



Economy Scrutiny Committee

Date: Wednesday, 5 December 2018
Time: 2.00 pm
Venue: Council Antechamber, Level 2, Town Hall Extension

This is a **Revised Supplementary Agenda** containing further items of business (agenda items 5a and 5b) that are to be considered as part of agenda item 5 (Budget 2019/20 Refresh: Update for Scrutiny Committees) which were not available when the original agenda was published.

Access to the Council Antechamber

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Filming and broadcast of the meeting

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

Membership of the Economy Scrutiny Committee

Councillors - H Priest (Chair), Connolly, Davies, Douglas, Green, Hacking, Johns, Newman, Noor, C Paul, Raikes, Razaq, Shilton-Godwin, A Simcock and K Simcock

Revised Supplementary Agenda

1. Urgent Business

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

2. Appeals

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

3. Interests

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

4. Minutes

To approve as a correct record the minutes of the meeting held on 7 November 2018. **(Previously circulated)**

5. Budget 2019/20 Refresh: Update for Scrutiny Committees

The Committee will consider the reports detailed below as part of the 2019/20 budget refresh process

5a Update on Revenue Financial Strategy and Business Plan Process 2019/20

5 - 18

Report of the Chief Executive and City Treasurer

This report provides an update on the Council's financial position and sets out the next steps in the budget process, including scrutiny of the draft Budget proposals and Directorate Business Plan reports by this Committee.

The report also summarises Officer proposals for how the Council could deliver a balanced budget for 2019/20.

5b Strategic Development Business Planning: 2019/20

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Report of the Strategic Director (Development)

This report sets out in broad terms the Directorate's key priorities, key activities and revenue and capital strategy for 2019-20. It also sets out both the progress made to date in delivering the proposed savings as identified in the Business Plan for the period

2017-2020 and the Directorate's focus over the final year of the three year plan, in the context of current resources, challenges and opportunities.

- 6. Housing Affordability and affordable housing for vulnerable demographics**
Report to follow
- 7. Overview Report**
Report of the Governance and Scrutiny Support Unit (**Previously circulated**)
- 8. Manchester College Estates Strategy (Part A)**
Report to follow
- 9. Exclusion of Press and Public**
The officers consider that the following item contains exempt information as provided for in the Local Government Access to Information Act and that the public interest in maintaining the exemption outweighs the public interest in disclosing the information. The Committee is recommended to agree the necessary resolutions excluding the public from the meeting during consideration of this item.
- 10. Manchester College Estates Strategy (Part B)**
Report to follow

Information about the Committee

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

The Economy Scrutiny Committee has responsibility for looking at how the city's economy is growing and how Manchester people are benefiting from the growth.

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

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Smoking is not allowed in Council buildings.

Joanne Roney OBE
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Further Information

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

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This revised supplementary agenda was issued on **Thursday, 29 November 2018** by the Governance and Scrutiny Support Unit, Manchester City Council, Level 3, Town Hall Extension (Mount Street Elevation), Manchester M60 2LA

**Manchester City Council
Report for Information**

Report to: Health Scrutiny Committee – 4 December 2018
Children and Young People Scrutiny Committee – 4 December 2018
Neighbourhoods and Environment Scrutiny Committee – 5 December 2018
Economy Scrutiny Committee - 5 December 2018
Communities and Equalities Scrutiny Committee – 6 December 2018
Resources and Governance Scrutiny Committee – 6 December 2018

Subject: Update on Revenue Financial Strategy and Business Plan Process 2019/20

Report of: The Chief Executive and City Treasurer

Summary

This report provides an update on the Council's financial position and sets out the next steps in the budget process, including scrutiny of the draft Budget proposals and Directorate Business Plan reports by this Committee. The report also summarises the officer proposals for how the Council could deliver a balanced budget for 2019/20, the detail of which will be discussed at the relevant scrutiny committees.

Recommendations

The Committee is asked to consider and make recommendations to the Executive on the budget proposals which are within the remit of this Committee and to comment on initial Directorate Business Plans which have been designed to ensure the Council invests in the services that are valued by its residents achieving both high quality services and outcomes for residents, as well as a balanced budget.

Committee are asked to note that the joint funding for commissioning as part of the pooled budget for Health and Social Care will also need to be formally agreed at MHCC Board as part of finalising the budget.

