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**Thursday, 3 March 2022**

Dear Councillor / Honorary Alderman,

**Meeting of the Council – Friday, 4th March, 2022**

A summons was issued on Thursday 24 February 2022 for meeting of the Council which will be held at 10.00 am on Friday, 4th March, 2022, in The Council Chamber, Level 2, Town Hall Extension.

The following items marked as ‘to follow’ on the summons are now enclosed.

- |    |  |         |
|----|--|---------|
| 4b | <b>Part of the proceedings of Executive on 16 February 2022 relating to the budget for 2022/23</b>                                     | 3 – 28  |
| 4c | <b>Minutes of the Resource and Governance Scrutiny Committee held on 28 February 2022, in relation to the overall budget proposals</b> | 29 - 34 |
| 4l | <b>Council Tax Resolution 2022/23</b>  | 35 – 72 |

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Yours faithfully,

A handwritten signature in black ink, appearing to be 'Joanne Roney', written in a cursive style.

**Joanne Roney OBE  
Chief Executive**

## Further Information

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

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This supplementary agenda was issued on **Thursday, 3 March 2022** by the Governance and Scrutiny Support Unit, Manchester City Council, Level 2, Town Hall Extension (Library Walk Elevation), Manchester M60 2LA

## Executive

### Part Proceedings of the meeting held on Wednesday, 16 February 2022 – 2022/23 Budget agenda items

**Present:** Councillor Craig (Chair)

**Councillors:** Akbar, Bridges, Midgley, Rahman, Rawlins, White, Butt, M Sharif Mahamed, Ilyas and Taylor

**Also present as Members of the Standing Consultative Panel:**

**Councillors:** Akbar, Bridges, Midgley, Rahman, Rawlins, White, Butt, M Sharif Mahamed, Ilyas and Taylor

**Apologies:** Councillor Karney

#### 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:-

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

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:-

<b>Summary of proposed Investments</b>			
	<b>Total 22/23</b>	<b>Total 23/24</b>	<b>Total 24/25</b>

	£'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
<b>Total proposed investments</b>	<b>3,820</b>	<b>4,820</b>	<b>4,820</b>

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

<b>Proposed changes since Executive meeting on 17 January 2022</b>			
	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Forecast Shortfall / (surplus) reported to Executive 17 January 22</b>	<b>(539)</b>	<b>36,854</b>	<b>57,597</b>
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)
<b>Current Position</b>	<b>0</b>	<b>36,782</b>	<b>57,547</b>

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.

<b>Summary budget position</b>				
	<b>Revised 2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Resources Available</b>				
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
<b>Total Resources Available</b>	<b>742,232</b>	<b>690,599</b>	<b>649,351</b>	<b>660,902</b>
<b>Resources Required</b>				
<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>

<b>Total Resources Required</b>	<b>742,232</b>	<b>690,599</b>	<b>686,133</b>	<b>718,449</b>
<b>Shortfall / (surplus)</b>	<b>0</b>	<b>0</b>	<b>36,782</b>	<b>57,547</b>

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.

<b>Non Ring-Fenced Grants and Contributions</b>				
	<b>Revised 2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
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
<b>Total Non Ring-fenced Grants</b>	<b>120,243</b>	<b>104,559</b>	<b>87,374</b>	<b>85,374</b>

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:-

<b>Levy Payments and Payment to GMCA</b>				
	<b>Revised 2021 / 22</b>	<b>2022 / 23</b>	<b>2023 / 24</b>	<b>2024 / 25</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
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

<b>Net Cost of Levies</b>	<b>66,580</b>	<b>67,871</b>	<b>69,862</b>	<b>74,500</b>
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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:-

<b>Inflationary pressures and budgets to be allocated</b>				
	<b>Revised 2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>

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

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:-

<b>Use of reserves supporting the revenue budget</b>				
	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Reserves directly supporting the council wide revenue budget:</b>				
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
<b>Sub Total</b>	<b>184,666</b>	<b>141,522</b>	<b>31,510</b>	<b>16,491</b>

<b>Reserves directly supporting directorate budgets</b>				
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
<b>Sub Total</b>	<b>12,990</b>	<b>13,332</b>	<b>4,815</b>	<b>0</b>
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
<b>Reserves held to smooth risk / assurance:</b>				
Transformation Reserve	333	333	335	1
Other Reserves held to smooth risk / assurance	4,077	11,195	24,939	1,549
<b>Reserves held to support capital schemes:</b>				
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
<b>Reserves held to support growth and reform:</b>				
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
<b>Grants and Contributions used to meet commitments over more than one year</b>	<b>32,152</b>	<b>1,493</b>	<b>1,825</b>	<b>0</b>
<b>Small Specific Reserves</b>	<b>1,070</b>	<b>566</b>	<b>766</b>	<b>288</b>

<b>School Reserves</b>	6,920	0	0	0
	<b>277,870</b>	<b>214,692</b>	<b>111,073</b>	<b>53,087</b>

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:

<b>Directorate budgets</b>				
	<b>2021 / 22</b>		<b>2022 / 23</b>	
	<b>Net Budget</b>	<b>Gross Budget</b>	<b>Net Budget</b>	<b>Gross Budget</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
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
<b>Total</b>	<b>503,080</b>	<b>975,459</b>	<b>519,991</b>	<b>992,370</b>

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 Economy 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 from 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
<b>Income</b>				
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)
<b>Total Income</b>	<b>(91,558)</b>	<b>(101,319)</b>	<b>(98,612)</b>	<b>(105,163)</b>
<b>Expenditure</b>				
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
<b>Total Expenditure</b>	<b>91,558</b>	<b>101,319</b>	<b>98,611</b>	<b>105,163</b>
Total Reserves (exc. Insurance):				
<b>Opening Balance</b>	<b>(115,118)</b>	<b>(110,045)</b>	<b>(97,469)</b>	<b>(89,766)</b>
Funding (from)/to Revenue	5,073	12,576	7,703	12,856
<b>Closing Balance</b>	<b>(110,045)</b>	<b>(97,469)</b>	<b>(89,766)</b>	<b>(76,910)</b>

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:-

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

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	<b>346.0</b>
Capital Receipts	2.0	3.9	16.8	<b>22.7</b>
Contributions	0.0	0.4	30.8	<b>31.2</b>
Grant	0.0	10.6	72.9	<b>83.5</b>
Revenue Contribution to Capital Outlay	37.4	1.8	10.5	<b>49.7</b>
<b>Grand Total</b>	<b>39.4</b>	<b>27.4</b>	<b>466.3</b>	<b>533.1</b>

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	<b>233.0</b>
External Contribution	25.3	31.2	0.2	0.0	<b>56.7</b>
Capital Receipts	16.0	22.7	13.1	2.7	<b>54.5</b>
Revenue Contribution to Capital Outlay	32.4	49.7	33.5	15.1	<b>130.7</b>
Borrowing	169.3	346.0	144.8	48.1	<b>708.2</b>
<b>Total</b>	<b>329.0</b>	<b>533.1</b>	<b>255.1</b>	<b>65.9</b>	<b>1,183.1</b>

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.

## **Resources and Governance Scrutiny Committee**

### **Minutes of the meeting held on Monday, 28 February 2022**

#### **Present:**

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

#### **Also present:**

Councillor Craig, Leader  
Councillor Rahman OBE, Deputy Leader  
Councillor Midgley, Deputy Leader (Adult Care and Health)  
Councillor Akbar, Executive Member for Neighbourhoods  
Councillor Rawlins, Executive Member for Environment  
Councillor White, Executive Member for Housing and Employment  
Councillor Butt, Assistant Executive Member for Youth Safety  
Councillor Leech, Leader of the Opposition  
Councillor Good, Deputy Leader of the Opposition  
Councillor H Priest, Chair of Economy Scrutiny Committee  
Councillor Reid, Chair of Children and Young Peoples Scrutiny Committee  
Councillor M Dar, Ward Councillor Ancoats and Beswick

#### **RGSC/21/15 The Council's Budget 2022/23**

Further to minute RGSC/22/08, the Committee considered a report of the Chief Executive and the Deputy Chief Executive and City Treasurer which provided an update on the Council's financial position following scrutiny of the draft budget proposals and Directorate budget plans by all Scrutiny Committees.

The Committee received a statement from the Leader on the Executive's budget proposals and the key issues underlying the budget process. In doing so, she outlined the context of the proposed budget, in particular, she referred to the impact of budget reductions and austerity over the last 10 years which had led to £420m 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 commented that if Manchester had had the national average applied to its budget, it would have a further £85m in its budget today.

In addition, the Leader acknowledged the impact and legacy of Covid, which was evident within the budget proposals, not just in terms of the financial impact on revenue and income, but also the impact on residents and communities. It was also recognised that Manchester had been let down by Government in meeting the financial demands brought about by Covid. The Leader also criticised the Government's approach for using council tax increases to supplement and underwrite the income for Councils, as this was considered a regressive tax that impacted more heavily on Manchester residents compared to those who were more affluent, and was not a sustainable or fair long term approach to funding local government. The Leader also commented that she would continue to call on Government for a fair and

sustainable settlement that gave economic certainty beyond just a one year funding settlement.

