allocated in the sum of £23.661m; and delegate the final allocations to the Deputy Chief Executive and City Treasurer in consultation with the Executive Leader;
 - the estimated utilisation of £9.183m in 2022/23 of the surplus from the on-street parking and bus lane enforcement reserves, after determining that any surplus from these reserves is not required to provide additional off-street parking within the District; and
 - the planned use of, and movement in, reserves after any changes are required to account for final levies etc.
- (7) Approve the gross and net Directorate cash limits;
- (8) Approve the in-principal contribution to the Adults aligned budget subject to the extension of the S75 Agreement which will be considered by Executive in March 2022;
- (9) Delegate authority to the Deputy Chief Executive and City Treasurer and Chief Executive in consultation with the Leader of the Council to draft the recommended budget resolution for budget setting Council in accordance with the legal requirements outlined in this report and to take into account the decisions of the Executive and any final changes and other technical adjustments;
- (10) Note that there is a requirement on the authority to provide an itemised council tax bill which, on the face of the bill, informs taxpayers of that part of any increase in council tax which is being used to fund adult social care. In addition, reference must be made to the recently announced £150 rebate scheme on the 2022/23 Council Tax demand notice, and in the accompanying council tax leaflet, in line with Government regulations;
- (11) Recommend that Council approve and adopt the budget for 2022/23.

Exe/22/19 Children and Education Services Budget 2022/23

The report of the Strategic Director for Children's and Education Services explained how the budget proposals for the Directorate had been developed.

The 2021/22 budget process saw the Council develop savings and efficiency plans of over £48m over the three years to 2023/24. Overall, savings of £12.359m for the Children and Education Services directorate were agreed, and had mostly been achieved.

Appended to the report were details of the initial revenue budget changes proposed by officers and the planned capital budget and pipeline priorities as well as information on the 2022/23 Dedicated Schools Grant.

The net impact of the changes had resulted in proposed budget increases of £10.319m in 2022/23, a further £3.666m in 2023/24 and additional £2.319m 2024/25. It was also proposed to invest a further £500k into youth provision. The planned use of this funding would be developed with the purpose of strengthening youth provision in every ward and to ensure the ongoing operation of the Woodhouse Park active lifestyle Centre

It was noted that the report had also been considered at a recent meeting of the Children and Young People Scrutiny Committee where the committee had endorsed the budget proposals (Minute CYP/22/07)

Decision

The Executive approve the Directorate budget proposals as set out in the report.

Exe/22/20 Health and Social Care - Adult Social Care and Population Health Budget 2022/23

The report of the Executive Director for Adult Social Services and Director of Public Health explained how the budget proposals for the Directorate had been developed.

The report examined the elements of the Council's own budgets that were within and outside of the pooled budget arrangements for the MLCO. The key changes and pressures that had been addressed in 2022/23 were set out, as were the savings proposals where such had been possible:-

It was reported that the finance settlement included the following changes and increased the funding available for adults social care by £11.306m.

- The Council's spending power included the assumption that the 1% social care precept would be raised. A 1% increase would generate c£1.9m. This combined with, improvements to Council Tax collection rates and an increase in the tax base due to new house building growth, meant that this increased the amount attributable to the ASC precept to a total increase of £3.259m; and

- The additional £1.6bn of national funding included £8.047m for social care and the costs for the 1.25% national insurance increase

In addition, direct funding of £2.7m had been received and would be passed on directly to the Adults Social Care budget as follows:-

- £0.9m for inflation on the Better Care fund; and
- £1.8m via the 'social care levy' to fund the fair cost of care and associated preparatory work

Once the one off capacity funding of £2.690m from 2021/22 was removed, there would be a net increase in external funding of £11.438m.

In addition there was a small increase in the overall core funding allocated to the Adults and Social Care budget to mainly cover the cost of the National Insurance increase.

It was reported that £10.656m of investment had also been identified to cover the inflation and pay award costs of £5.516m and £5.5m of system support towards the Better Outcomes Better Lives (BOBL) programme, which was partially offset by the removal of the one off capacity funding of £2.690m, which had been removed from the 2022/23 budget. This brought the total additional investment into the aligned budget to £21.095m, before the BOBL and vacancy factor savings of £9.386m were removed, giving a net increase to the Adults and Social Care budgets of £11.709m.

It was noted that the budget report had also been considered at a recent meeting of the Health Scrutiny Committee and the committee had endorsed the proposals in the report (Minute HSC/22/09).

Decisions

The Executive:-

- (1) Approve the Directorate budget proposals as set out in the report.
- (2) Note the aspiration for the Council to ensure that all care contracts pay their staff the Real Living Wage and to use the opportunity of the market sustainability review to help deliver on this

Exe/22/21 Neighbourhoods Directorate Budget 2022/23

The report of the Strategic Director (Neighbourhoods) explained how the budget proposals for the Directorate had been developed.

The 2021/22 budget process saw the Council develop savings and efficiency plans of over £48m over the three years to 2023/24. Overall, savings of £6.683m had been identified for 2021/22 within the Neighbourhoods Directorate and most of these were on track to be achieved. A further £493k savings had been profiled for 2022/23.

Appended to the report were details of the initial revenue budget changes proposed by officers and the planned capital budget and pipeline priorities.

In addition, and as part of the 2021/22 budget setting process, ongoing demographic funding for Homelessness had been included for 2022/23 at £1.7m, increasing to £6.7m by 2024/25. In addition, a further £7m was added to the initial 2021/22 budget to reflect the additional impact of covid-19 on demand for homelessness services. Whilst the £7m had been utilised, this had been in response to the pandemic and action taken in 2021/22. It was expected that the changes to the service and additional government grant funding around the rough sleeper initiative (yet to be allocated to Councils) would mean that the budget would be sufficient for 2022/23, and that demand reductions and therefore budget reductions would be possible in future years.

It was therefore not expected that the further planned £1.7m per annum increase that was originally budgeted for 2022/23 would be required and this had now been removed from the budget assumptions, although the position will be kept under review. To manage risk in this area a £1.5m homelessness contingency reserve was proposed.

The Directorate Budget had also been considered at a recent meeting of the Communities and Equalities Scrutiny Committee (Minute CESC/22/09), and also at a meeting of the Environment and Climate Change Scrutiny Committee (Minute ECCSC/22/07).

The Executive noted that at the Environment and Climate Change Scrutiny Committee, the following amendment had been proposed:-

- That a Capital Budget of £1m be established for the Executive Member for Environment, with this budget specifically used to support work and initiatives to tackle air pollution across the city. This budget could be funded by levying a Section 106 charge of £1000 for all new build homes for sale in Manchester (excluding social housing and a reduced charge for affordable housing).

It was also noted that the Committee had recommended that funding be provided to permanently fund the Climate Change Officer posts.

Decisions

The Executive:-

- (1) Approve the Directorate budget proposals as set out in the report.
- (2) Recommend Council agree that funding be provided to permanently fund the Climate Change Officer posts.
- (3) Supports the intention of the proposed amendment and requests that Officers set out within the report for Resources and Governance Budget Scrutiny how part of the £192m directed towards tackling climate change is proposed to be spent on improving air quality.

Exe/22/22 Growth and Development Directorate Budget 2022/23

The report of the Strategic Director (Growth and Development) explained how the budget proposals for the Directorate had been developed.

The 2021/22 budget process saw the Council develop savings and efficiency plans of over £48m over the three years to 2023/24. Overall, savings of £1.408m related to the Growth and Development Directorate had been identified and of these £1.108m were on track to be achieved. The only exception was the £393k savings from holding/deleting Planning and Building control vacancies.

It was explained that whilst the service redesign was expected to be completed in the first quarter of 2022, it would take time to implement the changes and recruit to all the posts. To allow for service delivery, and succession planning it was necessary to amend the structure and invest in some areas, therefore it was anticipated that ongoing savings of c£150k would be realised from reduced staffing costs across planning and building control. This would require alternative savings of £243k to be identified and delivered in 2022/23. To allow the Strategic Director time to review service options it was planned that the ongoing savings requirement of £243k would be managed through a combination of staff savings from vacant posts while posts were recruited to and income in 2022/23 whilst longer term ongoing options were developed.

Appended to the report were details of the initial revenue budget changes proposed by officers, the impact of which would result in a proposed net budget for 2022/23 of (£9.752m), and the planned capital budget and pipeline priorities.

It was noted that the report had also been considered at a recent meeting of the Environment Scrutiny Committee where the committee had endorsed the budget proposals (Minute ESC/22/06)

Decision

The Executive approve the budget proposals as detailed in the report.

Exe/22/23 Corporate Core Budget 2022/23

The report of the Deputy Chief Executive and City Treasurer and City Solicitor explained how the budget proposals for the Directorate had been developed.

The 2021/22 budget process saw the Council develop savings and efficiency plans of over £48m over the three years to 2023/24. This included budget cuts of £7.187m in the Corporate Core with £6.635m to be delivered in 2021/22 and the remaining £1.153m in 2022/23.

In addition to the £1.153m already approved savings, the report detailed further proposed changes to the 2022/23 budget, which resulted in a total saving for the Corporate Core of £1.636m.

In addition to the Corporate Core, the report provided details of budget proposals in regards to both Operational Property and Facilities Management Service that transferred in from the Growth and Development Directorate during 2021/22.. As part of the £48m savings over the three years 2021/22 - 2023/24, £5.935m related to Commercial and Operations activities, with £5.76m included as part of the 2021/22 budget. Due to the majority of these being through traded services, there had been adverse implications from COVID, and the following savings have not been achieved in 2021/22: -

- £4.1m income form car parks due to ongoing restrictions and reduced numbers of individuals working in the City Centre; and
- £225k advertising income from the proposed screen in Piccadilly Garden.

As part of the 2021/22 budget, additional support was provided to allow for reduced income due to COVID. Operations and Commissioning received one off budget support of £3.136m to support the reduction in car parking income This was one off support in 2021/22 and has been removed in 2022/23.

It was also reported that to support the opening of The Factory the following agreements are being put in place between the operator, MIF, and the Council

- a 10 year funding agreement which started in 2020/21 for £1.5m per annum incorporating the funding support that was previously provided to MIF;
- a grant agreement, to be met from the Council's existing MIF reserve (and reimbursed when fund raising was received) to assist the Factory Trust with its fundraising costs; and
- the establishment of a sinking fund with each partner making an annual contribution of £252k per annum in relation to the lease, with the Council acting as corporate landlord

It was noted that the report had also been considered at a recent meeting of the Resources and Governance Scrutiny Committee where the committee had endorsed the budget proposals (Minute RGSC/22/08)

Decisions

The Executive:-

- (1) Approve the budget proposals as detailed in the report.
- (2) Note the development of the funding agreement between the Council and MIF as set out in Appendix 1.
- (3) Support the initial underwriting of the Factory Trust fundraising costs by way of a grant agreement, to be met from the Council's existing MIF reserve and reimbursed when fund raising is received, and delegate to the Deputy Chief

Executive and City Treasurer and City Solicitor to finalise the grant agreement, including any conditions for drawdown and repayment.

- (4) Approve lease arrangements to the MIF with delegation to finalise the details to the Deputy Chief Executive and City Treasurer and City Solicitor.
- (5) Agree to continue the support to families to provide free school meals for the 2022 Easter Holiday at £15 per pupil per week. funded in line with the arrangements set out in Appendix 1 of the report.
- (6) Note the Chancellors announcement on the proposal for a £150 council tax rebate for all band A-D properties.
- (7) Delegate to the Deputy Chief Executive and City Treasurer in consultation with the Leader of the Council the finalising the detail of the administration of the council tax 'rebate' £150 payment.
- (8) Delegate to the Deputy Chief Executive and City Treasurer in consultation with the Leader of the Council responsibility for designing and implementing the discretionary support scheme.

Exe/22/24 Housing Revenue Account 2022/23 to 2024/25

A joint report by the Strategic Director (Growth and Development), the Strategic Director (Neighbourhoods) and the Deputy Chief Executive and City Treasurer presented the proposed budget for the Housing Revenue Account (HRA) for 2022/23 and indicative budgets for 2023/24 and 2024/25.

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

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

The HRA Budget Position for 2021/22, which as of December 2021, was forecasting that net expenditure would be £11.621m lower than budget, linked to delays in capital projects. Although the expenditure was lower than originally forecast, it was still more than the annual income and the forecast in-year deficit of £5.073m would be drawn down from the HRA reserve. The main reasons for in year changes were detailed in the report.

Government guidance allowed Local Authorities to increase rents by a maximum of CPI plus 1% for the five-year period 2020/21 to 2024/25. The CPI rate used was based on the September figure in the preceding year, and as at September 2021 CPI

was 3.1% and therefore this report sought approval to increase tenants' rents for all properties by 4.1% from April 2021.

In light of the current economic climate and the potential impact the proposed 4.1% rent increase might have on the most vulnerable tenants it was proposed that £200k was earmarked to provide a hardship fund to provide targeted support to those most affected by the increase in living costs, the proposed rent increase and the ongoing impacts of COVID. In addition to the hardship fund it was also noted that the proposed 4.1% rent increase would be covered in full for those residents in receipt of 100% housing benefit entitlement which is approximately 2,800 tenants and a further c.1,900 tenants receiving partial housing benefit support.

In order to ensure that the increase applied to garage rents remained in line with that applied to dwelling rents, it was proposed that 2022/23 garage rents be increased by 4.5%, which would see an increase in the rental of between 7p and 21p per week.