Wards Affected: All

Contact Officers:

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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.

Suite of budget reports to Executive, 7 February 2018-
<https://secure.manchester.gov.uk/meetings/meeting/2997/executive>

Autumn Budget 2017, 29 October 2018 –
2018 Autumn Budget document is available on the Government's website
<https://www.gov.uk/government/publications/budget-2018-documents>

1 Overview

- 1.1 At its meeting on 8 February 2017, Executive agreed a three-year budget strategy for 2017-20. The financial position for years two and three of the strategy, 2018/19 and 2019/20 respectively, was adjusted to reflect changes arising from 2017/18. This included the financial benefits from the city's economic, population and housing growth. However, it also included the impact of austerity and a longer-living population, many with health problems and needing social care. The 2018/19 proposals therefore took into account the increase in demand for some services – adults and children's social care, support for homelessness and the need to reduce the impact of the reduction in government funding in some areas.
- 1.2 At its meeting on 7 February 2018, Executive agreed the final budget recommendations for 2018/19 to 2019/20 of three-year budget strategy for 2017-20. The budget was subsequently presented to Resources and Governance Scrutiny Committee on 20 February and approved by Council on 2 March 2018.
- 1.3 The three-year budget strategy followed consultation with Manchester people on what services matter most to them. The budget set reflected what Manchester people valued most, which was:
- care and support for vulnerable people including older people and those with learning disabilities and mental health needs;
 - taking action on family poverty and giving young people the best start in life;
 - tackling homelessness;
 - supporting people into jobs and training;
 - keeping roads and neighbourhoods in good shape; and
 - parks and leisure to keep people active and happy.
- 1.4 The 2017-20 budget also set out the changes required to make the savings and deliver what was agreed by:
- bringing health and social care services together,
 - supporting people earlier and more thoroughly so they will avoid more costly help later,
 - safely reducing the cost of children in care by finding more foster carers, and
 - changing the waste disposal arrangements to reduce costs.
- 1.5 The original revenue budget for 2018/19 totalled £576m. Of this, around 55% was invested in caring for our vulnerable adults and children; 10% for waste management including recycling, as well as looking after neighbourhoods including tackling fly-tipping, maintaining grounds and trees, trading standards and licensing; 11% to support the costs of investment in major projects; 9% on transport, roads and street lighting; 2% for supporting people in to work and training; 3% for libraries, culture, leisure, parks and open spaces. The remaining 10% is invested in supporting services that keep the City running

such as customer services, elections and IT and making sure that benefits and other payments are handled properly.

- 1.6 The Council also delivers major projects through a separate longer term capital strategy which is refreshed each year. The investment priorities are aligned to Our Manchester and also recognise the priorities that residents have identified; making Manchester an attractive place to live and further improving the quality of life for its residents - increasing their overall social and economic prospects and enabling them to fully participate in the life of the City.
- 1.7 The priority areas of investment agreed for 2017-20 included improving housing with care for older people, supported housing for adults with learning disabilities, building and refurbishing leisure centres, and improving the City's roads.
- 1.8 Building on the above, the Council's Executive has recently agreed a set of priorities which are also reflected in the Council's new Corporate Plan. These provide the framework for the refreshed business plans on the agenda for each Scrutiny Committee. The Corporate Plan has 15 key priorities (see also Appendix 1) which are based around the seven main themes of:
- **Young people** - *From day one, support Manchester's children to be safe, happy, healthy and successful, fulfilling their potential, and making sure they attend a school graded 'good' or better.*
 - **Healthy, cared-for people** - *Work with partners to enable people to be healthy and well. Support those who need it most, working with them to improve their lives.*
 - **Housing** - *Ensure delivery of the right mix of good-quality housing so that Mancunians have a good choice of quality homes*
 - **Neighbourhoods** - *Work with our city's communities to create and maintain clean and vibrant neighbourhoods that Mancunians can be proud of.*
 - **Connections** - *Connect Manchester people and places through good-quality roads, sustainable transport and better digital networks.*
 - **Growth that benefits everyone** - *To support our priorities, we need to continue to promote and drive sustained economic growth and job creation that benefits everyone.*
 - **Well-managed council** - *Support our people to be the best and make the most of our resources.*
- 1.9 The Chancellor's Autumn Statement has also been published and there is a separate paper on the agenda for the Resources and Governance Scrutiny Committee which covers the main details. Whilst the specific details of the overall funding for individual local authorities will not be known until the Local Government Finance Settlement which is due on 6 December, there are some funding announcements which have already been made. These have not yet been built into the budget for 2019/20 and include:

- a further £240m in 2019/20 for adult social care which equates to £2.667m for each year for Manchester - this follows the allocation of a similar amount in 2018/19,
- £410m Social Care grant in 2019/20 for adults and children's social care, Manchester's indicative amount is £4.555m,
- £420m in 2018/19 for potholes that will be allocated directly to highways authorities and must be spent prior to 31 March 2019. The allocation for Manchester is £1.686m.

2 The Original Revenue Budget Position 2019/20

2.1 2019/20 represents the third and final year of the Council's current three-year strategy. Last year the 2018-20 budget was refreshed to protect the City's most vulnerable but remained focused on delivering the overarching strategy.

2.2 The original budget for 2018/19 and 2019/20 as reported to Council in March 2018 has been restated for the implications of changes within 2018/19 including those listed below and these may also lead to some changes in 2019/20:

- the allocation of budgets originally held centrally for inflation (non-pay and pay, including meeting the minimum wage requirements), growth items and funding set aside for high risk areas to Directorate budgets;
- budget transfers between directorates

2.3 The updated position is as follows:

Table One: Updated Original Revenue Budget Position 2019/20

	Original 2018/19 £,000	Rebassed 2018/19 £,000	Original 2019/20 £,000	Rebassed 2019/20 £,000
Resources Available				
Business Rates Baseline	314,212	316,597	241,901	241,901
Business Rates Top Up	(16,630)	(19,015)	41,536	41,536
<i>Baseline Funding Level</i>	<i>297,582</i>	<i>297,582</i>	<i>283,437</i>	<i>283,437</i>
(Reduced) / Additional Business Rates Income	7,393	7,393	21,223	21,223
Business Rates Grants	19,778	19,778	15,535	15,535
Council Tax	154,070	154,070	161,723	161,723
Other non-ringfenced Grants	35,809	35,809	39,662	39,662
Dividends and Use of Reserves	53,342	53,342	53,342	53,342
Use of other Reserves	8,188	8,188	4,490	4,490
Resources to be identified	0	0	8,967	8,967
Total Resources Available	576,162	576,162	588,379	588,379
Resources Required				
<i>Corporate Costs:</i>				
Levies/Charges	68,045	67,945	68,862	68,762
Contingency	3,103	3,103	2,100	2,100
Capital Financing	44,582	44,507	44,582	44,507

	Original 2018/19 £,000	Rebassed 2018/19 £,000	Original 2019/20 £,000	Rebassed 2019/20 £,000
Transfer to Reserves	7,181	7,181	3,409	3,409
<i>Sub Total Corporate Costs</i>	<i>122,911</i>	<i>122,736</i>	<i>118,953</i>	<i>118,778</i>
<i>Directorate Costs:</i>				
Additional Allowances and other pension costs	10,183	10,030	10,183	10,030
Insurance Costs	2,004	2,004	2,004	2,004
Directorate Budgets	422,086	437,003	423,111	438,028
Inflationary Pressures and budgets to be allocated	18,978	4,389	34,128	19,539
<i>Total Directorate Costs</i>	<i>453,251</i>	<i>453,426</i>	<i>469,426</i>	<i>469,601</i>
Total Resources Required	576,162	576,162	588,379	588,379
Balance	0	0	0	0

2.4 The budget for 2019/20 identified a funding gap of £8.967m in 2019/20. The February 2018 report to Executive noted that this would need to be met from a combination of changes to business rates and commercial income, commissioning decisions, efficiencies and a further review of budget requirements.

3 The Revised Revenue Budget Position 2019/20

3.1 In July 2018, the Council reported an in-year overspend of £13.7m, this was reduced to £6.1m as reported to Executive in October through the recovery plans that were being implemented.