The Leader concluded that the proposed budget was one that had been developed from listening to Manchester residents, investing in their priorities, ranging from basic services, street cleaning, youth provision, support for those in need and most vulnerable to those living in poverty and investing in local communities and neighbourhoods, ensuring that every pound spent was for the betterment of Manchester residents.

Each Executive Member then summarised key points within the Directorate budget proposals.

The Chair then invited the Chair of Economy Scrutiny and the Chair of Children and Young People Scrutiny Committee to highlight issues arising from individual Directorate Budget Plans. In doing so the Chair of Economy Scrutiny highlighted the discussion held at Economy Scrutiny around the long-term vacancies within the Planning and Building Control department and had received assurance that through the forthcoming service redesign, additional resource would be added to the service to ensure it operated effectively. The Chair of Children and Young People's Scrutiny Committee commented that despite a 28% increase in the city's child population over the last 10 years, the number of Looked After Children had not increased at the same rate and this had been due to careful planning, centred around invest to save initiatives. She also added that concern had been raised in relation to the percentage of children with special educational needs and the strain this was placing on the high needs block without appropriate funding from Government.

The Committee then received a statement from the Executive Member for Housing and Employment regarding the Housing Revenue Account calculations for 2022/23 to 2024/25 and its use. He advised of the challenges the Council faced in delivering its housing ambition that had arisen from the imposition of a 1% annual rent cut for four years from 1 April 2016 and the impact of this on the financial viability of the Housing Revenue Account and the amount of resources to invest in improving existing stock, which had resulted in a proposed 4.1% increase in rents for this year. He referred to the progress that had been made in bringing Northwards Housing back into the control of the Council and the savings to be realised from this. He also referred to the proposals to improve the fire safety of Council high rise housing stock, the retrofitting the Council's existing housing stock as part of the Council's commitment to reduce its carbon emissions and the delivery of further social and affordable homes.

The Chair then invited questions from the Committee on the minutes of the proceedings of the Executive that related to the budget. The following questions and salient points were asked:-

- It should be recognised that the Council, in its budget proposals, had found the ability to alleviate some of the difficulties faced by Manchester residents, citing the hardship fund for the HRA, the Council Tax Support Scheme and the discretionary support scheme within Revenue and Benefits department;
- What progress had been made with the pay award for staff;

- In welcoming the proposed £700k Local Improvement Fund split across all wards, what work would be done with partners to try and ensure match funding for further investment in each ward;
- On a broader level, it was suggested that the Council considered the deprivation index and how this impacted on communities in relation to the governments promise of levelling up

The Deputy Chief Executive advised that the pay award for the Chief Executive and Chief Officer had been agreed but for the majority of staff this was still under final negotiation.

The Leader commented that the Local improvement Fund in many ways was a statement of intent and it was hoped that over the next 12 months, options around match funding and how this funding could be expanded would be investigated

The Chair then invited questions from the Committee on the minutes of the Scrutiny Committee proceedings that related to the budget, the Budget Public Consultation report and the Budget 2022/23 Equality Impact Assessment report.

A question was received and related to the possible need to look at how the Council engaged with ethnic communities given their low response rate to the budget consultation.

The Leader advised that this years' consultation was light touch given there were no significant savings to be made but for future years given there was considerable potential savings to be found, the Council would ensure it reached people in Black, Asian and Minority Ethnic communities in a proactive way as part of its future consultation on the Council's budget.

The Chair next invited Councillor M Dar to present his budget amendment. In doing so he proposed the following:-

- Across Ancoats and Beswick residents raise the problem of commuter and visitor parking on a regular basis. In Beswick following the 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.

In outlining the amendment, Councillor Dar clarified that the proposed amendment had been fully costed and confirmed upfront costs and ongoing revenue would be met through external revenue funding

The Chair then invited the Leader to comment on the proposed amendment from Councillor Dar.

The Leader clarified that she had received assurance that the funding for this amendment would not require any Council revenue subsidy and was satisfied the amendment was in line with Council policy and as such would be comfortable in accepting this amendment as part of the budget proposals.

The Chair next invited Councillor Good (Deputy Leader of the Opposition) to present his budget amendment on behalf of the Opposition Group. In doing so he proposed the following:-

- 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.

The Chair again invited the Leader to comment on the proposed amendment.

The Leader commented that money that sat within the Council's reserves was already attributed to elsewhere and the Council did not have spare money that was not being used. She highlighted that within the Highways capital programme, £3.1m was to be allocated to accident reduction and local safety schemes in addition to £2m carried forward from 2021/2. Similarly, there was proposed investment of £3.6m investment in the Parks Development Fund, which would be in addition to the previously agreed £12m Parks funding. In regards to basic services, £700k would be invested in cleaner streets and a further £700k would be invested in the Local Improvement Fund. The Leader referenced the findings of the recent LGA Peer Review that looked at the Council's Medium Financial Strategy and how the Council prudently managed its funding, by ensuring it had the level of reserves it needed to give certainty for future years and resisting the temptation for one off funding through the use of reserves, particularly when the Council was facing funding shortfalls of £36m and £57m in 2023/24 and 2024/25.

The Chair sought confirmation as to whether the Opposition Group had considered how the use of Council reserves was used to support its capital strategy to prevent the need for external borrowing, and if so, had they sought the views of the Deputy Chief Executive and City Treasurer as to whether their proposed amendment would



have any implications on the funding for the Council's capital strategy or potentially lead to increased borrowing requirements in the future.

The Deputy Leader of the Opposition replied that they had.

The Deputy Chief Executive and City Treasurer confirmed that the detail of the costing of Councillor Dar's amendment would be provided for consideration by Full Council on 4 March 2022 and confirmed that the Council had earmarked the proceeds from the developments around the Ancoats area for the residents parking scheme and capital ongoing revenue costs. Given the interaction of the schemes in the surrounding area, it had been prudently costed up to a £4m contribution to deliver this scheme. In terms of use of reserves, The Deputy Chief Executive and City Treasurer commented that on a one-off basis, the use of reserves was sustainable in the short term but needed to be considered in the longer-term budget position.

The Chair commented that if the Council had spent its reserves at the levels contained within proposals put forward by the Liberal Democrats in previous years, the Council would not have been in the relatively stable financial position it was, when compared to some other local authorities, when the financial impact of the Covid pandemic hit and it had been only through the ability of using smoothing reserves that the Council been able to continue to balance its budget. She added and given the anticipated shortfall in the Council's budget and the looming impact of the Fairer Funding Review, it would not be prudent to depart from the way the Council planned to use its reserves.

## **Decisions**

The Committee:-

- (1) Endorses the budget proposals as presented for approval by Full Council at its meeting on 4 March 2022.
- (2) Recommends that Council agrees the amendment submitted by Councillor M Dar.
- (3) Recommends that Council does not agree to the amendment proposed by Councillor Good.

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## Manchester City Council Report for Resolution

<b>Report to:</b>	Council – 4 March 2022
<b>Subject:</b>	Council Tax Resolution for 2022/23
<b>Report of:</b>	Deputy Chief Executive and City Treasurer, Chief Executive and City Solicitor

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### Summary

To advise the Council of the recommended Council Tax resolution and Collection Fund budget for 2022/23.

### Recommendations

The Council is recommended to:

1. Adopt the part proceedings of the Executive on 16 February 2022 which contain details of the following:
  - Medium Term Financial Strategy
  - Revenue Budget 2022/23
  - Capital Strategy and Budget 2022/23 to 2024/25
  - Children and Education Services Budget 2022/23
  - Adult Social Care and Population Health Budget 2022/23
  - Neighbourhoods Budget 2022/23
  - Growth and Development Budget 2022/23
  - Corporate Core Budget 2022/23
  - Housing Revenue Account – 2022/23 to 2024/25.
  - Treasury Management Strategy Statement 2022/23, including Borrowing Limits and Annual Investment Strategy
2. Note the position on reserves as detailed in Appendix 2 to this report
3. Note that the Council tax determination included at Appendix 3 reflects the budget position
4. Note the information on the referenda as detailed in Section 3 of this report.
5. Approve the Council Tax determination attached as Appendix 3. The Council Tax determination:
  - Calculates the Council tax requirement in accordance with Section 31A of the Local Government Finance Act 1992 as amended by the Localism Act 2011.
  - Calculates a basic amount of Council Tax and an amount of tax for each valuation band (the Council element) in accordance with Sections 31B and 36 of the Local Government Finance Act, 1992, as amended.

- Sets an amount of Council Tax for each category of dwellings in each valuation band in accordance with Section 30 of the Local Government Finance Act, 1992.
6. Approve the Treasury Management Strategy including Borrowing requirement and strategy, Annual Investment Strategy, Prudential and Treasury Indicators, Minimum Revenue Provision strategy included at Appendix 4.
  7. Approve the Collection Fund Budget for 2022/23 as set out in Appendix 5 to this report.
  8. Proposed budget amendments as set out in Appendix 6 to this report.