The report also explained the other key changes in the HRA budget for 2022/23, and the full budget was presented as set out below.-

	2021/22 (Forecast)	2022/23	2023/24	2024/25
	£000	£000	£000	£000
Income				
Housing Rents	(61,646)	(63,713)	(65,807)	(67,120)
Heating Income	(533)	(681)	(771)	(861)
PFI Credit	(23,374)	(23,374)	(23,374)	(23,374)
Other Income	(932)	(975)	(958)	(952)
Funding from General HRA Reserve	(5,073)	(12,576)	(7,703)	(12,856)
Total Income	(91,558)	(101,319)	(98,612)	(105,163)
Expenditure				
Operational Housing Management	14,327	12,845	11,817	11,938
Operational Housing - R&M	12,035	11,193	11,417	11,645
PFI Contractor Payments	30,980	32,573	34,410	34,326
Communal Heating	533	1,019	1,044	1,065
Supervision and Management	5,296	5,229	5,208	5,277
Contribution to Bad Debts	400	640	661	674
Hardship Fund	0	200	0	0
Depreciation	18,435	18,991	19,359	19,567
Other Expenditure	1,302	1,391	1,416	1,439
RCCO	5,487	14,508	10,577	16,537
Interest Payable and similar charges	2,763	2,730	2,702	2,695
Total Expenditure	91,558	101,319	98,611	105,163

Total Reserves (exc. Insurance):				
Opening Balance	(115,118)	(110,045)	(97,469)	(89,766)
Funding (from)/to Revenue	5,073	12,576	7,703	12,856
Closing Balance	(110,045)	(97,469)	(89,766)	(76,910)

It was noted that the proposed HRA budget 2023/24 and indication of the 2023/24 and 2024/25 budgets had also been considered by the Resources and Governance Scrutiny Committee at its February 2022 meeting where the committee had noted the proposals in the report (Minute RGSC/22/95).

Decisions

The Executive:-

- (1) Note the forecast 2021/22 HRA outturn as set out in the report.
- (2) Approve the 2022/23 HRA budget as set out above and note the indicative budgets for 2023/24 and 2024/25.
- (3) Approve the proposed 4.1% increase to dwelling rents and garage rents, and delegate the setting of individual property rents to the Director of Housing Operations and the Deputy Chief Executive and City Treasurer, in consultation with the Executive Member for Neighbourhoods and Executive Member for Housing and Employment.
- (4) Approve the establishment of a £200,000 hardship fund to support vulnerable tenants, and to delegate the design and operation of the fund to the Director of Housing Operations and the Deputy Chief Executive and City Treasurer, in consultation with the Executive Member for Neighbourhoods and Executive Member for Housing and Employment.

Exe/22/25 Capital Strategy and Budget 2022/23 to 2024/25

The Executive considered a report of the Deputy Chief Executive and City Treasurer, which presented the capital budget proposals before their submission to the Council.

The Capital Strategy had been developed to ensure that the Council could take capital expenditure and investment decisions in line with Council priorities and properly take account of stewardship, value for money, prudence, risk, sustainability and affordability.

The capital programme 2021/22 to 2025/26 comprised the continuation of the existing programme. For continuing schemes, the position was based on that set out in the report on Capital Programme Monitoring 2020/21, also being considered at this meeting (Minute Exe/22/16 above).

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

If agreed, then the proposals contained in the report would create a capital programme of £329m in 2021/22, £533.1.8m in 2022/23, £135.1 in 2023/24 and £36.3m in 2024/25, summarised as follows:-

Forecast Budgets	2021/22	2022/23	2023/24	2024/25	Total	Total 22/23- 24/25
	£m	£m	£m	£m	£m	£m
Manchester City Council Programme						
Highways	40.9	64.7	0.6		106.2	65.3
Neighbourhoods	35.7	62.7	15.5	0.9	114.8	79.1
The Factory and St John's Public Realm	42.7	46.4			89.1	46.4
Growth	64.3	95.7	61.3	5.0	226.3	162.0
Town Hall Refurbishment	53.8	86.1	68.1	42.2	250.2	196.4
Housing – General Fund	17.1	27.4	37.0	2.7	84.2	67.1
Housing – HRA	24.7	39.4	31.9	14.6	110.6	85.9
Children's Services (Schools)	31.1	37.1	1.0		69.2	38.1
ICT	6.4	6.8	1.0		14.2	7.8
Corporate Services	12.3	11.0	0.6	0.5	24.4	12.1
Total (exc. Contingent budgets)	329.0	477.3	217.0	65.9	1,089.2	760.2
Contingent Budgets	0.0	55.8	38.1		93.9	93.9
Total Programme	329.0	533.1	255.1	65.9	1,183.1	854.1

The proposed funding for the programme in 2022/23 was:-

Fund	Housing Programmes		Other Programmes	Total
	HRA	Non-HRA		
	£m	£m	£m	£m
Borrowing	0.0	10.7	335.3	346.0
Capital Receipts	2.0	3.9	16.8	22.7
Contributions	0.0	0.4	30.8	31.2
Grant	0.0	10.6	72.9	83.5
Revenue Contribution to Capital Outlay	37.4	1.8	10.5	49.7

Grand Total	39.4	27.4	466.3	533.1
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Based on the current forecasts for expenditure, prudential borrowing of up to £538.9m over the period would be needed to support the Council's programme in line with the new schemes and previous planning and profile approval. A number of these schemes would be on an invest to save basis and would generate revenue savings.

The proposed funding for the programme across the forecast period was as follows:-

	2021/22 budget	2022/23 budget	2023/24 budget	2024/25 budget	Total
	£m	£m	£m	£m	£m
Grant	86.0	83.5	63.5	0.0	233.0
External Contribution	25.3	31.2	0.2	0.0	56.7
Capital Receipts	16.0	22.7	13.1	2.7	54.5
Revenue Contribution to Capital Outlay	32.4	49.7	33.5	15.1	130.7
Borrowing	169.3	346.0	144.8	48.1	708.2
Total	329.0	533.1	255.1	65.9	1,183.1

The proposed capital programme described within the report was affordable within the existing revenue budget based on the estimated capital financing costs associated with delivering the programme.

There were risks associated with the delivery of the capital strategy, specifically regarding delays to the programme or treasury management risks. Measures were in place to mitigate these risks through both the Strategic Capital Board and the treasury management strategy. Reports would be provided throughout the year to Council, Executive and other relevant committees providing updates on the progress of the capital programme and the risks associated with its delivery and funding.

Decisions

The Executive:-

- (1) Approve and recommend the report to Council, including the projects for Executive approval in section 6, and note that the overall budget figures may change subject to decisions made on other agenda items.
- (2) Note the capital strategy.
- (3) Note that the profile of spend is provisional, and a further update will be provided in the outturn report for 2021/22.
- (4) Delegate authority to the Deputy Chief Executive and City Treasurer in consultation with the Executive Leader to make alterations to the schedules for the capital programme 2021/22 to 2024/25 prior to their submission to Council for approval, subject to no changes being made to the overall estimated total cost of each individual project.

- (5) Approve the proposed write off two long-term debtors, (EoN Reality £1.1m and Band on the Wall £0.2m) and delegate to the Deputy Chief Executive and City Treasurer to set out the terms and accounting treatment for the write offs.

Exe/22/26 Treasury Management Strategy Statement 2022/23, including Borrowing Limits and Annual Investment Strategy

The Executive considered a report of the Deputy Chief Executive and City Treasurer, which set out the proposed Treasury Management Strategy Statement and Borrowing Limits for 2022/23 and Prudential Indicators for 2022/23 to 2024/25.

The Treasury Management Strategy Statement set out the risk framework under which the Council's treasury management function would operate by detailing the investment and debt instruments to be used during the year the Strategy detailed the risk appetite of the Authority and how those risks would be managed.

The suggested strategy for 2022/23 was based upon the treasury officers' views on interest rates, supplemented with The forecasts provided by the Council's treasury advisor, Link Asset Services. The strategy covered:-

- Prudential and Treasury Indicators for 2022/23 to 2024/25;
- Impact of 2012 HRA reform;
- Current Portfolio Position;
- Prospects for Interest Rates;
- Borrowing Requirement;
- Borrowing Strategy; and
- Annual Investment Strategy.

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

Decisions

The Executive:-

- (1) Recommends the report to Council.
- (2) Delegates authority to the Deputy Chief Executive and City Treasurer, in consultation with the Member of the Executive with responsibility for Finance and HR, to approve changes to the borrowing figures as a result of changes to the Council's Capital or Revenue budget and submit these changes to Council.

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Scrutiny Committee Minute extracts 8 – 10 February 2022

Communities and Equalities Scrutiny Committee – 8 February 2022

CESC/22/09 Neighbourhood Directorate Budget 2022/23

The Committee received a report of the Strategic Director (Neighbourhoods) which stated that, following the Spending Review announcements and provisional local government finance settlement 2022/23 the Council was forecasting a balanced budget for 2022/23, a gap of £37m in 2023/24 and £58m by 2024/25. The report set out the high-level position. Appended to the report were 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. The Committee was invited to comment on the proposals prior to their submission to the Executive on 16 February 2022.

The main points and themes within the report included:

- Current budget position;
- Scrutiny of the draft budget proposals and budget reports;
- Next steps;
- Headline priorities for the services;
- Revenue Budget Strategy; and
- Capital budget and pipeline priorities.

The Executive Member for Neighbourhoods provided an overview of the financial position of the Council, including the uncertainty in future years. He highlighted some of the priority areas within the budget, including funding to address gender-based violence and funding to each ward to address their priorities. The Deputy Leader emphasised the Council's commitment to making Manchester a safe city for women and girls and outlined initial work taking place to address this.

The Executive Member for Children's Services informed Members about the proposal within the budget to invest more money in the commissioning of youth services, highlighting that 2022 had been designated as "Our Year", dedicated to the city's children and young people.

In response to a Member's question, the Director of Housing Operations outlined work to monitor and address the effectiveness of Northwards Housing, particularly in relation to repairs. The Executive Member for Neighbourhoods advised that this related to housing management and that a report on this would be considered by the relevant scrutiny committee.

Decision

To endorse the proposals which are relevant to the remit of this Committee.

Resources and Governance Scrutiny Committee – 8 February 2022

RGSC/22/8 Corporate Core Budget Report 2022/23

Further to minute (RGSC/21/46), the Committee considered a report of the Deputy Chief Executive and City Treasurer and City Solicitor, which provided a further update on the saving proposals being proposed as part of the 2022/23 budget process.

Key points and themes of the report included:-

- Following the Spending Review announcements and provisional local government finance settlement 2022/23 the Council was forecasting a balanced budget for 2022/23, a gap of £37m in 2023/24 and £58m by 2024/25;
- Overall, the settlement announcement was towards the positive end of expectations and it was expected that mitigations in the region of £7.7m, as previously identified, would be sufficient to balance the 2022/23 budget;
- The budget assumptions that underpinned 2022/23 to 2024/25 included the commitments made as part of the 2021/22 budget process to fund ongoing demand pressures as well as provision to meet other known pressures such as inflation and any pay awards (estimated at 3% from 2022/23);
- Whilst this contributed to the scale of the budget gap it was important that a realistic budget was set which reflected ongoing cost and demand pressures;
- The focus would now be on identifying savings and mitigations to keep the Council on a sustainable financial footing; and
- It was proposed that budget cuts and savings of £60m over three years would be developed for Member consideration which equated to just under 12% of 2022/23 directorate budgets. In addition, £30m of risk-based reserves had been identified as available to manage risk and timing differences.

The Leader advised that whilst there was no major changes to the proposed budget following the report in November, a decade of austerity had resulted in £420 million having been removed from the Council's budget, resulting in a 15% reduction in spending power compared to a national average of 2.4% and if Manchester had had the national average applied to its budget, it would have a further £85 million in its budget today.

Some of the key points that arose from the Committees discussions were:-

- The Council found itself in a situation of uncertainty with just having a one year settlement, forcing it to make preparations for massive reductions in budgets which could have been avoided if the Council had received a longer Finance Settlement;
- The Committee applauded the commitment by the Council to continue to provide Free School Meals during school holidays to those who were entitled to free school meals attending schools and early year settings;
- It would be useful to receive more stringent proposals regarding the capital investment to support carbon reduction measures on the Council's corporate estate at a future meeting;

- What progress had been made on the potential naming rights for The Factory and what guarantee was there that the loan to The Factory Trust, provided by way of grant, underwritten by the Council's MIF reserve would be repaid;
- Assurance was sought that in identifying a suitable naming rights partner, the Council would ensure its reputation would not be adversely impacted;
- More information was requested on the HR/OD service redesign saving proposals;
- Had there been any indication whether there would be any associated administration costs to help support the Government's announcement that people would get a £150 council tax rebate in April to help with the cost of energy;
- Was there any indication yet on what the pay award for staff will be yet;
- With the increase in energy and food costs, was the Council expecting an increase in the number of residents that struggled to pay their Council Tax; and
- Were the proposed savings associated with operational property as a result of the Council exiting leases of office space or the sale of council owned buildings.

The Deputy Chief Executive and City Treasurer advised that there was a report being considered by the Environment and Climate Change Scrutiny Committee that set out the details of the investments made to date into the Council's climate change agenda which supported the Action Plan and proposals for additional investment in the next financial year.

The Deputy Chief Executive and City Treasurer advised that work was underway in terms of fundraising for The Factory. The partner to assist in finding a suitable naming rights partner had been procured and was working closely with the Council and commercial discussions were underway. The proposal of the loan was to underwrite any cashflow issues from the reserves that was funding the future grant for MIF, which was a deliberate decision to avoid a cost to the Council. The Deputy Chief Executive and City Treasurer assured the Committee that comments made by this committee previously in relation to the naming rights had been taken on board and there was a strong ethical policy that sat alongside the agreements. The Leader emphasised this point, advising that she chaired The factory Board, which received regular updates in terms of how money was being spent as well as the progress being made around the naming rights.

In relation to the proposed HR/OD service redesign saving proposals, it was explained that in terms of the Corporate Core, there were two sets of savings, one being the adjustment to the vacancy factor and the other being through staffing changes as part of a service redesign which would be completed in quarter 4 of 2021/22.

The Deputy Chief Executive and City Treasurer advised that negotiations on the staff pay award were still taking place and a decision in the percentage increase had not concluded. In terms of the £150 council tax rebate, it was confirmed that there would be new burdens funding, but the allocation had not yet been determined.