3.2 It is expected that the in-year position for 2018/19 will further improve through:

- continuing implementation of the recovery plans;
- effective use of any one-off resources
- further progress on the delivery of social care savings, recognising the ambitious targets in Social Care
- controls on spend

3.3 It is important that the Council works to set a sustainable budget position going forward in to 2019/20. The most significant risk to the budget position is the additional need arising from services such as Social Care and Homelessness, together with the non-achievement of planned savings, accepting that some savings may be delayed into future years. At present the full year effect of these budget pressures for 2019/20 is estimated at £12.686m which will further increase the original budget gap of £8.967m to £21.653m

3.4 To support the budget position and meet the identified pressures, there has been a full review of resources available, which has identified an additional

£4.930m, and further officer recovery proposals of £15.508m. These are set out later in the report.

- 3.5 Taken together this leaves a gap of £1.215m in 2019/20 as summarised in the table below.

Table Two: Revised Shortfall 2019/20

	2019/20 £m
Original 2019/20 Budget Gap	8.967
Additional Pressures	12.686
Initial Shortfall	21.653
Resource Review	(4.930)
Officer Recovery Proposals	(15.508)
Revised Shortfall	1.215

- 3.6 The options for closing this gap will include the application of the one-off grant for Adult and Children's Social Care announced for 2019/20 as part of the Chancellor's Autumn Budget 2018, taken together with any changes arising from the Local Government Finance Settlement and potential further changes to the resource position arising from Council Tax and Business Rates when the figures are finalised in January 2019.
- 3.7 The additional pressures and proposed recovery actions are set out in full in the Directorate Business Plan reports for consideration by the relevant Scrutiny Committee. The main areas are highlighted in the paragraphs below.

Additional Pressures (£12.686m)

- 3.8 **Children's Services (£6.039m).** This includes the planned use of £1m of inflation provision.
- 3.9 The 2017-20 budget strategy provided for an investment approach for Children's Services which was to be sustained from the savings delivered. This meant that as the non-recurrent resources reduced, the placement budgets for 2018/19 and 2019/20 would need to make savings in order to sustain the current spend on social work and Early Help.
- 3.10 Whilst the Investment Strategy has made considerable progress in reducing expensive placements, this has not been at the pace budgeted for and, in line with the national position, the service is experiencing continued need.
- 3.11 **Health and Social Care (£2.807m)** The financial plan has been updated to reflect revised timelines to deliver savings, mainly relating to New Care Models. The underlying assumptions are broadly in line with the approved business cases, but the phasing of the delivery of benefits has changed to reflect differences in mobilisation and implementation. This has led to a

pressure of £2.807m which will be mitigated within the directorate as set out in the Health and Social Care budget report.

3.12 Homelessness (£3.840m) The pressure is made up of:

- The demand for dispersed accommodation is continuing to rise at the current rate to 1,500 properties during 2019/20 - £1.3m.
- Bed and breakfast numbers being stabilised at existing levels from work ongoing to meet the need differently. The full year impact of current numbers would be an additional budget requirement of £1.740m.
- Additional capacity for Homelessness support to reduce caseloads - £0.8m.

Resources Review (£4.930m)

3.13 There has been a review of resources including an update to resources following the final Council Tax and Business Rates surpluses for 2017/18 and 2018/19 estimates; the announcement that Greater Manchester are to retain the 100% Business Rates pilot for 2019/20; completion of the latest Council Tax Base return and announcements on New Homes Bonus funding. These have a net impact of improving the position by £4.930m as follows:

- Council tax (£3.146m) Increased prior year surplus partly offset by slightly lower than forecast growth in Council Tax base.
- New Homes Bonus (£0.865m) - The estimate is based on the number of new properties as at October 2018. This assumes the government's growth threshold is increased to 0.8%, however, if it is retained at the current 0.4% a further £1m could be received. Confirmation is expected in early December.
- Business Rates (£0.919m) resulting from an increase in the prior year surplus and updated forecast income.

3.14 It is proposed that these additional resources are utilised to support the priority areas agreed with residents. However, further funding is required to deliver a balanced budget and Strategic Directors have put forward a number of recovery proposals to meet the budget requirement.

3.15 It should be noted that resources may change further following the Local Government Finance Settlement which is expected 6 December and confirmation of the forecast Council Tax and Business Rates positions in January 2019.