**Wards Affected: All**

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

<b>Manchester Strategy outcomes</b>	<b>Summary of the contribution to the strategy</b>
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	This report presents to council the proposed Revenue Budget and consequent Council Tax for the City. Whilst this has no direct implications for the Our Manchester Strategy outcomes a balanced budget is a pre-requisite to the provision of the council services that support the outcomes and includes some transfer of resources to support key council objectives.
A highly skilled city: world class and home grown talent sustaining the city's economic success	
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	
A liveable and low carbon city: a destination of choice to live, visit, work	
A connected city: world class infrastructure and connectivity to drive growth	

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

- Equal Opportunities Policy
- Risk Management

- Legal Considerations

### **Financial Consequences – Revenue**

The approval sought above is a pre-requisite to setting a revenue budget for 2022/23. The revenue budget incorporates provision for financing of borrowing undertaken to fund capital expenditure.

### **Financial Consequences – Capital**

Details of the proposed Capital Programme for the next five years were approved at Executive on 16 February 2022 and any financial implications are contained within the body of the report and attached schedules.

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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.

Provisional and final Local Government Finance Settlement papers,

Final Levy and Precept notifications from the Greater Manchester Mayoral Police and Crime Commissioner Precept and Greater Manchester Mayoral General Precept (including Fire Services),

Reports to the Executive on 16 February 2022, available [here](#), entitled:

- Medium Term Financial Strategy
- Revenue Budget 2022/23
- Capital Strategy and Budget 2022/23 to 2024/25
- Children and Education Services Budget 2022/23
- Adult Social Care and Population Health Budget 2022/23
- Neighbourhoods Budget 2022/23
- Growth and Development Budget 2022/23
- Corporate Core Budget 2022/23
- Housing Revenue Account – 2022/23 to 2024/25.
- Treasury Management Strategy Statement 2022/23, including Borrowing Limits and Annual Investment Strategy

## 1. Introduction

- 1.1 At its meeting on 16 February 2022 the Executive received a series of reports which outlined the position for 2022/23 setting a balanced one year budget in line with the Government's one year funding announcement. This reflected the budget position of the Council after the announcement of the final Local Government Finance Settlement on 7 February 2022. These reports included:
- (i) A Medium Term Financial Strategy which set out the framework for the budget strategy and the implications for the Council from the Finance Settlement. The report also set out the issues and legal requirements members need to consider prior to Council finalising the budget and setting the Council Tax for 2022/23.
  - (ii) The budget report for 2022/23 and a detailed report from each Directorate on proposals for service change to ensure they continue to meet the Council's objectives whilst managing within the available resource envelope.
- 1.2 Resources and Governance Scrutiny Committee met on 28 February 2022 to consider the full suite of budget reports. The Committee also considered the issues arising from individual budget reports that the chairs of the scrutiny committees wished to draw their attention to. The proceedings of the meeting and the recommendations made are set out in the minutes elsewhere on this agenda. The full suite of budget reports are listed as background documents. Members should take the contents of these into account when considering the recommendations in this report.
- ## 2. The Revenue Budget
- 2.1 The financial considerations contained within this report are based on the final Local Government Finance Settlement issued on 7 February 2022 which provided a one-year finance settlement.
- 2.2 The Finance Settlement was towards the positive end of expectations, although it assumes that local authorities will increase council tax by 2.99% being the 2% referendum limit and the 1% Adult Social Care precept.
- 2.3 The final budget cuts proposals are detailed in the directorate budget reports elsewhere on this agenda and listed in Appendix 1. The summary position by directorate is shown in table one.
- 2.4 In addition to the £4.017m new savings the 2022/23 proposals reported to Executive 17 November 2022 also included mitigations of £3.716m, bringing the total of new proposals and mitigations to £7.733m.
- 2.5 When added to the £4.820m approved last year (for 2022/23) this brings the total savings and mitigations for 2022/23 budget year to £12.553m.

**Table 1: Savings Proposals for financial year 2022/23**

	Approved in 2021/22	Proposed as part of 2022/23 budget setting	Total 2022/23 savings
	£'000	£'000	£'000
Children's	(152)	444	292
Adult's Social Care	3,326	560	3,886
Corporate Core	1,153	1,501	2,654
Neighbourhoods (inc Homelessness)	493	453	946
Growth and Development	0	59	59
Corporate budgets	0	1,000	1,000
<b>Total</b>	<b>4,820</b>	<b>4,017</b>	<b>8,837</b>

2.6 The updated position is set out in Table 2 below.

**Table 2: Summary of Budget Position 2021/22(Latest) and 2022/23 (Proposed)**

	Revised 2021/22	2022/23
	£'000	£'000
<b>Resources Available</b>		
Business Rates Related Funding	260,465	235,553
Council Tax	176,857	208,965
Grants and other External Funding	120,243	104,533
Use of Reserves	184,667	141,548
<b>Total Resources Available</b>	<b>742,232</b>	<b>690,599</b>
<b>Resources Required</b>		
<i>Corporate Costs:</i>		
Levies / Statutory Charge	66,580	67,871
Contingency	600	1,060
Capital Financing	39,507	39,507
Transfer to Reserves	117,594	24,638
<i>Sub Total Corporate Costs</i>	<i>224,281</i>	<i>133,076</i>
<i>Directorate Costs:</i>		
Additional Allowances and other pension costs	8,316	7,316
Insurance Costs	2,004	2,004
Inflationary Pressures and budgets to be allocated	4,551	28,212
Directorate Budgets	503,080	519,991
<i>Subtotal Directorate Costs</i>	<i>517,951</i>	<i>557,523</i>
<b>Total Resources Required</b>	<b>742,232</b>	<b>690,599</b>



<b>Shortfall / (surplus)</b>	<b>0</b>	<b>0</b>

*\*Although included within the table of levies / charges above, the Waste Levy is administered by the Neighbourhoods Directorate and will be included within their published budget. This is to recognise that the actions within the directorate to reduce the levels of waste delivered impact on future levies which are tonnage based. It has been included above to give a complete view of the levies / charges paid.*

- 2.7 The budget report for 2022/23 also provided details of proposed movements to and from reserves including those being used to support the revenue budget. The detailed updated schedule of reserves is attached at Appendix 2.

### 3 **Setting the Council Tax for 2022/23**

- 3.1 The Localism Act abolished council tax capping powers and replaced them with a requirement for an authority to hold a council tax referendum if it increases its council tax by an amount exceeding the limit set out in principles determined by the Secretary of State and approved by the House of Commons.
- 3.2 The final Local Government Finance Settlement on 7 February 2022 confirmed that for 2022/23, local authorities will be able to increase their relevant basic amount of council tax (average Band D council tax, excluding local precepts) by up to 2% without having to hold a referendum.
- 3.3 A number of additional flexibilities also apply to different categories of authority. Local authorities with responsibility for Adult Social Care can increase their council tax by up to 1% on top of the 2% core principle.
- 3.4 The Council Tax bill and the information that accompanies it, must highlight the part of the increase that is being used to fund adult social care. Further Information about spending on adult social care must be provided with the demand notice.
- 3.5 The Council will also include reference to the £150 one-off Energy Bills Rebate for households in council tax bands A –D on the bill, along with a leaflet prescribed by government. This rebate will be treated outside the council tax system.
- 3.6 This report is prepared on the basis that Manchester's Council Tax will increase by 2.99% in 2021/22; 1.99% attributable to the Council element and 1% for the Adult Social care precept. This equates to a Band D charge of £1,541.34 (an increase of £44.75 from 2021/22).
- 3.7 The Greater Manchester Mayoral General Precept has been confirmed at £102.95 for a Band D property, comprising of £71.20 for functions previously covered by the Fire and Rescue Authority (an increase of £5.00 from 2021/22) and £31.75 for other Mayoral General functions including bus reform (an increase of £7.00 from 2021/22).

3.8 The Greater Manchester Mayoral Police and Crime Commissioner Precept will increase by £10.00 to £228.30 for a Band D property which is in line with the flexibility provided by the Government to all Police and Crime Commissioners.

3.9 The Council Tax resolution is attached as Appendix 3.

#### 4 **Prudential indicators**

4.1 The proposed Prudential Indicators for 2022/23 to 2024/25 are shown in Appendix 4.

#### 5 **Collection Fund Budget**

5.1 Attached for approval at Appendix 5 is the proposed collection fund budget for 2022/23. The collection fund budget includes income and expenditure relating to both council tax and business rates.

#### 6 **Robustness of the Budget**

6.1 The budget report to Executive set out the Council's legal duties to which members must have regard in formulating the budget and setting Council Tax. The report referred not only to the need for the Council to continue to meet its statutory duties but also to any remaining requirements for consultation, legal processes and equality impact assessments before a final decision can be taken.

6.2 The Deputy Chief Executive and City Treasurer has a duty to report on the robustness of the estimates made for the purposes of the calculation of Council Tax and the adequacy of the financial reserves. As reported to the Executive the Deputy Chief Executive and City Treasurer remains satisfied that the assumptions on which the budget has been proposed are manageable within the flexibility allowed by the General Fund balance. This and the fact that the Council holds other reserves that can be called on if necessary means that the Deputy Chief Executive and City Treasurer is confident that overall the budget position of the Council can be sustained within the overall level of resources available. However, to the degree that the budget savings are not achieved in a timely manner and reserves are called on to achieve a balanced position, the future year's savings will be prejudiced and further savings will need to be identified and implemented, including to replace reserve drawn downs, in order to ensure these are sufficient for future years.