The Deputy Chief Executive and City Treasurer explained that it was difficult to determine what the impact of rising energy and food costs would be at this stage. Those on lower incomes did receive financial Council Tax support and the service

also provided additional support around helping those getting into financial difficulty. In relation to the proposed savings associated with operational property, the Council was exiting two office buildings within the city centre.

Decisions

The Committee:-

- (1) Endorse the budget proposals.
- (2) Endorse the recommendations that the Executive:-
 - Note the development of the funding agreement set out in Appendix 1.
 - Support the initial underwriting of the Factory Trust fundraising costs by way of a grant agreement, to be met from the Council's existing MIF reserve and reimbursed when fund raising is received, and delegate to the Deputy Chief Executive and City Treasurer and City Solicitor to finalise the grant agreement, including any conditions for drawdown and repayment.
 - Approve lease arrangements with delegation to finalise the details to Deputy Chief Executive and City Treasurer and City Solicitor.
 - Continue the support to families to provide free school meals for the 2022 Easter Holiday at £15 per pupil per week. Vouchers will be distributed to households on a pupil basis via schools. This will be funded in line with the arrangements set out in Appendix 1 of this report.
 - Note the Chancellors announcement on the proposal for a £150 council tax rebate for all band A-D properties.
 - Delegate to the Deputy Chief Executive and City Treasurer in conjunction with the Leader of the Council the finalising the detail of the administration of the council tax 'rebate' £150 payment.
 - Delegate to the Deputy Chief Executive and City Treasurer in conjunction with the Leader of the Council responsibility for designing and implement the discretionary support scheme. The scheme will be reported back to March Executive.

RGSC/22/9 Housing Revenue Account 2022/23 to 2024/25

The Committee considered a report of the Strategic Director (Growth and Development), the Strategic Director (Neighbourhoods) and the Deputy Chief Executive and City Treasurer, which set out the details on the proposed Housing Revenue Account (HRA) budget for 2022/23 and an indication of the 2023/24 and 2024/25 budgets.

Key points and themes of the report included:-

- The HRA Budget Position for 2021/22, which as of December 2021, was forecasting that net expenditure would be £11.621m lower than budget, linked to delays in capital projects;
- Although the expenditure is lower than originally forecast, it is still more than the annual income and the forecast in-year deficit of £5.073m will be drawn down from the HRA reserve

- The Budget Strategy 2022/23 - 2024/25,
- The management of Housing Stock and the implications of “Right to Buy” on rental income;
- Details of the various budget assumptions;
- A proposed 4.1% increase to dwelling rents and garage rents
- A proposal to establish a £200,000 hardship fund to support vulnerable tenants; and
- The Reserves Forecast 2022/22 to 2024/25

Some of the key points that arose from the Committees discussions were:-

- Whilst welcoming the proposed hardship fund, what was the timeframe for the distribution of these funds;
- Would the hardship fund be available to just Council housing tenants or for also other social housing tenants;
- PFI housing partners should be encouraged to contribute to the hardship funding;
- In relation to investment proposals, was there scope in the budget for any additional HRA council housing;
- Was there any indication from Government of additional funding to assist in the retrofitting of existing properties to achieve zero carbon targets, either direct to Manchester or via the Combined Authority;
- What lobbying was taking place to address the need for further government funding to deliver more social rent homes in Manchester and when was the current round of this policy going to be reviewed;
- How many properties associated with the operational overspend of £0.947 where council properties;
- Clarity was sought on the proposed heating tariffs;
- What was the current level of bad debt and consequently how had it been determined that the ongoing forecast requirement was 1% for the life of the plan;
- What was the capital expenditure on fire safety and what was anticipated to be the level of spend required to meet legislative requirements and the cost of going beyond this requirement to meet any potential future changes in legislation;
- What funding was being allocated on the decent homes programme, with reference around improved kitchen and bathroom facilities

The Director of Housing Operations advised that the process for distributing the hardship fund would be finalised over the coming weeks using the established mechanisms in place for welfare support use during the Covid crisis.

The Executive Member for Housing and Employment confirmed that the hardship fund would only be available to tenants in council owned housing stock (Northwards) and those in Council controlled housing stock, including tenants who resided in properties within the two PFI schemes. Other Registered Providers were also establishing their own hardship funds to support their tenants

The Executive Member for Housing and Employment advised that the current budget outlined the two housing schemes and also investment in existing stock in terms of air source heat pumps, thermal insulation and triple glazing and improving existing stock to net zero carbon standards. Further capital outlay into further housing stock was an ambition of the HRA to deliver on the Council's priorities in delivering social rent homes in north and east Manchester.

The Executive Member for Housing and Employment advised he would look into when the current policy on government funding for more social rent homes was to be removed. He added a lot of work had taken place on safety improvements to towers blocks and money was set aside on the HRA to continue this work. In addition, he reported that Greater Manchester had been successful in receiving £10.5 million to help with the retrofit works. Details of how this was to be distributed were yet to be announced but Manchester would be lobbying strongly to get a fair share of this.

The Head of Finance agreed to provide details following the meeting on the number social HRA properties that were contributing to the operational overspend. He also advised that as the increase in gas process was at present unknown, Officers had outlined a range of various pricing models to give an indication of what the increase could potentially be and was based on the volume of consumption against price. He also agreed to confirm why the pay by point of sale for Northwards 2/4 Blocks was not proposed to increase in comparison to other schemes.

The Committee was advised that in relation to bed debt, there had been an underspend for the last few years as the impact of the roll out of Universal Credit and the pandemic had been lower than originally forecasted. Therefore, the business plan had been adjusted for 2022/23 onwards. The forecast provision for bad debt in 2021/22 was around 0.65% of rental income, and so the ongoing forecast requirement of 1% for the life of the plan was a 0.5% reduction from the previous assumption in the business plan. The collection rates and level of bad debts would be kept under review

The Director of Housing Operations advised that the majority of capital programme spend over the last two years had been on fire safety and compliance. In terms of the Asset Management priorities, these had been focussed on decent homes, re-roofing, widow replacement and replacement of kitchen and bathrooms. He agreed to provide the Capital Programme to members of the committee for information.

Decision

The Committee note the report.

Health Scrutiny Committee – 9 February 2022

HSC/22/09 Health and Social Care - Adult Social Care and Population Health Budget 2022/23

Further to minute (HSC/21/45) the Committee considered the report of the Executive Director Adult Social Services and Director of Public Health which provided a further

update on the saving proposals being proposed as part of the 2022/23 budget process.

Key points and themes in the report included:

- Following the Spending Review announcements and provisional local government finance settlement 2022/23 the Council was forecasting a balanced budget for 2022/23, a gap of £37m in 2023/24 and £58m by 2024/25;
- The finance settlement was towards the positive end of forecasts and no actions beyond those outlined in November were required to balance next year's budget;
- The settlement was for one year only and considerable uncertainty remained from 2023/24;
- A longer-term strategy to close the budget gap was being prepared with an estimated requirement to find budget cuts and savings in the region of £60m over the next three years;
- £30m of risk-based reserves had been identified as available to manage risk and timing differences;
- A description of the Adult Social Care Priorities;
- An overview of the Manchester City Council Adult Social Care Budget and Manchester Local Care Organisation aligned budget; and
- The capital budget and pipeline priorities.

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

- The need to explicitly articulate the demand on the Adult Social Care budget and the services that the Council is statutory responsible to deliver, in the context of continued austerity and budget cuts;
- The need for a fair, long term financial settlement for the city;
- The budget should be used to address the recognised health inequalities within the city;
- The Government was in denial of challenges faced by the NHS;
- Paying tribute to the Deputy Leader and officers and NHS partners for their continued commitment to protecting the most vulnerable residents within the city; and
- Was there any possibility of further additional one off funding sources.

In response to comments the Director of Finance (MLCO) stated that there were no further additional one off sources of funding, adding that the integrated approach to the budget ensured that there was an appropriate use of the budget and resources available.

The Deputy Leader commented that whilst the overall settlement announcement was towards the positive end of expectations, this did not constitute being a good settlement and the Council had lost over £400m from its budget since 2010. If the Council had received the average level of cuts in funding, this year it would have at least £85m in its budget. The Council was also still dealing with the legacy of the COVID pandemic and the promise from government that it would compensate local authorities with whatever they needed. She added that it was not possible to undo a decade of cuts with a settlement in one year that was not as severe as anticipated

and looking beyond next financial year there was significant worries which meant that the Council needed to continue its call for fair and sustainable funding.

The Deputy Leader commented that whilst the settlement was better than anticipated, the Council still faced a very challenging three year budget position. In 2022/23 the Council would be using the last of its commercial income reserve to help balance the budget and there was a remaining budget gap of approximately £37m in 2023/24 and £58m in 2024/25. As the settlement announcement was for only one year, the Council was facing increasing uncertainty with proposals around fairer funding reforms and the implications of these.

The Deputy Leader commented that the ASC budget accounted for 35% of the Council's overall budget as it was required to provide statutory services and the settlement provided no additional funding for increased demand in ASC. She stated that a fair, sustainable plan was needed in order to plan effectively so as to provide essential services for Manchester residents.

The Chair welcomed the inclusion of addressing climate action within the Population Health Team's priorities for 2022-23. She further commented that the Committee would schedule an item on the Work Programme to consider the Equalities Impact Assessment of the Better Outcomes, Better Lives programme.

Decision

The Committee note the report and endorse a recommendation that the Executive approve these budget proposals.

Children and Young People Scrutiny Committee – 9 February 2022

CYP/22/10 Children and Education Services Directorate Budget 2022/23

The Committee received a report of the Strategic Director (Children and Education Services) which stated that, following the Spending Review announcements and provisional local government finance settlement 2022/23, the Council was forecasting a balanced budget for 2022/23, a gap of £37m in 2023/24 and £58m by 2024/25. The report set out the high-level position. Included in the report were the priorities for the services in the remit of this Committee. Appended were details of the initial revenue budget changes proposed by officers and the planned capital programme as well as information on the 2022/23 Dedicated Schools Grant. The Committee was invited to comment on the proposals prior to their submission to the Executive on 16 February 2022.

The main points and themes within the report included:

- Summary of Council budget;
- Current budget position;
- Scrutiny of draft budget proposals and budget report;
- Next steps;

- Children and Education Services context;
- Budget overview;
- Dedicated Schools Grant; and
- Capital budget.

The Executive Member for Children's Services drew Members' attention to the budget reports which had been submitted to the Communities and Equalities Scrutiny Committee and the Resources and Governance Scrutiny Committee which included proposals for additional funding for youth services and for Free School Meals over the Easter holidays respectively.

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

- To what extent the budget had taken into account the need for more special school places;
- Funding for improving the condition of school buildings, including school-based Early Years provision;
- To welcome the focus on carbon reduction around schools and to recognise the additional benefits of investing in reducing carbon, such as lower energy bills and improving children's well-being;
- Whether the Council had considered asset transfers for buildings which had previously been Council-run daycare provision but were now commissioned to other providers;
- Concern about home to school transport putting additional pressure on the Children's Services budget, as outlined in the report; and
- Concern about the national insurance increase referred to in the report.

The Director of Education reported that school places for children with Special Educational Needs and Disability (SEND) were funded by the Department for Education (DfE) through the High Needs Block of the Dedicated Schools Grant, which would be increased by £10 million next year. She informed Members about additional special school places which had recently been created and about plans for more to become available from next year. She advised that the Council had a capital maintenance grant each year to assist schools with significantly expensive maintenance issues, such as a new roof or boiler, and so had an understanding of the condition of school buildings; however, she drew Members' attention to proposals to undertake condition surveys of school buildings which, she advised, would formalise this knowledge and enable the Council to plan work for the future. She reported that the DfE was going to be making some funding available for new school buildings and that these conditions surveys would help the Council to provide evidence to the DfE about why some of this funding should be awarded to Manchester. In response to a question from the Chair, she confirmed that the Council only had statutory responsibilities in relation to the maintenance of the buildings of local authority-maintained schools, not academies.

The Executive Member for Children's Services confirmed that a range of different options were considered for buildings used for Early Years daycare provision. He suggested that the Committee might want to receive a report on the condition

surveys that were due to be carried out on schools and Early Years buildings, once the work had reached an appropriate stage.

The Strategic Director of Children and Education Services highlighted the approach that had been taken to budget savings, which had focused on preventative work and cost avoidance rather than cutting services. The Chair welcomed the way that this approach had worked in recent years in reducing costs through early intervention to prevent children and young people from entering the care system.

Decision

To endorse the proposals outlined in the report.

Environment and Climate Change Scrutiny Committee – 10 February 2022

ECCSC/22/07 Neighbourhood Directorate Budget 2022/23

Further to minute (ECCSC/21/27) the Committee considered the report of the Strategic Director (Neighbourhoods) which provided a further update on the saving proposals being proposed as part of the 2022/23 budget process.

Key points and themes in the report included:

- Following the Spending Review announcements and provisional local government finance settlement 2022/23 the Council was forecasting a balanced budget for 2022/23, a gap of £37m in 2023/24 and £58m by 2024/25;
- The settlement was for one year only and considerable uncertainty remained from 2023/24;
- A longer-term strategy to close the budget gap was being prepared with an estimated requirement to find budget cuts and savings in the region of £60m over the next three years;
- £30m of risk-based reserves had been identified as available to manage risk and timing differences;
- An overview of the headline priorities for the service;
- A description of the Neighbourhoods Revenue Budget Strategy;
- A description of the Capital budget and pipeline priorities; and
- A description of the Climate Change Priorities and Investment.