Officer recovery proposals (£15.508m)

3.16 One of the biggest risks to the delivery of any balanced budget is optimism bias in the level of savings achievable, any plan needs to be supported by evidence and be realistic. The proposals put forward are detailed in the individual Directorate Business Plans and involve:

- The requirement to identify some further savings/recovery proposals

- Allocation of any remaining unallocated and ongoing corporate budgets such as inflation to the best effect to address budget pressures
- Increasing the Looked After Children's (LAC) reserve from one-off income in order to support delivery of a revised strategy for Children's Services and address need. The detailed proposals will be presented to the Children and Young People Scrutiny Committee.

3.17 Officer proposals have been developed for detailed discussion at the relevant scrutiny committee, the table below summarises these by directorate. The recovery is being managed by careful application of the council's resources (£6.1m), risk share contribution from the pooled budget (£4m) and revised savings proposals (£5.4m). It is important to note that joint funding for commissioning as part of the pooled budget for Health and Social Care will need to be formally agreed at MHCC Board as part of finalising the budget.

Table Three: Officer Proposals by Directorate

Directorate	Proposed Savings £'000	Grant income and other resources £'000	Total 2019/20 Recovery £'000
Children's Services	776	3,000	3,776
Adult Social Care	1,625	5,382	7,007
Homelessness	440	1,400	1,840
Corporate Core	1,189	0	1,189
Neighbourhoods Directorate	376	300	676
Strategic Development	1,020	0	1,020
Total Directorate Budgets	5,426	10,082	15,508

4 Revised Position Budget Position 2019/20

- 4.1 Requests for additional funding to meet the spending proposals outlined in this report and detailed within Directorate Business and Budget Plans remain subject to Scrutiny and Executive consideration. Should all the requests and recovery proposals be agreed there will be a resource gap in 2019/20 of £1.2m.
- 4.2 As stated earlier in the report, the options for closing this gap will include the application of the one-off grant in 2019/20 for Adult and Children's Social Care announced as part of the Chancellor's Autumn Budget 2018 alongside the announcements arising from the Local Government Finance Settlement and potential further changes to resources from Council Tax and Business Rates which will be known in January 2019. A revised position will be brought forward as part of the updated budget proposals to be reported to Scrutiny Committees and Executive in February 2019.

Table Four: Proposed Revised Budget Position

	2018/19 £'000	2019/20 £'000
Resources Available		
Business Rates Baseline	316,597	323,290
Business Rates Top Up / (Tariff)	(19,015)	(39,853)
<i>Baseline Funding Level</i>	<i>297,582</i>	<i>283,437</i>
(Reduced) / Additional Business Rates Income	7,393	18,114
Business Rates Grants	19,778	19,563
Council Tax	154,070	164,869
Other non-ringfenced Grants	35,809	40,527
Dividends and Use of Airport Reserve	53,342	53,342
Use of other Reserves	8,188	4,490
Total Resources Available	576,162	584,342
Resources Required		
<i>Corporate Costs:</i>		
Levies/Charges	67,945	68,762
Contingency	3,103	2,100
Capital Financing	44,507	44,507
Transfer to Reserves	7,181	3,409
<i>Sub Total Corporate Costs</i>	<i>122,736</i>	<i>118,778</i>
<i>Directorate Costs:</i>		
Additional Allowances and other pension costs	10,030	10,030
Insurance Costs	2,004	2,004
Directorate Budgets	437,003	435,206
Inflationary Pressures and budgets to be allocated	4,389	19,539
<i>Total Directorate Costs</i>	<i>453,426</i>	<i>466,779</i>
Total Resources Required	576,162	585,557
Shortfall	0	1,215

5 Scrutiny of the Draft Budget Proposals and Directorate Budget reports

- 5.1 The Directorate Business Plans are attached for the Committee's consideration. These reports contain details of how the Directorate will support the delivery of the Council's priorities as set out in the Our Manchester Strategy.
- 5.2 The Committee is invited to consider the proposals which are within its remit, alongside the draft Directorate budget reports and business plans and to make recommendations to the Executive before it agrees the final budget proposals.