**Appendix 1 Savings and Efficiency Proposals 2022/23 to 2024/25**

Service Area	Approval Year	Description of Saving	2022/23 £000	2023/24 £000	2024/25 £000	Total
<b>Adult Social Care:</b>						
Adults Services	2021/22	Better Outcomes Better Lives	3,326	3,477	0	6,803
Adults Services	2022/23	Share of 1% workforce savings target	444			444
<b>Total Adults</b>			<b>3,770</b>	<b>3,477</b>	<b>0</b>	<b>7,247</b>
<b>Children's:</b>						
Children's Services	2021/22	Placement Stability	415	0	0	415
Children's Services	2021/22	Market Development	376	0	0	376
Children's Services	2021/22	Improving Permanence	159	0	0	159
Education	2021/22	Schools Quality Assurance - reversal of one off saving	(150)	0	0	(150)
Children's Services	2021/22	Early Years – Core offer, Speech & Language	100	100	100	300
Children's Services	2021/22	Troubled Families - reversal of one off saving	(1,150)	0	0	(1,150)
Education	2021/22	DSG reserve - reversal of one off saving	(1,000)	0	0	(1,000)
Children's Services	2021/22	Children's Services Reserve - reversal of one off saving	(311)	0	0	(311)
Children's Services	2021/22	Children's Services Reserve - unrealised savings in 2022/23	1,409	(1,409)	0	0
Children's Services	2022/23	Share of 1% workforce savings target	560			560
<b>Total Children's Services</b>			<b>408</b>	<b>(1,309)</b>	<b>100</b>	<b>(801)</b>
<b>Corporate Core:</b>						
Legal Services	2021/22	Increased income and other budget reductions	25	0	0	25
ICT	2021/22	Savings on system	300	0	0	300

Service Area	Approval Year	Description of Saving	2022/23 £000	2023/24 £000	2024/25 £000	Total
		running costs, licensing and telephony				
HR/OD	2021/22	Staff Reduction	237	0	0	237
Operational Property	2021/22	Reduce office costs through rationalisation of buildings	591	304	(905)	(10)
CEX	2022/23	Registrars and Coroners - increased income from ceremonies	50	0	0	50
CEX	2022/23	Legal services increased fee income for works undertaken.	49	0	0	49
CEX	2022/23	Executive - Reduction in supplies and services budget from new ways of working	25	0	0	25
Corporate Services	2022/23	Capital Programmes - increased fee income and increased efficiencies from shared management arrangements with Northwards.	230	0	0	230
Corporate Services	2022/23	A reduction in supplies and services, printing, and mobile telephony costs through new ways of working	200	0	0	200
Corporate Services	2022/23	1% increase in vacancy factor across Corporate Services to reflect actual levels of staff turnover.	463	0	0	463
Corporate Core	2022/23	Share of 1% workforce savings target	484	0	0	484
<b>Total Corporate Core</b>			<b>2,654</b>	<b>304</b>	<b>(905)</b>	<b>2,053</b>
<b>Neighbour- hoods:</b>						
Compliance	2021/22	Saving reversed after time limited use of external grant funding	(137)			(137)

Service Area	Approval Year	Description of Saving	2022/23 £000	2023/24 £000	2024/25 £000	Total
Parks, Leisure, Youth and Events	2021/22	Prioritise £12m capital investment to generate income streams	100	100	100	300
Parks, Leisure, Youth and Events	2021/22	Develop a strategy for Leisure collaborations	155	0	0	155
Operations and Commissioning	2021/22	Piccadilly Gardens community scheme	225	0	0	225
Highways	2021/22	Reduction in claims for accidents and trips due to the improvements to the roads and footways	150	0	0	150
Neighbourhoods	2022/23	Share of 1% workforce savings target	453	0	0	453
<b>Total Neighbourhoods</b>			<b>946</b>	<b>100</b>	<b>100</b>	<b>1,146</b>
<b>Growth and Development:</b>						
Investment Estate	2021/22	Establishing a new ground rental portfolio	0	300	0	300
Growth and Development	2022/23	Share of 1% workforce savings target	59	0	0	59
<b>Total Growth and Development</b>			<b>59</b>	<b>300</b>	<b>0</b>	<b>359</b>
<b>Total savings all directorates</b>			<b>7,837</b>	<b>2,872</b>	<b>(705)</b>	<b>10,004</b>
Corporate Budget	2022/23	Savings on historic pension costs and pension pre-payment	1,000	0	0	1,000
<b>Total savings</b>			<b>8,837</b>	<b>2,872</b>	<b>(705)</b>	<b>11,004</b>

Summary by approval year:	2022/23 £000	2023/24 £000	2024/25 £000	Total
Total approved in 2021/22	4,820	2,872	(705)	6,987
Total proposed as part of 2022/23 budget setting	4,017	0	0	4,017
<b>Total Adults</b>	<b>8,837</b>	<b>2,872</b>	<b>(705)</b>	<b>11,004</b>

In addition to the £4.017m savings included above the 2022/23 proposals reported to Executive 17 November 2022 also included mitigations of £3.716m, bringing the total of new proposals and mitigations to £7.733m.

When added to the £4.820m approved last year this brings the total savings and mitigations for 2022/23 budget year to £12.553m.

**APPENDIX 2**

**Proposed Use of Reserves**

Reserve	Forecast Closing Balance 31/03/22	Withdrawal	Addition	Closing Balance 31/03/23	Withdrawal	Addition	Closing Balance 31/03/24	Withdrawal	Addition	Closing Balance 31/03/25	Purpose
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
<b>Schools Reserve</b>	<b>14,559</b>	0	0	<b>14,559</b>	0	0	<b>14,559</b>	0	0	<b>14,559</b>	
<b>General Fund Reserves</b>											
Statutory Reserves	<b>17,544</b>	(9,380)	10,395	<b>18,559</b>	(8,689)	10,395	<b>20,265</b>	(8,689)	10,395	<b>21,971</b>	
Earmarked Reserves	<b>411,811</b>	(202,442)	50,238	<b>259,607</b>	(102,484)	13,334	<b>170,457</b>	(44,498)	8,337	<b>134,296</b>	
General Fund Reserve	<b>27,973</b>	(2,970)	0	<b>25,003</b>	0	0	<b>25,003</b>	0	0	<b>25,003</b>	
<b>Total General Fund</b>	<b>457,328</b>	<b>(214,792)</b>	<b>60,633</b>	<b>303,169</b>	<b>(111,173)</b>	<b>23,729</b>	<b>215,725</b>	<b>(53,187)</b>	<b>18,732</b>	<b>181,270</b>	
<b>Housing Revenue Account Reserves:</b>				<b>43,902</b>							
Housing Revenue Account General Reserve	<b>58,090</b>	(15,690)	1,502		3,176	(981)	<b>46,097</b>	(1,270)	0	<b>44,827</b>	
Major Repairs Reserve	<b>3,634</b>	0	0	<b>3,634</b>	0	0	<b>3,634</b>	0	0	<b>3,634</b>	
HRA PFI reserve	<b>10,000</b>	0	0	<b>10,000</b>	0	0	<b>10,000</b>	0	0	<b>10,000</b>	
HRA Residual liabilities fund	<b>24,000</b>	0	0	<b>24,000</b>	0	0	<b>24,000</b>	0	0	<b>24,000</b>	
Housing Insurance reserve	<b>2,319</b>	0	200	<b>2,519</b>	0	200	<b>2,719</b>	0	200	<b>2,919</b>	
<b>Total HRA</b>	<b>98,043</b>	<b>(15,690)</b>	<b>1,702</b>	<b>84,055</b>	<b>3,176</b>	<b>(781)</b>	<b>86,450</b>	<b>(1,270)</b>	<b>200</b>	<b>85,380</b>	
<b>TOTAL RESERVES</b>	<b>569,930</b>	<b>(230,482)</b>	<b>62,335</b>	<b>401,783</b>	<b>(107,997)</b>	<b>22,948</b>	<b>316,734</b>	<b>(54,457)</b>	<b>18,932</b>	<b>281,209</b>	
<b><u>SCHOOLS RESERVE</u></b>											

Reserve	Forecast Closing Balance 31/03/22	Withdrawal	Addition	Closing Balance 31/03/23	Withdrawal	Addition	Closing Balance 31/03/24	Withdrawal	Addition	Closing Balance 31/03/25	Purpose
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
LMS Reserve	14,559	0	0	14,559	0	0	14,559	0	0	14,559	School balances assumed year-end position. These are not MCC resource and so cannot be used by MCC. There are no further known schools planning to transfer to academy status.
<b>Sub Total Schools</b>	<b>14,559</b>	<b>0</b>	<b>0</b>	<b>14,559</b>	<b>0</b>	<b>0</b>	<b>14,559</b>	<b>0</b>	<b>0</b>	<b>14,559</b>	
<b><u>STATUTORY RESERVES</u></b>											
Bus Lane Enforcement Reserve	8,807	(4,992)	4,645	8,460	(4,992)	4,645	8,113	(4,992)	4,645	7,766	Ring-fenced reserve which can only be applied to specific transport and highways related activity.
On Street Parking	3,433	(4,191)	5,650	4,892	(3,500)	5,650	7,042	(3,500)	5,650	9,192	Ring-fenced reserve which can only be applied to specific transport and highways related activity.
Ancoats Square Reserve	2,649	(118)	0	2,531	(118)	0	2,413	(118)	0	2,295	Received from the Homes and Communities Agency to cover the revenue costs of maintaining Ancoats Square for a period of at least 25 years.