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

- Noting that the Government had failed to adequately fund the Council and they needed to be held to account;
- Supporting the reported Climate Change Priorities and Investment;
- Whilst recognising the varied work and initiatives delivered by officers to tackle climate change and support communities, more needed to be done to publicise this work and communicate this positive work with both residents and Members;
- The need to improve air quality across the city, making reference to those issues caused as a result of poor traffic flow and cars idling;

- The continued call for the Council to act as a catalysis and influencer to escalate the activities and actions needed to address climate change;
- The need to scrutinise the cost effectiveness of the Council's financial contribution to the Manchester Climate Change Agency; and
- Calling for the continued, long term funding of the Climate Change Officer posts.

In response to questions, officers clarified the capital spend reporting that had been presented, the rating of Carbon Literacy training, adding that this training was now mandatory for all staff and information relating to the Cargo Bikes referenced within the report.

In considering the budget proposals, a Member recommended an amendment. He recommended that a Capital Budget of £1m be established for the Executive Member for Environment, with this budget specifically used to support work and initiatives to tackle air pollution across the city. He recommended that this budget could be funded by levying a Section 106 charge of £1000 for all new build homes for sale in Manchester (excluding social housing and a reduced charge for affordable housing).

This recommendation was supported by the Committee.

A further recommendation was proposed that funding be provided to permanently fund the Climate Change Officer posts. This recommendation was supported by the Committee.

Decisions

The Committee recommend that the Executive;

1. Establish a Capital Budget of £1m for the Executive Member for Environment, with this budget specifically used to support work and initiatives to tackle air pollution across the city. This budget could be funded by levying a Section 106 charge of £1000 for all new build homes for sale in Manchester (excluding social housing and a reduced charge for affordable housing).
2. That funding be provided to permanently fund the Climate Change Officer posts.

Economy Scrutiny Committee – 10 February 2022

ESC/22/06 Growth & Development Directorate Budget 2022/23

Further to minute (ESC/21/53), the Committee considered a report of the Strategic Director (Growth and Development), which provided a further update on the saving proposals being proposed as part of the 2022/23 budget process.

Key points and themes of the report included:-

- Following the Spending Review announcements and provisional local government finance settlement 2022/23 the Council was forecasting a balanced budget for 2022/23, a gap of £37m in 2023/24 and £58m by 2024/25;

- Overall, the settlement announcement was towards the positive end of expectations and it was expected that mitigations in the region of £7.7m, as previously identified, would be sufficient to balance the 2022/23 budget;
- The budget assumptions that underpinned 2022/23 to 2024/25 included the commitments made as part of the 2021/22 budget process to fund ongoing demand pressures as well as provision to meet other known pressures such as inflation and any pay awards (estimated at 3% from 2022/23);
- Whilst this contributed to the scale of the budget gap it was important that a realistic budget was set which reflected ongoing cost and demand pressures;
- The focus would now be on identifying savings and mitigations to keep the Council on a sustainable financial footing; and
- It was proposed that budget cuts and savings of £60m over three years would be developed for Member consideration which equated to just under 12% of 2022/23 directorate budgets. In addition, £30m of risk-based reserves had been identified as available to manage risk and timing differences;

The Leader advised that whilst there were no major changes to the proposed budget following the report in November, a decade of austerity had resulted in £420 million having been removed from the Council's budget, resulting in a 15% reduction in spending power compared to a national average of 2.4% and if Manchester had had the national average applied to its budget, it would have a further £85 million in its budget today.

The Strategic Director (Growth and Development) commented that the 2021/22 budget process had included £393k savings in respect of holding/deleting 11 posts in planning and building control. Whilst the service redesign was expected to be completed in the first quarter of 2022, it would take time to implement the changes and recruit to all the posts. To allow for service delivery, and succession planning it was necessary to amend the structure and invest in some areas, therefore it was anticipated that ongoing savings of c£150k would be realised from reduced staffing costs across planning and building control. This would require alternative savings of £243k to be identified and delivered in 2022/23.

Some of the key points that arose from the Committees discussions were:-

- There was concern in relation to the ability to effectively ensure the enforcement of illegal planning if it was still proposed to reduce the number of staff within planning and building control;
- Was it possible to have a breakdown of the proposed savings at a ward or neighbourhood level;
- What opportunities had been identified from the review of Council assets to help tackle the level of savings needed in future years; and
- Had there been any work undertaken around the anticipation of additional costs and pressures on the service as the Council emerged from the impact of covid.

The Strategic Director (Growth and Development) commented that the original saving of £393k had been identified through existing vacant posts and through the forthcoming service redesign, additional resource would be added to the service to ensure it operated effectively. She also advised that due to the nature of the work of the Directorate, it was difficult to break this down to a ward or neighbourhood level

as a large part of the Directorate's budget was made up from staff costs who worked across the city. It was proposed that a more detailed overview of the work of the team could be provided for Members.

The Executive Member for Housing and Employment acknowledged the need to improve how the work of the Directorate was reported back to ward members on work in their respective wards.

In terms of Asset Management, it was reported that this was something that the Directorate was actively looking at and a Strategic Asset Management Plan would be implemented this year which would look to ensure that the assets held by the Council across its Development, Operational and Commercial estates were used to maximise the benefits to the city.

The Leader commented that there had been a number of areas as part of the wider budget setting process that had been looked at as to how they would likely be impacted as the Council emerged from the impact of covid, such as the discretionary support the Council had been able to give to residents and the support to businesses. She added that the current competitive environment for government funding was not helpful and was not a long term sustainable approach.

Decisions

The Committee:-

- (1) Note the forecast medium term revenue budget position.
- (2) Endorse and recommend that the Executive approve the budget proposals.
- (3) Propose that as part of the Committee's Work Programme setting meeting in May 2022, it receives a report that provides a detailed overview of the Directorate and the teams that sit within it.

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Manchester City Council Report for Information

Report to: Resource and Governance Scrutiny Committee (Budget) - 28
February 2022
Budget Council – 4 March

Subject: Budget consultation results 2022/23

Report of: Deputy Chief Executive and City Treasurer and Head of Strategic
Communications

Summary

This report provides a summary of the results of phase two of the budget consultation on the savings options for the financial year 2022/23, as well as a summary of the responses received.

Recommendations

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 budget supports all 9 corporate priorities including the zero-carbon target for the city.

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	The Council's budget, including the monies generated by Council tax, supports the delivery of the Our Manchester Strategy outcomes and all of Our Corporate Priorities.
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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Contact Officers:

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Name: Carol Culley OBE

Position: Deputy Chief Executive and City Treasurer

E-mail: carol.culley@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.

Online budget consultation (consultation now closed)

<https://www.manchester.gov.uk/budget>

1.0 Introduction

- 1.1 The Council consulted with residents on the proposed savings options for the 2022/2023 financial year for a four-week period from 11 January 2022 to 8 February 2022.
- 1.2 As the budget for 2022/23 is a one-year forward planning budget, and there have been no statutory consultations around individual options identified, a full 12 week budget consultation was not required.
- 1.3 This report provides the full results of the consultation and a summary of coded free text responses and comments.

2.0 Budget consultation

- 2.1 A standard budget consultation on Council tax increases was conducted seeking feedback from residents and businesses on:
 - Proposed Council tax increases
 - Proposed Adult Social Care (ASC) precept
 - The nine Council priorities
 - General feedback and suggestions on the budget
- 2.2 The Government's Spending Review allowed Councils to increase Council tax by up to 1.99 per cent plus an additional 1 per cent precept to help meet ASC costs.
- 2.3 The consultation asked residents for their comments on the potential increases, which together would be a 2.99 per cent increase to help protect services from further cuts and especially, to support adult social care for those most in need.
- 2.4 Residents were also asked for their views on the nine Council priorities and for general suggestions and comments on the budget via supplementary open text boxes.

3.0 Channels and engagement

- 3.1 Communications channels comprised an online questionnaire supported by web content, e-bulletins and a social media campaign across a range of platforms using a mix of organic, boosted and paid-for posts, supported by engaging digital content.
- 3.2 Paper copies of the questionnaire would usually be printed and distributed via our network of libraries however, COVID-19 presented a number of issues which made this challenging for 2022:
 - Hygiene – printed literature is avoided to limit the spread of COVID-19

- COVID-19 restrictions – Government guidelines during the majority of the consultation period mean that many of our residents were working from home and visiting the city centre, local centres and libraries less frequently
 - The Government’s December and January work from home directive meant that staff were not in the Town Hall Extension to receive and input any returned consultation forms.
- 3.3 As a result, paper copies were not printed for the 2022 budget consultation and instead, residents were signposted to the library digital support text service for help getting online, getting access to a computer at a library or to fill in the consultation survey over the phone.
- 3.4 Activity was supported by proactive media releases and reactive media statements and inclusion in the Council’s various e-bulletins and via internal staff channels.
- 3.5 Two standalone budget e-bulletins were issued during the consultation period. These performed highly, reaching an average of 25,500 recipients each time and resulting in 20,895 combined opens and 2,167 click throughs to the budget consultation web pages. A message was also included in the monthly resident news bulletin, resulting in 120 click throughs.
- 3.6 Responses have been gathered via an online questionnaire on the Council’s website. Approximately 3,500 unique visitors were driven to the budget pages on the website. A complete figure cannot be given as visitors to the website can decline the cookies, which means that we can no longer track all visitors to the website. The majority of those that accepted the cookies were signposted to the consultation as a result of receiving a standalone Council budget e-bulletin and messages posted on the Council’s Facebook page.
- 3.7 The consultation was promoted widely on Council social media channels including Facebook, Twitter and LinkedIn signposting people to the online survey.
- 3.8 Across social media channels 13 budget messages were posted organically resulting in 56,740 impressions. Activity resulted in 512 click throughs to the consultation pages, 69 retweets/shares and 63 likes and 26 comments.
- 3.9 Paid digital posts were used to target Manchester residents resulting in 62,085 impressions, 626 click throughs to the consultation web pages, 23 likes, 46 comments and 6 shares.
- 3.10 A total of 1,680 people completed the consultation survey.
- 3.11 A further 320 people partially completed the survey, without answering all questions or submitting their response. Participation is generally higher when

consultation surveys comprise multiple choice/tick box questions. Those that comprise free text boxes require more thought and consideration and generally see higher levels of drop off and partial completion, but do result in a greater quality of result.

4.0 Consultation questionnaire

4.1 The consultation questionnaire comprised three closed questions to understand levels of agreement/disagreement, questions one and three with supplementary open text boxes in which residents could express their views freely. Question two asked respondents to tick the Council priorities that were important to them.

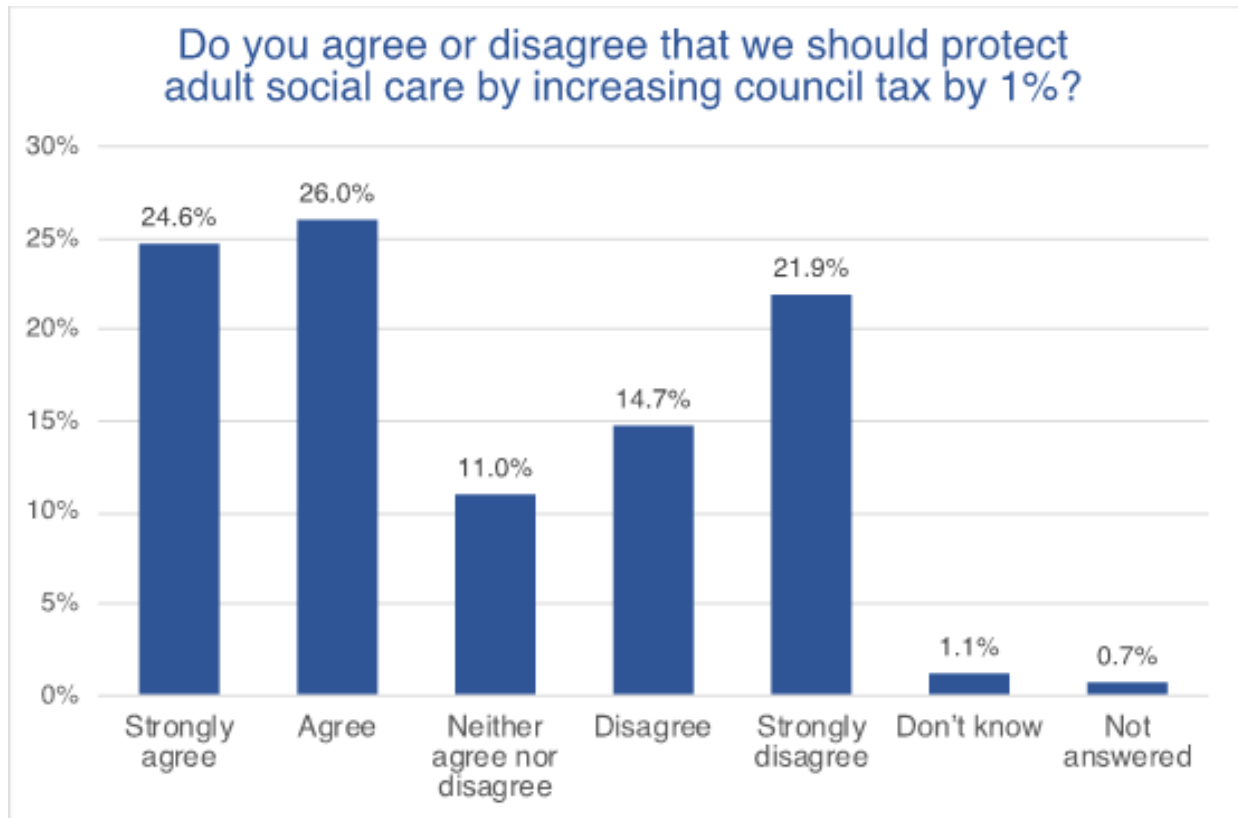
- Question 1a. Do you agree or disagree that we should protect adult social care by increasing Council tax by 1%?
- Question 1b. Please share any comments on alternatives or the impacts of the 1% increase you think we should consider.
- Question 2a. When we asked Manchester people what matters most to them, we listened, and we 've used their priorities to help set our budget. Do you agree or disagree that we should continue to protect and invest in the priority services that residents told us matter most?
- Question 2b. Please tick the priorities that are important to you
- Question 2c. Do you agree or disagree that we should increase Council tax by a further 1.99% to enable us to deliver the priorities that residents told us matter most?
- Question 3. Please share any comments on alternatives or the impacts of the 1.99% increase you think we should consider.