6 Next Steps

- 6.1 Recommendations from the Scrutiny Committees will be considered by Executive at its meeting in January 2019 when it considers the draft budget proposals. These will incorporate any changes arising from the Local Government Finance Settlement and other funding announcements which are expected in early December.
- 6.2 The Executive will agree its final budget recommendations on 13 February 2019.
- 6.3 These recommendations will be considered by the Resources and Governance Scrutiny Committee at its special budget meeting on Monday 25 February. Chairs of the other five Scrutiny Committees will be invited to attend this meeting to articulate the views of their Committee regarding the proposals. The Council will then make its final decisions and will set the budget on 8 March 2019.
- 6.4 The timeline is detailed below. It is aligned with MHCC funding announcements and approvals. The pooled budget for Health and Social Care will need to be formally agreed at MHCC Board as part of finalising the budget.

Table Five: Budget Timeline

Dates	Milestones
December 2018	Consider Autumn Budget announcements and Directorate Business Plans for 2019/20. Identify consultation requirements.
4-6 December	Scrutiny Committees will consider the draft budget report and Directorate business plan(s) relevant to their remit
Early December	Local Government (Provisional) Finance Settlement issued and other funding announcements
Mid December	Publication of health and care national guidance and funding settlement
16 January 2019	Executive to consider draft budget proposals.
5-7 February	Scrutiny Committees to consider the updated budget position and make recommendations to Executive (13 February) and then on to Council in March, taking into account any consultation feedback
8 March	Council - Budget Approval and Council Precept Approval 2019/20 MHCC - Approve Final Budgets for the Pool (27 March)

- 6.5 Early next year work will begin on the budget requirements for 2020/21 and beyond. This is in the context of considerable changes to Local Government

Funding including the outcome of the Spending Review, changes to how local government funding is distributed, changes to the Business Rates Retention scheme, and the Green Paper on the future of Adult Social Care funding and interaction with the NHS 10-year plan.

7 Conclusions

- 7.1 The Council remains committed to the priorities within the three-year strategy 2017-20 which followed consultation with Manchester people on what services matter most to them.
- 7.2 The proposed 2019/20 budget has been adjusted to reflect changes arising following the first two years of the strategy, including increased service need, partly met by financial benefits generated from the City's growth.
- 7.3 In July 2018, an in-year overspend of £13.7m was forecast for 2018/19, this was reduced to £6.1m as reported in October through recovery plans. Work is ongoing to close this further, including the effective use of one-off resources and continuing budgetary controls. The full-year effect of the position in 2018/19 has been reflected in the 2019/20 proposals.
- 7.4 The 2019/20 original gap of £8.967m could be reduced to £1.215m if the proposed actions set out in this report are supported. Consideration must be given to closing the remaining gap. Potential options include application of additional funding expected following the Autumn Budget announcements, confirmation of funding in the provisional finance settlement expected early December and any changes to Council Tax or Business Rates when figures are finalised in January.

8 Recommendations

- 8.1 The recommendations appear at the front of this report.

Appendix 1**Corporate Plan Priorities**

Theme	Priority
Young people <i>From day one, support Manchester's children to be safe, happy, healthy and successful, fulfilling their potential, and making sure they attend a school graded 'good' or better</i>	<ul style="list-style-type: none"> • Ensure all children have high-quality education
	<ul style="list-style-type: none"> • Support more Manchester children to have the best possible start in life and be ready for school and adulthood
	<ul style="list-style-type: none"> • Reduce the number of children needing a statutory service.
Healthy, cared-for people <i>Work with partners to enable people to be healthy and well. Support those who need it most, working with them to improve their lives</i>	<ul style="list-style-type: none"> • Support Mancunians to be healthy, well and safe
	<ul style="list-style-type: none"> • Improve health and reduce demand by integrating neighbourhood teams that are connected to other services and assets locally, delivering new models of care.
	<ul style="list-style-type: none"> • Reduce the number of people becoming homeless and enable better housing and better outcomes for those who are homeless.
Housing <i>Ensure delivery of the right mix of good-quality housing so that Mancunians have a good choice of quality homes</i>	<ul style="list-style-type: none"> • Accelerate and sustain delivery of more housing, with enough affordable housing for those on low and average incomes, and improved quality of housing.
Neighbourhoods <i>Work with our city's communities to create and maintain clean and vibrant neighbourhoods that Mancunians can be proud of</i>	<ul style="list-style-type: none"> • Enable clean, safe, vibrant neighbourhoods
	<ul style="list-style-type: none"> • Reduce greenhouse gas emissions and improve air quality.
Connections <i>Connect Manchester people and places through good-quality roads, sustainable transport and better digital networks</i>	<ul style="list-style-type: none"> • Improve public transport and highways, and make them more sustainable
	<ul style="list-style-type: none"> • Facilitate the development of the city's digital infrastructure, to enable delivery of transformed public services and support a thriving digital