Reserve	Forecast Closing Balance 31/03/22	Withdrawal	Addition	Closing Balance 31/03/23	Withdrawal	Addition	Closing Balance 31/03/24	Withdrawal	Addition	Closing Balance 31/03/25	Purpose
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
Spinningfields Commuted Sum	643	(9)	0	634	(9)	0	625	(9)	0	616	Funds received as part of an agreement to cover maintenance costs.
New Smithfield Market	440	0	0	440	0	0	440	0	0	440	To contribute towards funding the development plans for the market
Great Northern Square Maintenance Fund	249	(20)	0	229	(20)	0	209	(20)	0	189	Set up in accordance with the agreement with the developers of the site. It will be used for upgrading of the square.
Education Endowments	17	0	0	17	0	0	17	0	0	17	For future payments for school prizes
Landlord Licensing Reserve	0	0	100	100	0	100	200	0	100	300	Smoothing reserve
Art Fund Reserve	31	0	0	31	0	0	31	0	0	31	For art purchases
Manchester Safeguarding	96	0	0	96	0	0	96	0	0	96	Children's Safeguarding Board activity. The Board is a joint responsibility with MCC & CCG
Hulme High Street	283	0	0	283	0	0	283	0	0	283	
St Johns Gardens Contingency	896	(50)	0	846	(50)	0	796	(50)	0	746	Contribution from St Johns Gardens tenants for maintenance

Reserve	Forecast Closing Balance 31/03/22	Withdrawal	Addition	Closing Balance 31/03/23	Withdrawal	Addition	Closing Balance 31/03/24	Withdrawal	Addition	Closing Balance 31/03/25	Purpose
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
											works
<b>Sub Total Statutory</b>	<b>17,544</b>	<b>(9,380)</b>	<b>10,395</b>	<b>18,559</b>	<b>(8,689)</b>	<b>10,395</b>	<b>20,265</b>	<b>(8,689)</b>	<b>10,395</b>	<b>21,971</b>	
<b><u>EARMARKED RESERVES</u></b>											
<b><u>BALANCES HELD FOR PFI'S</u></b>											
Street Lighting PFI	210	(210)	0	0	0	0	0	0	0	0	Established to fund the requirements over 25 years re: the PFI contract for Street Lighting service via external contractors
Temple PFI	485	(94)	11	402	(104)	11	309	(141)	11	179	Established to fund the requirements of the PFI scheme over 25 years
Wright Robinson PFI Reserve	1,476	(64)	41	1,453	(87)	41	1,407	(110)	42	1,339	PFI Scheme 25 year contract drawdown will be in future years as expenditure exceeds grant.
<b>Total held for PFI's</b>	<b>2,171</b>	<b>(368)</b>	<b>52</b>	<b>1,855</b>	<b>(191)</b>	<b>52</b>	<b>1,716</b>	<b>(251)</b>	<b>53</b>	<b>1,518</b>	
<b><u>RESERVES HELD TO SMOOTH RISK / ASSURANCE</u></b>											
<b><u>Risks</u></b>											

Reserve	Forecast Closing Balance 31/03/22	Withdrawal	Addition	Closing Balance 31/03/23	Withdrawal	Addition	Closing Balance 31/03/24	Withdrawal	Addition	Closing Balance 31/03/25	Purpose
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
Planning Reserve	3,363	(429)	0	2,934	(480)	0	2,454	(484)	0	1,970	Used to smooth the volatility of planning fee income to avoid budget pressures if fee income drops
Adult Social Care	14,649	(9,834)	0	4,815	(4,815)	0	(0)	0	0	(0)	To support Adult and Social Care Improvement Plan
Social Care Reserve	2,095	(2,095)	0	0	0	0	0	0	0	0	To address pressures in social care, in particular the need to invest in early help and prevention in Children's Services and continued pressures on LAC budgets
Crime and Disorder	293	0	0	293	0	0	293	0	0	293	To fund the Anti Social Behaviour Team
Budget smoothing reserve	15,071	0	8,000	23,071	(15,590)	0	7,481	(7,481)	0	(0)	Planned use to smooth the impact of previous funding reductions on the revenue budget
Transformation Reserve	8,880	(333)	0	8,547	(335)	0	8,212	(1)	0	8,211	To support costs of future service change.
Airport Dividend reserve	39,040	(24,851)	0	14,189	(4,792)	0	9,397	(4,918)	0	4,479	The income in the reserve is from the Manchester airport

Reserve	Forecast Closing Balance 31/03/22	Withdrawal	Addition	Closing Balance 31/03/23	Withdrawal	Addition	Closing Balance 31/03/24	Withdrawal	Addition	Closing Balance 31/03/25	Purpose
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
											dividend which is then used a year in arrears to support the Medium Term Financial Plan
Land Charges Fees Reserve	267	(50)	0	217	(50)	0	167	(50)	0	117	To smooth the budget impact, planned to utilise in 2020/21
Inspirit Pension Reserve	22	0	5	27	0	5	32	0	5	37	Relates to potential pension liabilities
Insurance Fund	17,564	(500)	0	17,064	(3,500)	0	13,564	(500)	0	13,064	The insurance fund has been established to fund risks that are self insured.
Fleet Maintenance Reserve	47	0	20	67	(92)	25	0	(25)	25	0	Reserve created for smoothing the impact of vehicle repair and maintenance costs.
Taxi Licensing Reserve	366	0	0	366	0	0	366	0	0	366	This is a smoothing reserve to equalise the income and expenditure of running the function over financial years. Income ring-fenced by statute.
Newton Heath Market Reserve	22	0	0	22	0	0	22	0	0	22	To fund the future market provision

Reserve	Forecast Closing Balance 31/03/22	Withdrawal	Addition	Closing Balance 31/03/23	Withdrawal	Addition	Closing Balance 31/03/24	Withdrawal	Addition	Closing Balance 31/03/25	Purpose
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
Selective Licensing reserve	0	0	4	4	0	117	121	0	548	669	Costs for administering the reputable landlord initiative and ensure compliance
Investment Estate smoothing reserve	897	(816)	0	81	(533)	0	(452)	0	0	(452)	To manage budget pressures due to the volatility in investment income.
Homelessness Reserve	1,500	(1,500)	0	0	0	0	0	0	0	0	To offset potential increases in need / demand
Emergency Planning	100	(100)	0	0	0	0	0	0	0	0	Linked to GM wide Civil Contingencies schemes
Business Rates Reserve	136,487	(117,409)	16,638	35,716	(27,320)	0	8,396	(490)	0	7,906	To mitigate Business Rates income risk due to the volatility of assumptions
Cleopatra Reserve	663	0	0	663	0	0	663	0	0	663	To mitigate against the risk of additional claims
<b>TOTAL Risk/Smooth</b>	<b>241,325</b>	<b>(157,917)</b>	<b>24,667</b>	<b>108,075</b>	<b>(57,507)</b>	<b>147</b>	<b>50,715</b>	<b>(13,949)</b>	<b>578</b>	<b>37,344</b>	
<b>RESERVES HELD TO FUND CAPITAL SCHEMES AND OTHER SPECIFIC PROJECT RELATED COSTS</b>											
Investment Reserve	10,876	(1,463)	0	9,413	(1,876)	0	7,537	(1,504)	0	6,033	To deliver priority regeneration projects.

Reserve	Forecast Closing Balance 31/03/22	Withdrawal	Addition	Closing Balance 31/03/23	Withdrawal	Addition	Closing Balance 31/03/24	Withdrawal	Addition	Closing Balance 31/03/25	Purpose
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
Enterprise zone reserve	2,238	(1,061)	1,500	2,677	(1,061)	1,500	3,116	(668)	1,500	3,948	To underwrite the borrowing costs for development in the Oxford Road Corridor
Capital Fund Reserve	70,575	(20,000)	18,747	69,322	(29,886)	6,397	45,833	(20,000)	968	26,801	Contribution to schemes which are supporting employment and growth, future carbon reduction investments and high priority strategic development opportunities in the city .
Capital Financing Reserve	34,730	0	0	34,730	0	0	34,730	0	0	34,730	To reflect increase in borrowing costs due to the Council's capital investment
Manchester International Festival	11,100	(1,107)	0	9,993	(1,154)	0	8,839	(1,204)	0	7,635	To fund agreed future Manchester International Festivals / Factory grant from the reserve. Grant agreement will be aligned to the Arts Council England funding cycle.
Eastlands Reserve	954	(5,118)	5,118	954	(4,389)	5,118	1,683	(2,550)	5,118	4,251	This reserve reflects the contribution from Manchester City