5.0 Consultation questionnaire analysis

5.1 Question 1a. Do you agree or disagree that we should protect adult social care by increasing Council tax by 1%?

5.2 In question 1a, members of the public were asked in a closed question whether they 'agree or disagree' that we should protect adult social care by increasing Council tax by 1%. 51% agreed or strongly agreed that adult social care should be protected by increasing council tax by 1%. This compares to 37% of respondents who disagreed or strongly disagreed with the suggestion. Finally, 12% were undecided or said they didn't know.

Graph 1 – Levels of agreement and disagreement with the 1% increase to protect adult social care

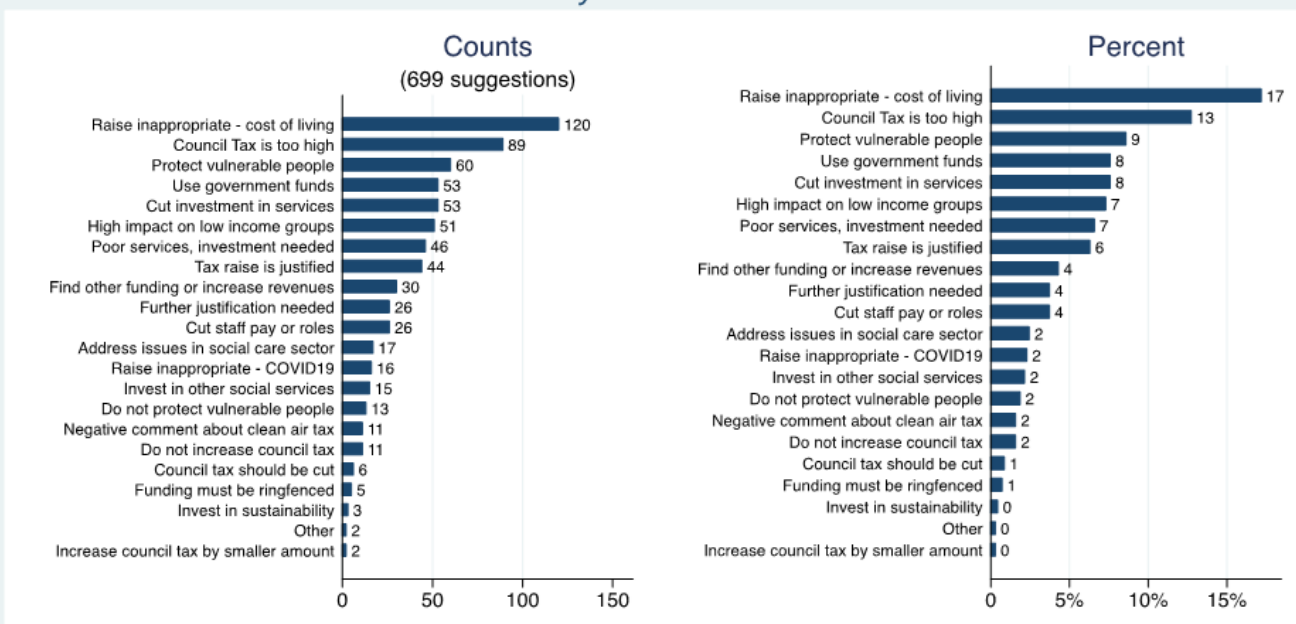


5.3 Q1. b. Please share any comments on alternatives or the impacts of the 1% increase you think we should consider.

5.4 In question 1b, respondents were also asked to share any comments or alternatives on the impacts of the 1% increase that they thought we should consider. Of the 1,680 responses, 535 respondents provided an answer to the open-ended question pertaining to increasing Council tax by 1%. Based on these answers 742 suggestions were extracted.

Graph 2 - Coded responses expressing views pertaining to the proposed increase to Council tax of 1%

Protect adult social care by increasing council tax by 1%?
Please share any comments on alternatives



* Respondents who provided a written answer that was irrelevant or incomprehensible are not displayed in the graph (43 responses).

5.5 Graph 2 shows that:

- The most prominent suggestion across all open-ended responses was the perception that it would be inappropriate to increase council tax by 1% given the current cost of living crisis (17% respondents, 120 suggestions), with concerns about the rising cost of energy bills and other household expenses and the anticipated rise of national insurance contributions particularly highlighted.
- 7% of respondents / 51 suggestions expressed concern of the high impact on low-income groups, with some also calling for a differential increase on council tax or more support for such groups.
- There were a further 13% of respondents / 89 suggestions which stated that council tax was too high, not affordable or that it already increases every year.
- Instead of raising council tax, 8% (53 suggestions) called for the Council to use government funds, including the anticipated NI increase. 4% (30 suggestions) stated the Council should find other funding or increase revenues by other means.
- 8% (53 suggestions) argued that the Council should cut investment in areas such as cycle lanes or should generally reduce inefficiency and wasteful

spending (without specifying). 4% (26 suggestions) stated that the Council should cut staff roles or pay.

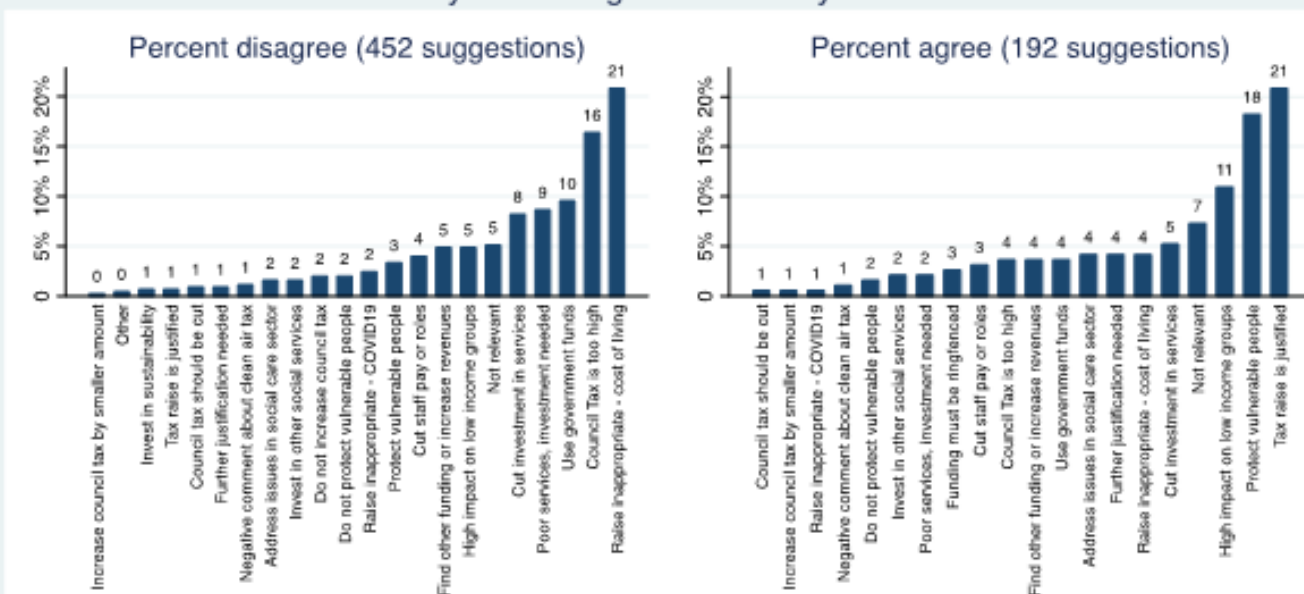
- It should be noted that 9% (60 suggestions) did agree that protecting vulnerable people was worthwhile, but not all agreed that raising council tax was the answer. 6% (44 suggestions) felt that a tax rise was justified, with some suggesting that a 1% increase is not sufficient.
- 7% (46 suggestions) complained of poor Council services and the need for greater investment in services such as waste collection and road repairs, as they did not feel they were getting value for money from their existing Council tax.
- 4% (26 suggestions) stated that they needed further information to justify the proposed increase to council tax.
- Other suggestions were provided but with lower frequency and there were also a number of responses which were not relevant.

5.6 Graph 3 displays the suggestions by whether respondents agreed or disagreed that we should protect adult social care by increasing council tax by 1%.

5.7 Overall, 30% (192 suggestions) were given by individuals who were in favour of the proposal.

Graph 3 - Responses split by whether they agreed or disagreed with the proposal to increase council tax by 1% to protect adult social care

Do you agree or disagree that we should protect adult social care by increasing council tax by 1%?



* Respondents who provided a written answer but selected 'neither agree nor disagree', 'don't know' or did not answer question 1 were removed from this analysis (87 suggestions).

5.8 Of those respondents who **agreed** with the proposal, the following suggestions (192) were made:

- 21% (40 suggestions) restated their agreement while 18% (35 suggestions) specifically mentioned that vulnerable people should be protected.
- 11% (21 suggestions) highlighted their concerns of the high impact on low-income groups, with some calling on the Council to implement differential increases to council tax or provide greater support to low-income groups
- Rather than increase council tax, 5% (10 suggestions) advised that the Council should cut investment in services such as cycle lanes or reduce inefficiency and waste more generally (without specifying).
- Alternatively, the Council should use Government funds, including the anticipated National Insurance contribution rise (4% / 7 suggestions), or find other funding or increase revenue in another way (4% / 7 suggestions).
- While agreeing with the proposal in the closed questions, 4% (8 suggestions) expressed concerns that it was inappropriate to raise council tax given the current cost of living crisis, notably the rise in energy bills and other household expenses and the anticipated rise in national insurance contributions. Furthermore, 4% (7 suggestions) stated that council tax was too high, not affordable or already increases every year.

- 4% (8 suggestions) commented that the Council needed to address wider issues in the social care sector, particularly in terms of recruitment and retention of carers.
- 4% (8 suggestions) stated that they needed further information to justify the proposed increase to council tax.
- Graph 3 displays additional answers that drew fewer responses and there were also a number of responses which were not relevant.

5.9 Of those respondents who **disagreed** with the proposal, the following main suggestions (452) were made:

- 21% (94 suggestions) commented that it was inappropriate to increase Council tax given the current cost of living crisis, notably the rise in energy bills and other household expenses and the anticipated rise in National Insurance contributions.
- 5% (22 suggestions) highlighted their concerns of the high impact on low-income groups, with some calling on the Council to implement differential increases to council tax or provide greater support to low-income groups
- 16% (74 suggestions) stated that council tax was too high, not affordable or already increases every year.
- 10% (43 suggestions) called for the Council to use Government funds, including the anticipated National Insurance increase.
- 8% (37 suggestions) stated the Council should cut investment in services such as cycle lanes or reduce inefficiency and wasteful spending more generally (without specifying). 4% (18 suggestions) stated that the Council should cut staff roles or pay.
- 5% (22 suggestions) stated that the Council should find other funding or increase revenues by other means.
- 9% (39 suggestions) complained of poor Council services and the need for greater investment in services such as waste collection and road repairs as they did not feel they were getting value for money from their existing Council tax.
- Graph 3 also displays additional answers that drew fewer responses and there were also a number of responses which were not relevant.

5.10 Question 2a - When we asked Manchester people what matters most to them, we listened, and we 've used their priorities to help set our budget.

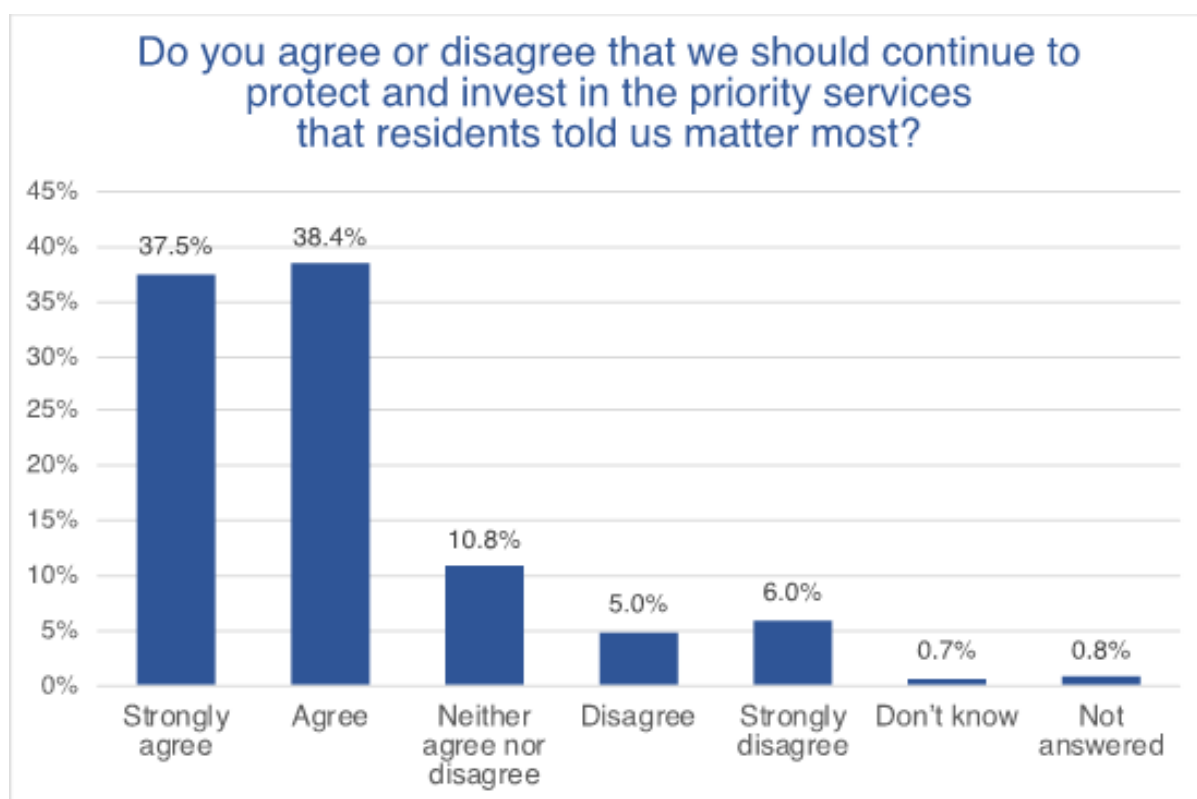
Do you agree or disagree that we should continue to protect and invest in the priority services that residents told us matter most?