Reserve	Forecast Closing Balance 31/03/22	Withdrawal	Addition	Closing Balance 31/03/23	Withdrawal	Addition	Closing Balance 31/03/24	Withdrawal	Addition	Closing Balance 31/03/25	Purpose
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
											Football Club and will be used for various projects including English Institute of Sport.
<b>Total to fund capital scheme and other specific relates costs</b>	<b>130,473</b>	<b>(28,749)</b>	<b>25,365</b>	<b>127,089</b>	<b>(38,366)</b>	<b>13,015</b>	<b>101,738</b>	<b>(25,926)</b>	<b>7,586</b>	<b>83,398</b>	
<b>RESERVES TO SUPPORT GROWTH AND REFORM</b>											
Integration Reserve	<b>9,295</b>	(9,295)	0	<b>0</b>	0	0	<b>0</b>	0	0	<b>0</b>	The reserve is a joint resource between Manchester City Council and Manchester Clinical Commissioning Group to support the infrastructure requirements that underpin the mobilisation of the Locality Plan.
Town Hall Reserve	<b>10,013</b>	(2,330)	0	<b>7,683</b>	(3,699)	0	<b>3,984</b>	(3,984)	0	<b>0</b>	To fund commitments for the Town Hall Complex Programme
Supporting Families Reserve	<b>1,427</b>	0	0	<b>1,427</b>	0	0	<b>1,427</b>	0	0	<b>1,427</b>	This was set up to support the scaling up on the community

Reserve	Forecast Closing Balance 31/03/22	Withdrawal	Addition	Closing Balance 31/03/23	Withdrawal	Addition	Closing Balance 31/03/24	Withdrawal	Addition	Closing Balance 31/03/25	Purpose
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
											budgets work and to manage risk of Troubled Families grant ending.
Clean City	251	(221)	0	30	(30)	0	0	0	0	0	To support clean and green initiatives including litter bin installations, park clean ups, knotweed and hogweed clearances and other waste and recycling activities.
Our Manchester reserve	1,403	(1,403)	0	0	0	0	0	0	0	0	Additional investment made available as part of the 2017-2020 budget process to drive forward the delivery of Our Manchester initiatives
<b>TOTAL</b>	<b>22,389</b>	<b>(13,249)</b>	<b>0</b>	<b>9,140</b>	<b>(3,729)</b>	<b>0</b>	<b>5,411</b>	<b>(3,984)</b>	<b>0</b>	<b>1,427</b>	
<b>GRANTS USED OVER ONE YEAR</b>											
English Partnership (Homes and Communities Agency)	734	0	0	734	0	0	734	0	0	734	HCA approval required to Fund Development appraisal and Eastland's Project team



Reserve	Forecast Closing Balance 31/03/22	Withdrawal	Addition	Closing Balance 31/03/23	Withdrawal	Addition	Closing Balance 31/03/24	Withdrawal	Addition	Closing Balance 31/03/25	Purpose
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
Children's Services Reserve	2,396	(713)	0	1,683	(87)	0	1,596	0	0	1,596	Various Children's grants being used over more than one year
Other Grants and Contributions - Neighbourhood Services	506	0	0	506	0	0	506	0	0	506	Various local Environment scheme and initiatives i.e. 'clean up campaigns'
Other Grants and Contributions- Growth and Development	90	0	0	90	0	0	90	0	0	90	Unspent grants received in previous year
Fraud Fund	136	(68)	0	68	(68)	0	0	0	0	0	Unspent grant received in previous year
Deprivation of Liberty Grant	149	0	0	149	0	0	149	0	0	149	Unspent grant received in previous year
Asylum Seekers	263	(100)	0	163	(92)	0	71	0	0	71	This will fund the Local Authority Asylum Support Officer (LAASLO) project.
Collection Initiatives Reserve	3,652	(342)	0	3,310	(1,129)	0	2,181	0	0	2,181	Small reserves on Corporate Core
MAES Reserve	776	(250)	0	526	(449)	0	77	0	0	77	To fund Manchester Adult Education Services (MAES)
Flood management reserve	37	0	0	37	0	0	37	0	0	37	Unspent grant received in previous year
DFT004 DFT Grants	90	0	0	90	0	0	90	0	0	90	Unspent grant

Reserve	Forecast Closing Balance 31/03/22	Withdrawal	Addition	Closing Balance 31/03/23	Withdrawal	Addition	Closing Balance 31/03/24	Withdrawal	Addition	Closing Balance 31/03/25	Purpose
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
Reserve											received in previous year
Brexit Reserve	621	(20)	34	635	0	0	635	0	0	635	To fund BREXIT related costs that fall across more than one year
<b>TOTAL</b>	<b>9,450</b>	<b>(1,493)</b>	<b>34</b>	<b>7,991</b>	<b>(1,825)</b>	<b>0</b>	<b>6,166</b>	<b>0</b>	<b>0</b>	<b>6,166</b>	
<b><u>SMALL SPECIFIC RESERVES</u></b>											
<b><u>SMALL SPECIFIC RESERVES</u></b>	<b>33</b>	<b>(5)</b>	<b>0</b>	<b>28</b>	<b>(5)</b>	<b>0</b>	<b>23</b>	<b>(5)</b>	<b>0</b>	<b>18</b>	General reserve/ GM contributions. At the end of the year any surplus/deficit is adjusted in the reserve
Carbon Reduction Reserve	225	(225)	0	0	0	0	0	0	0	0	To fund revenue initiatives which support the target for Manchester to become a zero carbon city by 2038 at the latest and specifically, to support the delivery of the Council's 2020-25 Action Plan
Highways Commuted Sum	3,494	(89)	0	3,405	(89)	0	3,316	(89)	0	3,227	Contributions towards future maintenance
Cemeteries Replacement	561	0	80	641	(481)	80	240	0	80	320	To purchase land for burials
Councils with ALMOs Group (CWAG) Reserve	78	0	0	78	(10)	0	68	(10)	0	58	Held in relation to the running costs of the Council With

Reserve	Forecast Closing Balance 31/03/22	Withdrawal	Addition	Closing Balance 31/03/23	Withdrawal	Addition	Closing Balance 31/03/24	Withdrawal	Addition	Closing Balance 31/03/25	Purpose
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
											ALMOs Group which is administered by MCC
Graves and Memorials	97	0	0	97	0	0	97	0	0	97	Money held in trust for repair and development costs for gravestones
Trading Standards Reserve	129	(108)		21			21			21	Specific grants such as Tobacco control, control of migration etc.
Housing Compliance Reserve (Fixed Penalty Notices)	568	(139)	0	429	(141)	0	288	(144)	0	144	Revenue collected from enforcement activity is ring-fenced to functions related to Housing Compliance.
Community Safety Reserve	465	(100)	0	365	(100)	0	265	(100)	0	165	A collection of grants the majority of which require spending plans to be agreed with key partner organisations such as GM Police.
Litter Reserve (Fixed Penalty Notices)	72	0	0	72	0	0	72	0	0	72	
Great Ancoats Management Improvement Reserve	208	0	0	208		0	208			208	Specific reserve for use within defined areas within Great Ancoats. Spending plans still under discussion.

Reserve	Forecast Closing Balance 31/03/22	Withdrawal	Addition	Closing Balance 31/03/23	Withdrawal	Addition	Closing Balance 31/03/24	Withdrawal	Addition	Closing Balance 31/03/25	Purpose
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
Social Value Fund	44	0	40	84	(40)	40	84	(40)	40	84	New Reserves for Social Funding income from successful tenders
Other Small Specific reserves	28	0	0	28	0	0	28	0	0	28	Small specific reserves
<b>Total Small Specific Reserves</b>	<b>6,002</b>	<b>(666)</b>	<b>120</b>	<b>5,456</b>	<b>(866)</b>	<b>120</b>	<b>4,710</b>	<b>(388)</b>	<b>120</b>	<b>4,442</b>	
<b>TOTAL EARMARKED RESERVES</b>	<b>411,811</b>	<b>(202,442)</b>	<b>50,238</b>	<b>259,607</b>	<b>(102,484)</b>	<b>13,334</b>	<b>170,457</b>	<b>(44,498)</b>	<b>8,337</b>	<b>134,296</b>	
<b>Total General Fund Reserves</b>	<b>471,887</b>	<b>(214,792)</b>	<b>60,633</b>	<b>317,728</b>	<b>(111,173)</b>	<b>23,729</b>	<b>230,284</b>	<b>(53,187)</b>	<b>18,732</b>	<b>195,829</b>	

## APPENDIX 3

COUNCIL TAXSETTING THE AMOUNT OF COUNCIL TAX FOR THE COUNCIL'S AREA  
RESOLVED

1. That the estimates prepared by the Executive at its meeting on 16 February 2022 be approved.
2. That it be noted that the Deputy Chief Executive and City Treasurer acting under delegated powers has determined the amount of 127,620.0 as the Council Tax base for Manchester for the year 2022/23 in accordance with Section 31A (3) of the Local Government Finance Act 1992 and regulations 3 to 5 of the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012.
3. That the following amounts can be now calculated by the Council for the year 2022/23 in accordance with Sections 31A to 36 of the Local Government Finance Act 1992:
 

(a) £1,601,641,953	being the aggregate of the amounts which the Council estimates for the items set out in the Section 31A (2) (a) to (f) of the Act.
(b) £1,404,936,333	being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (3) (a) to (d) of the Act.
(c) £196,705,620	being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council, in accordance with Sections 31A(4) of the Act, as its council tax requirement for the year.
(d) £1,541.34	being the amount at 3(c) above divided by the amount at 2 above, calculated by the Council in accordance with Section 31B(1) of the Act, as the basic amount of its council tax for the year.
(e) Valuation Bands	being the amount given multiplying the amount at 3(d) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands. The band bill is shown in the table below.

A	B	C	D	E	F	G	H
£1,027.56	£1,198.82	£1,370.08	£1,541.34	£1,883.85	£2,226.37	£2,568.89	£3,082.67

4. That it be noted that for the year 2022/23 the major precepting authorities have stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:

Precepting Valuation bands

Greater Manchester Mayoral Police and Crime Commissioner Precept:

A	B	C	D	E	F	G	H
£152.20	£177.56	£202.93	£228.30	£279.03	£329.76	£380.50	£456.60

Greater Manchester Mayoral General Precept (including Fire Services):

A	B	C	D	E	F	G	H
£68.63	£80.07	£91.51	£102.95	£125.82	£148.70	£171.58	£205.90

5. That, having calculated the aggregate in each case of the amounts at 3(e) and 4 above, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of Council Tax for the year 2022/23 for each of the categories of dwellings shown below.

A	B	C	D	E	F	G	H
£1,248.39	£1,456.45	£1,664.52	£1,872.59	£2,288.70	£2,704.83	£3,120.97	£3,745.17

## 1. CALCULATING THE COUNCIL TAX REQUIREMENT

### Section 31A Calculations

- 1.1 Section 31A of the Local Government Finance 1992 requires the Council to make three calculations:

- (i) an estimate of the Council's required gross revenue expenditure - Section 31A(2)
- (ii) an estimate of its anticipated income (excluding that from council tax) and of reserves to be used to aid the revenue account - Section 31A(3)
- (iii) a calculation of the difference between (i) and (ii) above, (i.e. the Council Tax requirement) - Section 31A(4)

- 1.2 In its Section 31A(2) calculation the Council is required to allow for the following:

**Section 31A(2)(a)** - the estimated revenue account expenditure it will incur during the year in performing its functions.

**Section 31A(2)(b)** - an appropriate allowance for contingencies for the year, e.g. for unforeseen occurrences such as disasters, storm damage, higher than expected inflation etc.

**Section 31A(2)(c)** - any raising of financial reserves for future expenditure - examples of this include payments into a redemption fund, internal insurance etc.

**Section 31A(2)(d)** - any revenue account deficit for a previous financial year which has not yet been provided for.

**Section 31A(2)(da)** – any amount estimated to be transferred from the general fund to the collection fund in accordance with regulations by reference to sums received by the authority in respect of business rates.

**Section 31A(2)(e)** - any amount estimated to be transferred from the General Fund to the Collection Fund in accordance with Section 97(4) of the Local Government Finance Act 1988 - i.e. the Council's share of any collection fund deficit.

**Section 31A(2)(f)** - any amounts estimated to be transferred from the General Fund to the Collection Fund by direction of the Secretary of State under Section 98(5) of the Local Government Finance Act 1988 - including an estimate of the shortfall in the collection of Non-domestic Rates in excess of the allowance.

- 1.3. In its Section 31A(3) calculation the Council must calculate the aggregate of sums to be put against gross expenditure, namely:

**Section 31A(3)(a)** - estimated income from fees, charges, and government grants (including RSG) plus other sums payable into the general fund (but excluding council tax)

**Section 31A(3)(aa)** – Any amount estimated to be transferred from the collection fund to the general fund in accordance with regulations by reference to sums received by the authority in respect of business rates.

**Section 31A(3)(b)** - any amount estimated to be transferred from the Collection Fund to the General Fund in accordance with Section 97(3) of the Local Government Finance Act 1988 - i.e. the Council's share of any collection fund surplus;

**Section 31A(3)(c)** - sums to be transferred from the Collection Fund to the General Fund pursuant to a direction of the Secretary of State under Section 98(4) of the Local Government Finance Act 1988 - including allowances for costs of collection of business rates;

**Section 31A(3)(d)** - the amount of financial reserves/balances which the authority intends to use towards meeting its revenue expenditure

- 1.4 On the basis of current estimates, the calculations would be as follows:

	<b>HRA £</b>	<b>Other £</b>	<b>Total £</b>
<u>Expenditure</u>			
Section 31A (2)(a)	99,617,000	1,325,501,620	1,425,118,620
Section 31A (2)(b)	0	1,060,000	1,060,000
Section 31A (2)(c)	1,702,000	60,633,000	62,335,000
Section 31A (2)(d)	0	9,079,333	9,079,333
Section 31A (2)(da)	0	0	0
Section 31A (2)(e)	0	104,049,000	104,049,000
Section 31A (2)(f)	0	0	0
<b>Total Expenditure</b>	<b>101,319,000</b>	<b>1,500,322,953</b>	<b>1,601,641,953</b>
<u>Income</u>			
Section 31A (3)(a)	(85,629,000)	(768,953,478)	(854,582,478)
Section 31A (3)(aa)	0	(294,713,000)	(294,713,000)
Section 31A (3)(b)	0	(24,042,000)	(24,042,000)
Section 31A (3)(c)	0	(1,116,855)	(1,116,855)
Section 31A (3)(d)	(15,690,000)	(214,792,000)	(230,482,000)
<b>Total Income</b>	<b>(101,319,000)</b>	<b>(1,303,617,333)</b>	<b>(1,404,936,333)</b>

**1.5** **Council Tax Requirement under Section 31A(4)** being the amount by which the aggregate under Section 31A(2) exceeds the aggregate under Section 31A(3) is £196,705,620.

## **2. CALCULATING THE BASIC AMOUNT OF COUNCIL TAX**

2.1. Section 31B of the Local Government Finance Act 1992 requires the Council to calculate the basic amount of its Council Tax - this is in effect the Council element of the Band D Council tax.

2.2 This calculated by applying the following formula:  $R \div T$   
Where:

R: is the Council Tax requirement, and  
T: is the approved Council Tax base

2.3 Calculating the Basic Amount of Council Tax

Council Tax Requirement	£196,705,620
Divided by:	
Council Tax Base	127,620.0

**Band D Basic Amount of Council Tax is: £1,541.34**



## APPENDIX 4

**Prudential and Treasury Indicators 2022/23 to 2024/25**

Please note last year's approved figures are shown in brackets.

Treasury Management Indicators	2022-23		2023-24		2024-25
	%		%		%
<b>Estimated Financing Costs to Net Revenue Stream<sup>1</sup></b>	5.8%		6.2%		6.1%
	£m		£m		£m
<b>Authorised Limit - external debt</b>					
Borrowing	1,816.1	(1,737.3)	1,816.1	(1,737.3)	1,816.1
Other long-term liabilities	190.0	(190.0)	190.0	(190.0)	190.0
<b>TOTAL</b>	<b>2,006.1</b>	<b>(1,927.3)</b>	<b>2,006.1</b>	<b>(1,927.3)</b>	<b>2,006.1</b>
<b>Operational Boundary - external debt</b>					
Borrowing	1,580.2	(1,591.5)	1,698.5	(1,626.3)	1,724.0
Other long-term liabilities	190.0	(190.0)	190.0	(190.0)	190.0
<b>TOTAL</b>	<b>1,770.2</b>	<b>(1,781.5)</b>	<b>1,888.5</b>	<b>(1,816.3)</b>	<b>1,914.0</b>
<b>Estimated external debt</b>	1,414.3	(1,454.3)	1,572.0	(1,501.8)	1,606.0
<b>Upper limit for total principal sums invested for over 364 days</b>	0	(0)	0	(0)	0
<b>Estimated Capital Expenditure</b>					
Non - HRA	498.2	(286.3)	223.2	(131.9)	51.3
HRA	39.4	(45.5)	31.9	(3.2)	14.6
<b>TOTAL</b>	<b>533.1</b>	<b>(331.8)</b>	<b>255.1</b>	<b>(135.1)</b>	<b>65.9</b>
<b>Estimated Capital Financing Requirement (as at 31 March)</b>					
Non – HRA	1,794.5	(1,792.1)	1,895.8	(1,849.6)	1,898.6
HRA	321.0	(301.0)	321.8	(301.8)	322.6
<b>TOTAL</b>	<b>2,115.5</b>	<b>(2,093.1)</b>	<b>2,220.6</b>	<b>(2,151.4)</b>	<b>2,221.2</b>

<sup>1</sup> Note that for 2021-22 onward these are based on estimated net revenue budgets.

Maturity structure of borrowing during 2021-22	Upper Limit		Lower limit	
under 12 months	70%	(80%)	0%	(0%)

12 months and within 24 months	70%	(80%)	0%	(0%)
24 months and within 5 years	60%	(70%)	0%	(0%)
5 years and within 10 years	60%	(70%)	0%	(0%)
10 years and above	90%	(90%)	30%	(20%)
<b>Has the Authority adopted the CIPFA Treasury Management Code?</b>				Yes

The status of the indicators will be included in Treasury Management reporting during 2022/23. They will also be included in the Council's Capital Budget monitoring reports during 2022/23.