5.11 In Question 2a residents were asked whether they agreed or disagreed that services that matter most to them should be protected and invested in. In asking this question the consultation reminded residents that the following services were the ones that past consultations indicated mattered most:

- Care and support for vulnerable people
- Action on family poverty and giving young people the best start in life
- Tackling homelessness and creating better housing
- Supporting people into jobs and training
- Keeping our roads in good shape and supporting walking and cycling
- Keeping our neighbourhoods clean, including tackling fly-tipping and litter
- Maintaining parks, leisure and libraries to keep people active and happy
- Becoming a zero-carbon city and improving air quality
- Addressing inequalities to improve life chances and celebrate diversity.

5.12 The vast majority of respondents (75%) agreed or strongly agreed with the suggestion to protect and invest in services. 11% are undecided or didn't know and a further 11% disagreed or strongly disagree.

Graph 4 – Levels of agreement and disagreement with the need to protect services that matter most to residents



5.13 Question 2b. - Please tick the priorities that are important to you

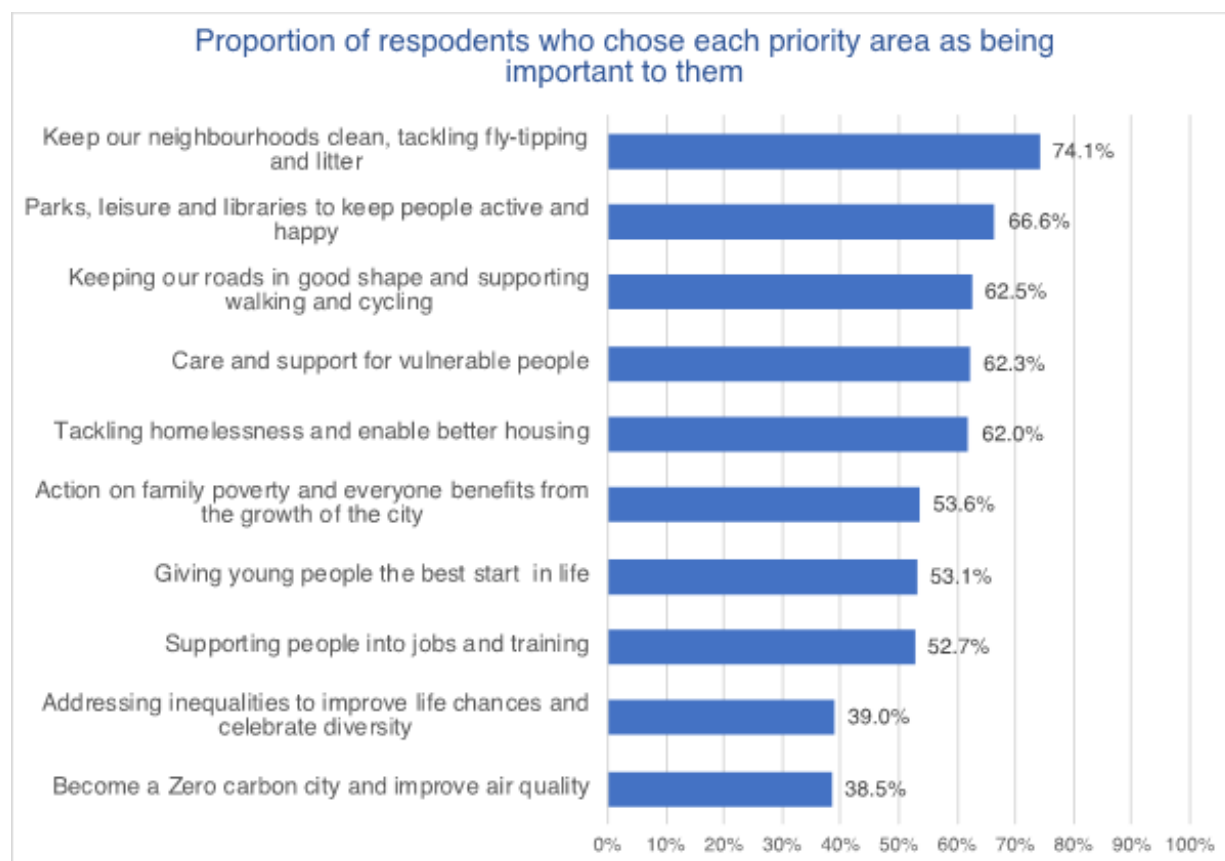
5.14 In questions 2b, residents were also asked to indicate which priority areas are important to them. Overall, among the issues that were selected by a higher number of respondents were:

- Keeping our neighbourhoods clean, tackling fly-tipping and litter (74%)
- Parks, leisure and libraries to keep people active and happy (67%)
- Keeping our roads in good shape and supporting walking and cycling (63%)
- Care and support for vulnerable people (62%)
- Tackling homelessness and enabling better housing (62%)

5.15 At the opposite end of the ranking, the issues seen as least important were:

- Addressing inequalities to improve life chances and celebrate diversity (39%)
- Becoming a Zero carbon city and improving air quality (39%)

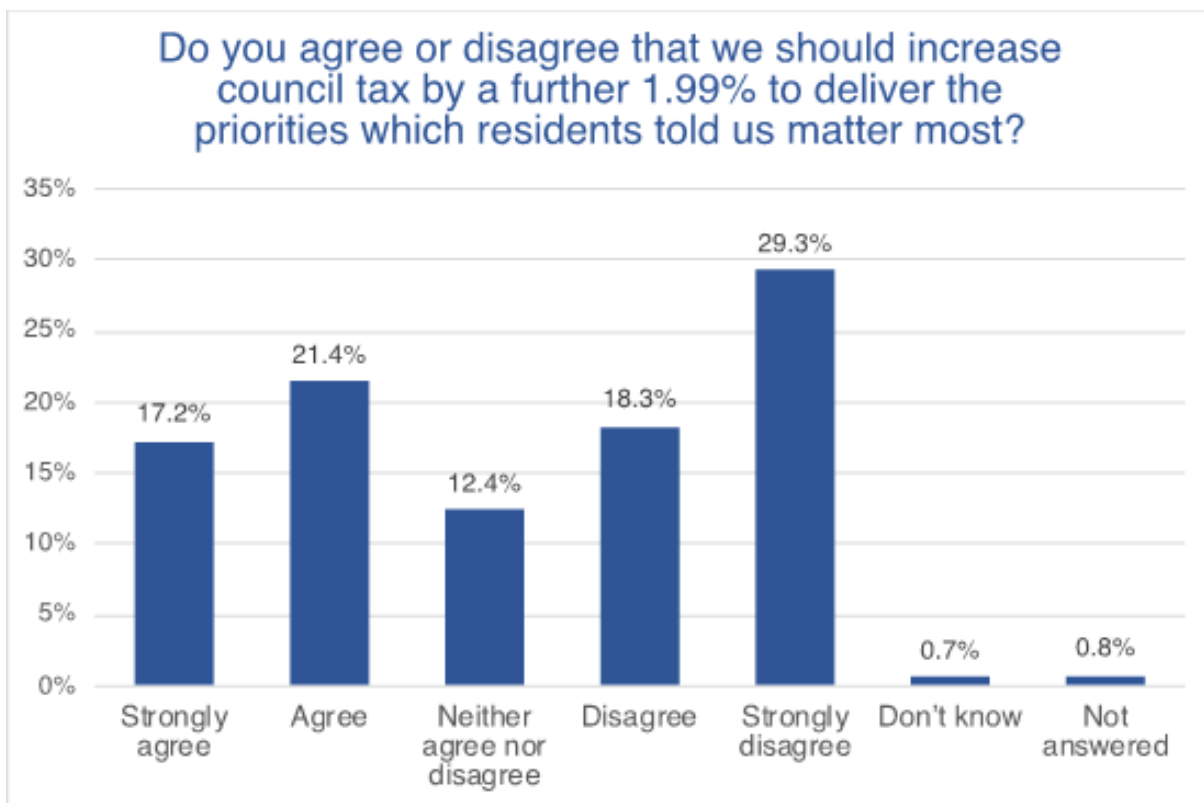
Graph 5 – Importance of suggested priority areas



5.16 Question 2c - Do you agree or disagree that we should increase council tax by a further 1.99% to enable us to deliver the priorities that residents told us matter most?

5.17 In question 2c residents were asked whether they agreed or disagreed that we should increase council tax by a further 1.99% to enable us to deliver the priorities that residents told us matter most. Out of the 1,680 responses generated by the consultation 48% disagreed or strongly disagreed that the council tax should be increased by a further 1.99% to continue to invest in services. This compares to 39% who agreed or strongly agreed with this suggestion. 13% are undecided or said they didn't know.

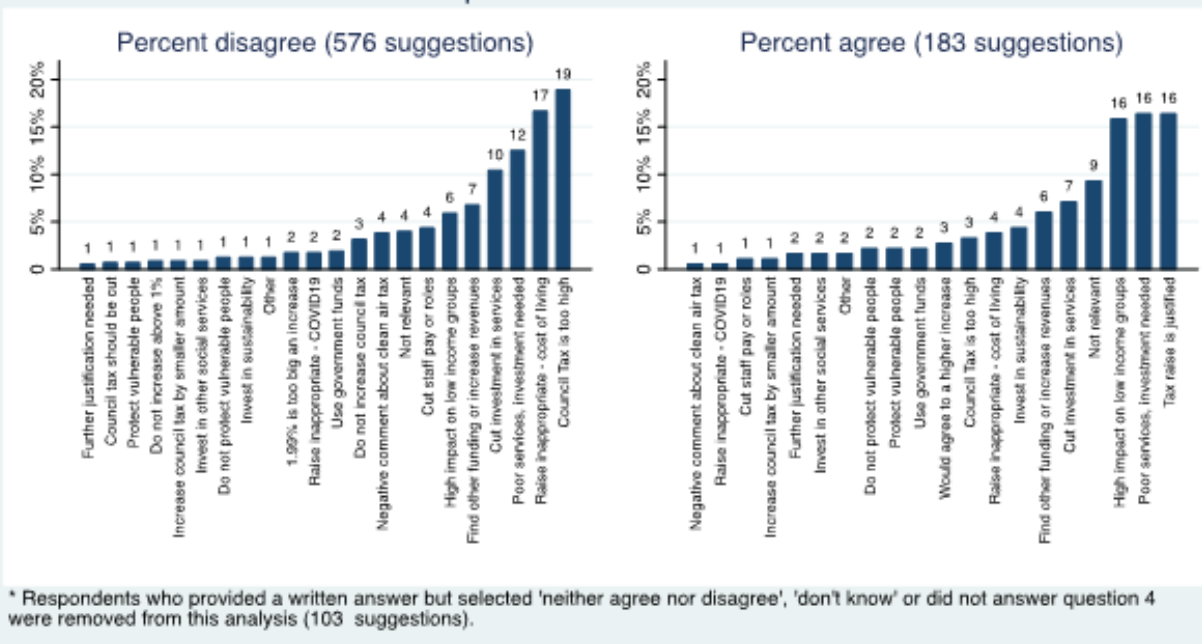
Graph 6 – Levels of agreement and disagreement with the need to protect services that matter most to residents



5.18 Overall, 23% (183) of suggestions were given by individuals who were in favour of the proposal.

Graph 7 – Responses split by whether respondents agreed or disagreed with the proposal to increase Council tax by a further 1.99% to continue to invest in services

Do you agree or disagree that we should increase council tax by a further 1.99% to enable us to deliver the priorities which residents told us matter most?



5.19 Of those respondents who **agreed** with the proposal, the following suggestions (183) were made:

- 16% (30 suggestions) restated their agreement. It is noticeable that 3% (5 suggestions) would agree to an even higher increase to council tax.
- However, 16% (29 suggestions) highlighted their concerns of the high impact on low-income groups, with some calling on the Council to implement differential increases to council tax or provide greater support to low-income groups.
- 16% (30 suggestions) complained of poor Council services and the need for greater investment in services such as waste collection and road repairs, as they did not feel they were getting value for money from their existing council tax.
- 7% (13 suggestions) advised that the Council should cut investment in services such as cycle lanes or reduce inefficiency and waste more generally (without specifying). Alternatively, the Council should find other funding or increase revenue in another way (6% / 11 suggestions).
- 4% (8 suggestions) wanted the Council to do more to invest in sustainability, such as green spaces or sustainable transport options.

- While agreeing with the proposal in the closed questions, 4% (7 suggestions) expressed concerns that it was inappropriate to raise council tax given the current cost of living crisis, notably the rise in energy bills and other household expenses and the anticipated rise in national insurance contributions.
- Graph 7 displays additional answers that drew fewer responses and there were also a number of responses which were not relevant.