**Definitions and Purpose of the Treasury Management Indicators noted above (Indicators are as recommended by the CIPFA Prudential Code last revised in 2017)**

**Estimated Financing Costs to Net Revenue Stream**

The authority will set for the forthcoming year and the following financial years an estimate of financing costs to net revenue stream. The indicator recognises that ultimately all debts of a local authority fall on the taxpayer, and that therefore when considering affordability, it is important to review the scale of financing costs to net revenue.

**Estimated Capital Expenditure**

The authority sets a capital budget for each financial year, which includes an estimate of the capital expenditure which might be incurred. The figures here also include changes to other long-term liabilities.

**Estimates Capital Financing Requirement**

The capital financing requirement reflects the authority's underlying need to finance capital expenditure and is based on all capital expenditure including that incurred in previous years.

**Authorised Limit - external debt**

The local authority will set for the forthcoming financial year and the following two financial years an authorised limit for its total external debt, excluding investments, separately identifying borrowing from other long-term liabilities. Other long-term liabilities include PFI's, service concessions and finance leases. Due to the introduction of IFRS16 (Leasing) on the 1st of April 2022, more of the Council's lessee leases will be classed as finance leases and will become other long-term liabilities, therefore the value will increase from previous years. Work is underway to

determine the value of this change in accounting standards, but £20.0m has been added to the indicator at this stage and will be reviewed once this work is complete. This prudential indicator is referred to as the Authorised Limit.

**Operational Boundary - external debt**

The local authority will also set for the forthcoming financial year and the following two

financial years an operational boundary for its total external debt, excluding investments, separately identifying borrowing from other long-term liabilities. This prudential indicator is referred to as the Operational Boundary.

Both the Authorised Limit and the Operational Boundary need to be consistent with the authority's plans for capital expenditure and financing; and with its treasury management policy statement and practices. The Operational Boundary should be based on the authority's estimate of most likely, i.e. prudent, but not worst-case scenario. Risk analysis and risk management strategies should be considered.

The Operational Boundary should equate to the maximum level of external debt projected by this estimate. Thus, the Operational Boundary links directly to the Authority's plans for capital expenditure; its estimates of capital financing requirement; and its estimate of cash flow requirements for the year for all purposes. The Operational Boundary is a key management tool for in-year monitoring.

It will probably not be significant if the Operational Boundary is breached temporarily on occasions due to variations in cash flow. However, a sustained or regular trend above the Operational Boundary would be significant and should lead to further investigation and action as appropriate. Thus, both the Operational Boundary and the Authorised Limit will be based on the authority's plans. The authority will need to assure itself that these plans are affordable and prudent. The Authorised Limit will in addition need to provide headroom over and above the Operational Boundary enough for example for unusual cash movements.

### **Estimated external debt**

After the year end, the closing balance for actual gross borrowing plus (separately), other long-term liabilities are obtained directly from the local authority's Balance Sheet.

The prudential indicator for Estimated External Debt considers a single point in time and hence is only directly comparable to the Authorised Limit and Operational Boundary at that point in time. Actual external debt during the year can be compared.

### **Upper limit for total principal sums invested for over 364 days**

The authority will set an upper limit for each forward financial year period for the maturing of investments made for a period longer than 364 days. This indicator is referred to as the prudential limit for Principal Sums Invested for periods longer than 364 days.

The purpose of this indicator is so the authority can contain its exposure to the possibility of loss that might arise as a result of it having to seek early repayment or redemption of principal sums invested.

### **Maturity structure of new borrowing**

The authority will set for the forthcoming financial year both upper and lower limits with respect to the maturity structure of its borrowing. These indicators are referred to as the Upper and Lower limits respectively for the Maturity Structure of Borrowing.

### **Local Prudential Indicators**

The Council has not yet introduced Local Prudential Indicators to reflect local circumstances but will review on a regular basis the need for these in the future.

## APPENDIX 5

<b>COLLECTION FUND BUDGET 2022/23</b>	<b>2022/23 Budget Estimate £'000</b>
<b><u>EXPENDITURE</u></b>	
<b><u>COUNCIL TAX</u></b> (Surplus) / Deficit B/fwd	(14,791)
<u>Precepts:</u>	
• Mayoral General (including Fire Services)	13,138
• Mayoral Police & Crime Commissioner	29,136
• City of Manchester	196,706
Total Precepts	238,980
<b>Council Tax Total Expenditure</b>	<b>224,189</b>
<b><u>BUSINESS RATES</u></b> (Surplus) / Deficit B/fwd	102,369
<u>Payments/Transfers:</u>	
• Mayoral General (including Fire Services)	2,977
• City of Manchester	294,713
Total Payments/transfers	297,690
<b>Business Rates Total Expenditure</b>	<b>400,059</b>
<b>Collection Fund Total Expenditure</b>	<b>624,248</b>
<b><u>INCOME</u></b>	
<b><u>COUNCIL TAX</u></b>	
Council Tax Income	250,241
Write Off of uncollectable amounts	(980)
Allowance for Impairment	(10,281)
Council tax receivable	238,980
<u>Contribution of Council Tax (surplus) / deficit:</u>	
• Mayoral General (including Fire Services)	(745)
• Mayoral Police & Crime Commissioner	(1,788)
• City of Manchester	(12,258)
<i>(Includes one third of 2020/21 in year deficit)</i>	
Total Contribution to Council Tax (surplus) / deficit	(14,791)
<b>Council Tax Total Income</b>	<b>224,189</b>
<b><u>BUSINESS RATES</u></b>	
Non Domestic Business Rates Income	334,997
Enterprise Zone growth above baseline	(475)

<b>COLLECTION FUND BUDGET 2022/23</b>	<b>2022/23 Budget Estimate £'000</b>
Cost of Collection Allowance	(1,117)
Losses in Collection	(16,750)
Increase in Provision for Appeals	(18,965)
Business rates receivable	297,690
<u>Contribution of Business Rates (surplus) / deficit:</u>	
• Mayoral General (including Fire Services)	1,024
• City of Manchester	101,345
<i>(Includes one third of 2020/21 in year deficit)</i>	
Total Contribution to Business Rates (surplus) / deficit	102,369
<b>Business Rates Total Income</b>	<b>400,059</b>
<b>Collection Fund Total Income</b>	<b>624,248</b>
<b>MOVEMENT ON FUND BALANCE</b>	
Council Tax (Surplus) / Deficit C/fwd	0
Business Rates (Surplus) / Deficit Cfwd	0
<b>Collection Fund (Surplus) / Deficit</b>	<b>0</b>

## APPENDIX 6

**Proposed budget amendments**

**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. The Council will continue to ensure this is extended effectively.

The Council is 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, many residents on roads such as Weybridge Road, Chippenham Road, Woodward Street and the surrounding area have raised regular problems with parking. 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. Work will begin to bring forward a formal consultation with residents early in the new financial year.

The proceeds from developer contributions are yet to be agreed, they are expected to be in the region of £4m which could be used in part to fund a residents parking scheme. The forecast impact on the reserves position should this amendment be supported is shown below. The revenue budget will be updated at the point the reserves are drawn down.

Reserve	Forecast Closing Balance 31/03/22	Withdrawal	Addition	Closing Balance 31/03/23	Closing Balance 31/03/24	Closing Balance 31/03/25
	£000	£000	£000	£000	£000	£000
<b>Reserves Position per Appendix 2</b>	<b>471,887</b>	<b>(214,792)</b>	<b>60,633</b>	<b>317,728</b>	<b>230,284</b>	<b>195,829</b>
Potential revision to Capital Fund reserve		(4,000)	4,000	0	0	0
<b>Revised reserves position following amendment</b>	<b>471,887</b>	<b>(218,792)</b>	<b>64,633</b>	<b>317,728</b>	<b>230,284</b>	<b>195,829</b>

**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.

A budget of £960k to be allocated to enable the Council to continue the Parks in Partnership funding of £30k for each of the 32 wards of the city, for a further year, to be funded from 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.

The impact on the reserves position should this amendment be supported is shown Below. The revenue budget will be updated at the point the reserves are drawn down.

Reserve	Forecast Closing Balance 31/03/22	Withdrawal	Addition	Closing Balance 31/03/23	Closing Balance 31/03/24	Closing Balance 31/03/25
	£000	£000	£000	£000	£000	£000
<b>Reserves Position per Appendix 2</b>	<b>471,887</b>	(214,792)	60,633	317,728	230,284	195,829
Potential revision to Bus Lane Enforcement reserve	0	(1,000)	0	(1,000)	(1,000)	(1,000)
Potential revision to On Street Parking reserve	0	(960)	0	(960)	(960)	(960)
Potential revision to Business Rates reserve	0	(1,000)	0	(1,000)	(1,000)	(1,000)
<b>Revised reserves position following amendment</b>	<b>471,887</b>	<b>(217,752)</b>	<b>60,633</b>	<b>314,768</b>	<b>227,324</b>	<b>192,869</b>

Council should note that reserves have been built up over time, are earmarked for specific purposes and are required to be maintained at a sustainable level. To that end they can only be used once. The Council uses its reserves to support the budget strategy with some reserves earmarked to smooth some of the impact of funding changes and to invest in delivery capacity. It is important that a robust position is held on reserves and these are replenished as part of the budget strategy.