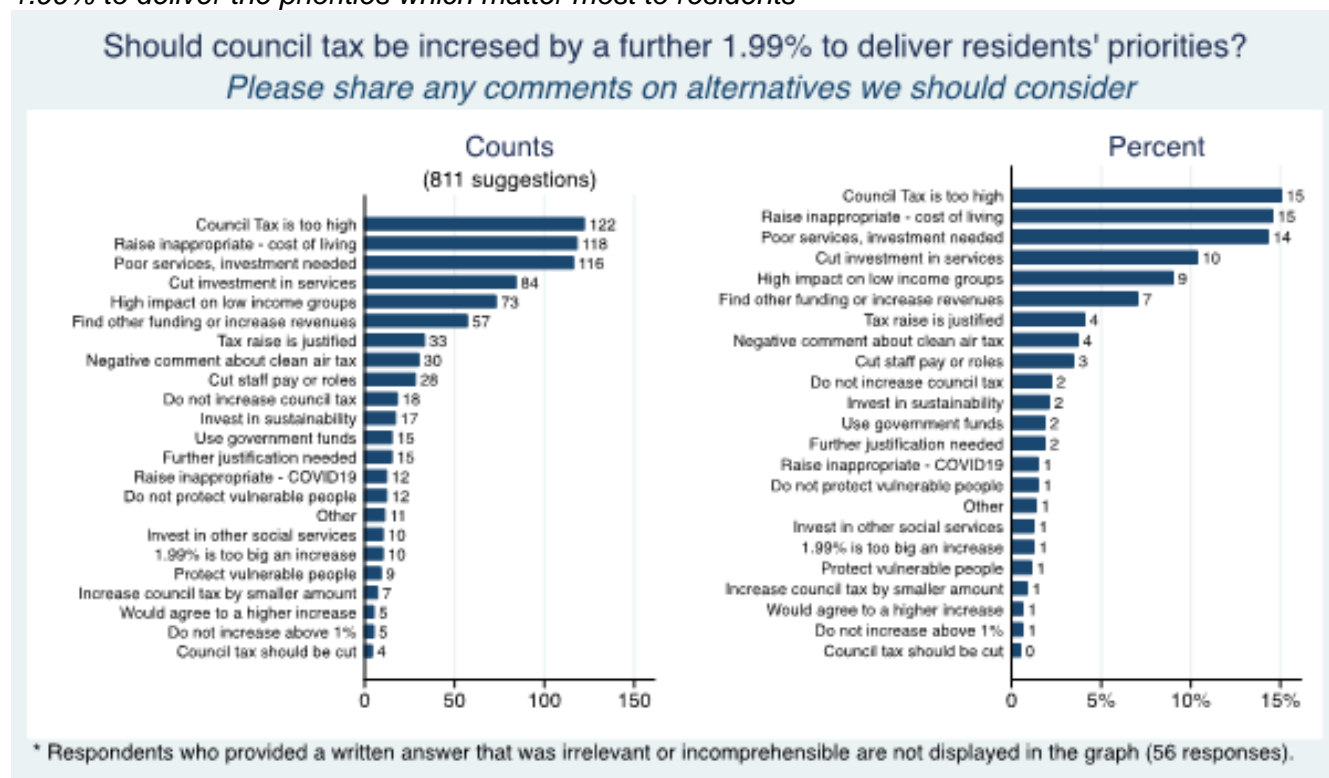
5.20 Of those respondents who **disagreed** with the proposal, the following suggestions (576) were made:

- 19% (109 suggestions) commented that council tax was too high, not affordable or already increases every year.
- Closely related to this, was the perception by 17% (96 suggestions) that it was inappropriate to increase council tax given the current cost of living crisis, notably the rise in energy bills and other household expenses and the anticipated rise in national insurance contributions.
- 4% (22 suggestions) also made a negative comment about the Clean Air Zone charges.
- 5% (34 suggestions) highlighted their concerns of the high impact on low-income groups, with some calling on the Council to implement differential increases to council tax or provide greater support to low-income groups
- 10% (60 suggestions) stated the Council should cut investment in services such as cycle lanes or reduce inefficiency and wasteful spending more generally (without specifying).
- 4% (25 suggestions) stated that the Council should cut staff roles or pay.
- 7% (39 suggestions) stated that the Council should find other funding or increase revenues by other means
- 12% (72 suggestions) complained of poor Council services and the need for greater investment in services such as waste collection and road repairs.
- Graph 7 displays additional answers that drew fewer responses and there were also a number of responses which were not relevant.

5.21 **Questions 3 - Please share any comments on alternatives or the impacts of the 1.99% increase you think we should consider.**

5.22 Out of the 1,680 responses generated by the consultation 653 respondents provided an answer to the open ended question asking for comments about the suggestion to increase council tax by a further 1.99%. Based on these answers 867 suggestions were extracted. These are shown in Graph 8.

Graph 8 - Coded responses expressing views pertaining to the proposed increases by a further 1.99% to deliver the priorities which matter most to residents



5.23 Graph 8 shows that:

- The most prominent suggestion across all open-ended responses was the perception that council tax was too high, not affordable or already increases every year (15% respondents / 122 suggestions).
- Closely followed was the perception that it would be inappropriate to increase council tax by a further 1.99% given the current cost of living crisis (15% respondents, 118 suggestions), with particular concerns about the rising cost of energy bills and other household expenses and the anticipated rise of National Insurance contributions.
- 4% (30 suggestions) also made a negative comment about the Clean Air Zone charges.

- 9% of respondents / 73 suggestions expressed concern of the high impact on low-income groups, with some also calling for a differential increase on council tax or more support for such groups.
- Instead of raising council tax, 10% (84 suggestions) argued that the Council should cut investment in areas such as cycle lanes or should generally reduce inefficiency and wasteful spending (without specifying).
- Alternatively, 7% (57 suggestions) stated that the Council should find other funding or increase revenues another way.
- 14% (116 suggestions) complained of poor Council services and the need for greater investment in services such as waste collection and road repairs as they did not feel they were getting value for money from their existing council tax.
- 4% (33 suggestions) felt that the council tax rise was justified.
- Other suggestions were provided but with lower frequency and there were also a number of responses which were not relevant.

6.0 Demographic and equality data

- 6.1 The demographic characteristics of the respondents to the survey were compared to those of the resident population in Manchester.
- 6.2 A range of residents across the city of Manchester participated in the consultation. The outcome of the analysis shows that the consultation was underrepresented in all areas, but mostly in the North and South areas of the city.
- 6.3 Overall North Manchester was underrepresented, with 30% of responses from Manchester residents living in wards in North Manchester compared to 37% of the city's population living there. Central was overrepresented with 27% of respondents living in Central (making up 21% of the city's population) and South was proportionate to the population (43% of respondents lived in South, compared to 42% of the city's population living there). The wards with the most responses were in the Chorlton Park, Chorlton and Whalley Range area and fewer from Woodhouse Park and Fallowfield.

Locality	Budget Responses	MCR comparator %
North	30%	37%
Central	27%	21%
South	43%	42%
Manchester Residents	68%	-
No response	10%	-

Outside of Mcr/Postcode not recognised	22%	-
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- 6.4 Respondents aged 40-49, 50-64 and 65-74 years were overrepresented. Compared to previous budget consultations, there was a slight increase in responses from respondents aged 65-74 years. Those aged 16-25 years and under the age of 16 were significantly underrepresented.

Age Group	Budget Responses	MCR Comparator
Under 16	0%	20%
16 - 25 years	3%	20%
26 - 39 years	23%	26%
40 - 49 years	19%	11%
50 - 64 years	27%	13%
65 - 74 years	14%	5%
75 + years	4%	4%

- 6.5 The consultation had an overrepresentation of White respondents at 76% compared to the city's population of 67%. 63% of White respondents identified as English/Welsh/Scottish/Northern Irish/British (see Appendix 1 for full demographic analysis).

- 6.6 All other groups were underrepresented and contributed less than half of the responses. Following White respondents, the most responses from the underrepresented groups identified as African (38, 2 %) and Pakistani (37, 2%).

Ethnicity groups	Budget Responses	MCR Comparator
Asian/Asian British	4%	17%
Black/African/Caribbean/ Black British	3%	9%
Mixed/Multiple Ethnic Group	2%	5%
White	76%	67%
Other Ethnic Group	1%	3%

- 6.7 Whilst the response rates overall for the consultation don't perfectly reflect the overall diversity of the city (i.e. response rates aren't exactly in the same proportions as the proportion of residents in our communities), it is encouraging that across the 1,680 responses to the consultation all major groups in the city were reached. The demographic profile tables above demonstrate how the responses to this consultation break down.
- 6.8 As well as checking the responses for their reach across our communities, the responses to the three main questions in the survey (the 1% Social Care rise, the 1.99% Council Tax rise, and the views on our current priorities) were reviewed to understand if the views of residents differ depending on their demographic and

personal situation. Where people live; whether that is an area of high deprivation; what their age, gender, ethnicity & sexual orientation is; and if they are disabled and/or have caring responsibilities; were all looked at and compared to how they responded to the three main questions in the consultation.

- 6.9 In terms of the question “*Do you agree or disagree that we should continue to protect and invest in the priority services which residents told us matter most?*” overall 75% of all respondents agreed with this question, 11% were unsure and 11% disagreed. When this was reviewed for the groups listed above, it showed that whilst there is some slight deviation in views depending on age, ethnicity and those with caring responsibility, overall, there is a general consistency in our residents' views.
- 6.10 When considering the questions on ‘*council tax rises*’ there are however some more pronounced deviations in the views from our residents. This mainly relates to age, ethnicity, and deprivation; where young people, those from the most deprived areas, and those who are from ethnic minority groups were less likely to agree with the proposed council tax increases of 1% and 1.99% respectively. More information can be found in Appendix 2.
- 6.11 Whilst this analysis of the results helps the Council to understand the differing views on the proposals being consulted on, it can’t be assumed that this translates into a direct impact from the proposals. Therefore, it can be said with confidence that the Council knows that our communities feel differently about these proposals, but this analysis is only one part of an overall picture of perception and impact and should feed a wider programme of inclusive growth work.

7.0 Recommendations

- 7.1 Members are asked to note the results of the consultation provided in the report.

8.0 Appendices

8.1 Appendix 1 Demographic analysis

Ethnicity	Budget Responses %	MCR Comparator %
Asian / Asian British		
Bangladeshi	0%	1%
Chinese	0%	3%
Indian	1%	2%

Kashmiri	0%	0%
Pakistani	2%	9%
Other Asian	1%	2%
Black / African / Caribbean / Black British		
African	2%	5%
Caribbean	1%	2%
Somali	0%	0%
Other Black	0%	1%
Mixed / Multiple Ethnic Groups		
White and Black Caribbean	0%	2%
White and Black African	1%	1%
White and Asian	1%	1%
Other Mixed	1%	1%
White		
English/Welsh/Scottish/Northern Irish/British	63%	59%
Irish	2%	2%
Gypsy or Irish Traveller	0%	0%
Other White	11%	5%
Other Ethnic Group		
Any other Ethnic Group	1%	3%

8.2 Appendix 2 Demographic response analysis

8.3 On average 51% of respondents agreed with the proposal to **‘protect adult social care by increasing council tax by 1%?’**, however:

- If you review this by age, younger people are less likely to agree (i.e. 30% of 16-25s agree) compared to older people (i.e. 60% of 50-64s rising to 78% of those age over 75).
- A similar trend is evident when we look at deprivation (as defined by the ONS Index of Multiple Deprivation) where those in the most deprived areas are less likely to agree (i.e. 46% agree) than those from the least deprived areas (i.e. Over c.70% agree)

- Ethnicity is another area where the responses to this question vary. Whilst we have data for all the sub-ethnic classification groups, we need to combine these ensure the sample size isn't too small to be meaningful. Therefore, if for comparison we combine into White British (as the majority respondent group) and Non-White British (combining all other groups), then we see that 61% of White British agreed to this question, compared to only 34% of Non-White British.
- There are also some differences when we compare the views of those respondents that have and don't have Caring Responsibilities. Those with caring responsibilities were more likely to agree (57%) compare to those with no responsibilities (44%).

8.4 On average 39% of respondents agreed with the proposal to **'that we should increase council tax by further 1.99% to enable us to deliver the priorities which residents told us matter most?'**, however the responses to this question generally mirror those above:

- Younger people are less likely to support this (25% of 16-25s and 30% of 26-39s) compared to older people (43% of 50-64s, 54% of 65-74s and 72% of over 75s).
- The pattern is less linear when it comes to Deprivation, however in general those in the most deprived areas are less likely to agree (c.38% agree) compared to those in the least deprived areas (between 47-57%).
- When we look at broad differences between White British and Non-White British, we see that agreement with this proposal is 48% and 27% respectively.
- And a similar pattern exists when considering those with and without Caring Responsibilities, those with responsibilities were more like to agree (46%) compared to those without (30%).

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**Manchester City Council
Report for Information**

Report to: Resources and Governance Scrutiny Committee – 28 February 2022
Council – 4 March 2022

Subject: Council Tax Equality Impact Assessment 2022/23

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

Summary

This report details the indicative findings of the Equality and Poverty Impact Assessment undertaken of the proposal to increase Council Tax in line with the Spending Power assumptions set by central government. This Equality and Poverty Impact Assessment has considered both the impact of the council tax increase and the range of support provided to Manchester residents including discretionary support schemes, as well as support to manage the payments and repay debt.

This report also outlines the process by which the Council will further embed and apply equality and poverty analysis to the budget setting process from 2023/24 onwards where more significant financial challenges are anticipated.

Recommendations

1. Resources and Governance Scrutiny Committee is requested to note the contents of this report.
 2. Council is requested to note the contents of this report.
-

Wards Affected: All

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

<p>The production of an Equality Impact Assessment does not directly impact on the achievement of the city's zero-carbon target. However, it is recognised that some resident groups in Manchester will potentially particularly benefit from advancement on the zero-carbon agenda. Improving conditions for Manchester residents by tackling our climate change ambitions, helps create a more equal platform. More energy efficient housing, healthier households who are more active, safe and can access active travel and public transport will improve residents' lives. Reducing carbon emissions and improve air quality across the city will in turn help reduce health inequalities. Increasing and improving the quality, quantity and accessibility of green spaces and nature within the city, will enable all people to benefit from spending time in nature, resulting in improved physical and mental health and wellbeing of residents. Manchester City Council is mindful of a just transition to achieving its zero carbon ambitions and is</p>

conscious of not creating new forms of inequality and poverty and ensuring everyone benefits from the progress being made.

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	EqIAs are a vital component of how the Council has due regard for equality and equitability in its decision making processes. Communities and customers are the focus of the EqIAs and the analysis allows the Council to safeguard and enhance community potential and wellbeing in the delivery of its business. This analysis is relevant across all service areas and functions, and covers a diverse range of resident groups. As such, the EqIA framework potentially connects with all of the Our Manchester Strategy outcomes. As the city's economy recovers post COVID-19, it is critical that our residents with protected characteristics will benefit from the opportunities created.
A highly skilled city: world class and home grown talent sustaining the city's economic success	Achieving good educational attainment for people with protected characteristics is needed, alongside fostering talent diversity, and enabling equality of opportunity amongst the city's workforce. All are needed to ensure we sustain the city's economic success.
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	Enhancing our understanding about our diverse communities and their inequalities will provide an overview of where further work needed to tackle inequality.
A liveable and low carbon city: a destination of choice to live, visit, work	Events and cultural activity that reflect and celebrate the diversity of the city are essential to making Manchester cohesive and a vibrant place to live and visit. And that we have a built environment that is accessible to all people with protected characteristics
A connected city: world class infrastructure and connectivity to drive growth	Transport and digital inclusion is a key driver of a connected city and essential to enable residents with protected characteristics to fully participate in the all the city has to offer and digital opportunities in jobs and skills

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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.

Budget Equality and Poverty Impact Assessments, Resources and Governance Scrutiny Committee, 11 January 2022

Budget consultation results 2022/23, Executive (Budget) 16 February 2022

Resource & Governance Scrutiny Committee (Budget) - 28 February 2022 and Budget Council – 4 March 2022,

Budget 2021/22 – Equalities Considerations, Resources and Governance Scrutiny Committee – 5th March 2021

Family Poverty Strategy 2017-2022 - 12-18 Month Reprioritisation December 2020
 Budget consultation results 2022/23

1.0 Introduction

- 1.1 As reported by the Deputy Chief Executive and City Treasurer to the Resources and Governance Committee 11 January, the budget efficiencies and mitigations for 2022/23 are £7.7m. These are largely budget adjustments which do not directly impact on service delivery. There is no direct impact on any protected characteristic and / or any aim of the general equality duty. Equality and Poverty impact Assessments will not be required.
- 1.2 The budget will include a proposal to increase Council Tax in line with the Spending Power assumptions set by central government. This proposed increase in Council Tax of 1.99 per cent plus an additional 1 per cent precept to help meet Adult Social Care, will directly impact on all Manchester residents, especially those already, or at risk of, living in poverty. Work to undertake a full Equality and Poverty Impact Assessment of this increase is now well developed and has considered the impact of the council tax increase.
- 1.3 It is recognised that residents are facing considerable pressure with the increases in the cost of living. Whilst the Council cannot mitigate the impact of the extra costs and changes to the benefit system there is a commitment to maintaining the statutory and discretionary benefits and grants to support vulnerable residents. The budget has been set in the context of the Council being a real living wage employer and the ambition for Manchester to be a real living wage city.
- 1.4 The Council's wider approach to anti-poverty is detailed in Appendix One to Manchester's support for families living in poverty, Economy Scrutiny Committee – 9 September 2021 and Executive 15 September 2021
- 1.5 This committee is asked to note the contents of this reports Equality analysis which considers the effect of the proposed Council Tax increase on Manchester residents, including their views from the budget consultation and balances this in consideration of the range of the mitigations and support available to lessen the impact on more vulnerable residents.

2.0 Background

- 2.1 Manchester City Council has assessed the impacts on equality arising from its budget and business planning processes for over a decade. During that time, the Council has been significantly affected by, amongst other things, ongoing spending reviews and budget reductions, extensive staffing reductions and most recently, the damaging effects of the COVID-19 on the City's economy and its residents. As a service provider, leader and employer in a City as diverse as Manchester, it has been important for the Council to maintain its focus on equality issues when considering its budget and business planning for 2022/23 and beyond.

Budget Context

- 2.2 The budget for 2022/23 follows over a decade of austerity which began with the 2011/12 Budget. The Council has had to make budget cuts of £420m from 2010/11 to 2021/22 inclusive, after taking into account the impact of inflation and rising demand, and a reduction of around 40% of the workforce. £7.7m of efficiencies have been identified for 2022/23 and £30m of reserves will be used to support the budget position. From 2023/24 the funding position is uncertain, based on the information available officers have estimated further savings in the region of £60m over the next three years will need to be found.
- 2.3 There remains a difficult balance between funding services for those most in need, maintaining support for most vulnerable and the investment required to ensure the effective delivery of universal services in line with the increase in population. These are the services that residents value and use such as waste collection, street cleaning, parks and open spaces, libraries and leisure facilities.
- 2.4 As referenced above 1% of the proposed Council Tax increase relates to Adult Social Care. Overall, the Adults budget will increase by **£22.6m** gross additional funding to ensure that services can meet rising demand and to fund the national increase the living wage. There are no further cuts in these budgets this year aside from those agreed as part of last year's £48m savings programme. A further report is also due to Executive on 16 March 2022 on ensuring that all our social care providers can afford to pay the real living wage.

Equality and poverty impact approach

- 2.5 The completion of equality impact analyses is now a well-established approach and work has been continuing to ensure it is fully embedded and used effectively. As previously reported to this committee, the Council has a two-tiered equality analysis methodology:
- A brief Equality Relevance Assessment tool (ERA) helps services to assess whether there is any relevance to protected groups and / or the Public Sector Equality Duty stemming from their functions, where this is not immediately clear.
 - Where there is a demonstrable relevance to equality issues, services are required to complete a more detailed Equality Impact Assessment (EqIA), to establish the nature of any impacts arising and to help inform what action can be taken to avoid a disadvantageous impact.
- 2.6 The Family Poverty Strategy has been recently reviewed, as detailed in Appendix One to Manchester's support for families living in poverty, Economy Scrutiny Committee – 9 September 2021 and Executive 15 September 2021. In response to this, a new Poverty Strategy for the city will be developed in 2022 to include all households; those with and without children, and people with protected characteristics, in line with the evidence presented.

3.0 Emerging issues from the draft Equality Impact Assessment

3.1 The purpose of the function assessed in this Equality Impact Assessment is to maximise income to the Council through the Council Tax billing and collection process and ensure that residents entitled to Council Tax Support receive the correct level of support and that Discretionary Council Tax Payments are effectively utilised. The EqIA is currently under development. Key issues considered within the Equality Impact Assessment to date are:

- Council Tax is a vital funding stream for the Council to fund essential services. In 2022/23 almost £239 million is expected to be collected. Of this £197 million relates to the council, around 30% of the Council's net revenue income.
- The 2022/23 government funding for Councils assumes that those with Adult Social care responsibilities will raise Council Tax by the full amount allowed without holding a referendum. For 2022/23 this is 2.99%. This increase raises £5.7m income for the Council, of which £1.9m relates to Adult Social Care.
- The impact of the increase on a household paying the full bill on a Band A property is £29.83 a year extra and for those on Band B it is £34.80 a year extra
- For those on maximum Council Tax support (paying 17.5%) in a Band A property it is £5.22 a year extra, in a Band D it is £6.09
- Review of the Budget Consultation findings as detailed in the Budget consultation results 2022/23 report on this agenda.
- The Council has a legal obligation to set a balanced budget each year. Government funding is not keeping pace with increasing costs from inflation (estimated at £23m), paying social care providers the 6.6% increase in National Living wage (£5.7m) and additional social care demand (estimated at £4.5m).

Indicative Findings

3.2 If the Council Tax increase is not applied there would need to be a corresponding cut in the money spent on delivering services. Any cuts would be subject to full consideration by members and a consultation process. Each of the following illustrative examples demonstrate what is funded by £5.7m a year:

- Providing a home for 150 Looked After Children
- Funding the team which support Children in Need and Children in Protection to prevent them becoming Looked After.
- Providing residential placements for 183 people over the age of 65
- Supporting 501 people over the age of 65 with homecare packages to enable them to live independently
- Providing supported accommodation for 70 people with learning disabilities
- Providing a home for 67 people with Learning disabilities

- 3.3 This increase in Council Tax payable will directly impact on all Manchester residents, especially those already, or at risk of, living in poverty. Based on reviewing existing Council tax and discretionary support scheme information and Census data against each of the protected characteristics outlined in the Council's Equality Impact Assessment Tool, potential adverse impacts were identified against Race, Age (older people), Families living in poverty, Disability and Carers.
- 3.4 As outlined, the potential impact of the council tax increase on an individual is minimal (I.e. for Band A £5.22 per year / 10p per week). When balancing the impact on individual residents against the collective impact of reducing council service upon which many vulnerable residents depend, then overall, initial indicative findings consider it would be more disadvantageous to equalities should the increase not be implemented. The Equality Impact Assessment will be completed in advance of full Council on 4th March.
- 3.5 Throughout this process, the Council remains mindful of other external factors impacting on those residents who are more likely to be living in poverty and susceptible to increased cost of living. This will be addressed in future years through the new approach to Equality and Poverty Impact Assessments of the budget as outline in the section below.

4.0 2023/24 onwards: future approach

- 4.1 The size of the budget gap over the medium term is significant and compounded by uncertainty around funding levels. The Council has developed a strategy to enable a balanced 2022/23 budget position. This enables a focus on the more sizeable challenge of balancing the budget over the medium term.
- 4.2 A programme of work will be put in place to develop a set of options to balance the budget in the next municipal year. At present the estimated budget gap is £37m in 2023/24, rising to c£58m by 2024/25. 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 £60m over the next three years. Proposals will be supported by robust business cases. Importantly the business cases will include, EqIAs and Poverty Impact assessments which will be undertaken as the proposals are developed.
- 4.3 The budget setting process is also being further integrated with the Council's Corporate Plan and Business Planning process. The work that will be carried out on individual business cases will be complemented by work to consider the collective impact of the options proposed and how the overall budget changes will impact on equalities, poverty and ultimately our residents. Each Directorate will need to review how the use of their budget as a whole, not just that of budget savings/reductions, might mitigate or positively impact on equality, anti-poverty, and how social value can be maximised.

5.0 Recommendations

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

**Manchester City Council
Report for Resolution**

Report to: Resources and Governance Overview and Scrutiny Committee –
28 February 2022

Subject: Details of proposed Budget Amendments

Report of: The City Solicitor

Summary

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

Recommendations

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

Wards Affected: All

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

Not applicable

Alignment to the Our Manchester Strategy Outcomes (if applicable)

Manchester Strategy outcomes	Summary of how this report aligns to the OMS
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	Not applicable
A highly skilled city: world class and homegrown talent sustaining the city's economic success	Not applicable
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	Not applicable
A liveable and low carbon city: a destination of choice to live, visit, work	Not applicable
A connected city: world class infrastructure and connectivity to drive growth	Not applicable

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Background documents (available for public inspection):

None

1. Background

- 1.1 In accordance with Council Rule of Procedure 18.3, when the Executive makes recommendations to the Council in relation to calculating the budget requirement and setting the Council tax, any amendments to those recommendations which affect those calculations or the level of Council Tax must be submitted in writing and received by the Chief Executive by 4.00 p.m. on the seventh day after the meeting of the Executive (this being Wednesday 23 February 2022).
- 1.2 Any such amendment, together with the recommendations of the Executive, is to be referred to the Resources and Governance Scrutiny Committee which will report to the Council meeting in March at which the Council calculates the budget and sets the Council Tax ("the Budget Council").
- 1.3 In doing so, nothing in Rule 18.3 will prevent Members moving amendments at Budget Council in accordance with Rule 18.1 (amendments to be moved at Council must be in writing and be received by the Chief Executive at least 30 minutes before the meeting) or the Executive reconvening and revising their recommendations to Budget Council.
- 1.4 Where such amendments or revised recommendations arise out of the proceedings of the Resources and Governance Scrutiny Committee, nor will anything in Rule 18.3 require a further meeting of the Resources and Governance Scrutiny Committee in such circumstances.

2. Details of Amendments received

2.1 Amendment (1) proposed by Councillor M Dar, seconded by Councillor Battle

Across Ancoats and Beswick residents raise the problem of commuter and visitor parking on a regular basis. In Beswick following Eastlands development, Labour Councillors secured first the Etihad Parking Scheme and now the wider Eastlands Parking scheme and we will continue to ensure this is extended effectively.

As Councillors we are proud of Ancoats and New Islington and the vibrant new communities that have been created, but too often residents are blighted by commuter parking. For example, I have spoken to many residents on roads such as Weybridge Road, Chippenham Road, Woodward Street and the surrounding area have raised regular problems.

The City Council should bring forward a local parking scheme in Ancoats that benefits residents and is funded from the proceeds of development in the area and complements the residents parking scheme in other parts of the ward and that work begins to bring forward a formal consultation with residents early in the new financial year.

Received 23 February 2022 at 13:55.

2.2 **Amendment (2) proposed by Councillor Good, seconded by Councillor Leech**

To allocate a budget of £1m to enable the Council to deliver additional local road safety and traffic calming schemes in areas of need; to be funded through a transfer from the Bus Lane Enforcement Reserve.

To allocate a budget of £960,000 to enable the Council to continue the Parks in Partnership funding of £30,000 to each of the 32 wards of the city, for a further year, to be funded out of the On-street Parking Reserve.

To allocate an additional £1m to the budget to improve basic services and street cleaning, to bring it in line with the Council's proposed budget for 2023/24 and 2024/25, to be funded from the increase to the business rates reserve.

All proposals in this amendment are one off spending commitments for 2022/2023.

Received 23 February 2022 at 14:40.

3. Recommendations

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