Theme	Priority
	economy.
<p>Growth that benefits everyone <i>To support our priorities, we need to continue to promote and drive sustained economic growth and job creation that benefits everyone</i></p>	<ul style="list-style-type: none"> • Support good-quality job creation for residents, and effective pathways into those jobs.
<p>Well-managed council <i>Support our people to be the best and make the most of our resources</i></p>	<ul style="list-style-type: none"> • Facilitate economic growth of the city
	<ul style="list-style-type: none"> • Enable our workforce to be the best they can be through the Our People Strategy and Our Manchester behaviours
	<ul style="list-style-type: none"> • Balance our budget, including delivering savings, reducing demand through reform, and generating income.

**Manchester City Council
Report for Resolution**

Report to: Neighbourhoods and Environment Scrutiny Committee – 5 December 2018
Economy Scrutiny Committee - 5 December 2018
Resources and Governance Scrutiny Committee - 6 December 2018

Subject: Strategic Development Business Planning: 2019-2020

Report of: Strategic Director (Development)

Summary

This report sets out in broad terms the directorate's key priorities, key activities and revenue and capital strategy for 2019-20.

In the Business Plan for the period 2017-2020, directorates set out their proposed savings in the context of their objectives. This report sets out both the progress made to date in delivering these savings and the directorate's focus over the final year of the three year plan. This report is a refresh of the directorate's Business Plan for 2018-20 in the context of current resources, challenges and opportunities.

Taken together, the directorate business plans show how the directorates will work together and with partners to deliver Our Plan and progress towards the vision set out in the Our Manchester Strategy.

Recommendations

The Committee is invited to review and comment on the initial draft Strategic Development Business Plan. The plan will be developed further taking the Committee's comments into account, and a revised plan will be submitted to the Committee's meeting in February 2019.

Wards Affected: All

Manchester Strategy Outcomes	Summary of the Contribution to the Strategy
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	Providing leadership to support, promote and drive the role and continuing growth of the city centre as a major regional, national and international economic driver; as the main focus for employment growth through a strengthening and diversification of its economic base and through the efficient use of land.

<p>A highly skilled city: world class and home grown talent sustaining the city's economic success</p>	<p>Supporting the delivery of a Schools Capital Programme which will provide new and expanded high quality primary and secondary school facilities for a growing population through the identification of suitable sites which can support our wider transformation proposals for neighbourhoods in the city. Work and Skills are supporting the Manchester College to develop a City Centre campus to deliver higher level skills required by the City's growth sectors. Manchester Adult Education are raising skill levels of Manchester residents and ensuring they are connected to education and employment opportunities across the City.</p>
<p>A progressive and equitable city: making a positive contribution by unlocking the potential of our communities</p>	<p>Creating places where residents and partners actively demonstrate the principles of Our Manchester. Providing opportunities for our residents furthest from the labour market to access work, skills & progression opportunities.</p>
<p>A liveable and low carbon city: a destination of choice to live, visit, work</p>	<p>Actively manage the impact of a growing population and economy to minimise the city's carbon emissions through planning and working with partners across the City to move towards becoming a zero carbon city by 2038.</p>
<p>A connected city: world class infrastructure and connectivity to drive growth</p>	<p>Contribution to population and economic growth by providing an expanded, diverse, high quality housing offer that is attractive, affordable and helps retain residents in the City, ensuring that the growth is in sustainable locations supported by local services, an attractive neighbourhood and the provision of new and enhanced physical and digital infrastructure.</p>

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

- Equal Opportunities
- Risk Management
- Legal Considerations

Financial Consequences for the Capital and Revenue Budgets

The proposals set out in this report will be considered in preparation for the draft revenue budget submitted to the Executive on 13 February 2019.

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Background documents (available for public inspection):

- Strategic Development Budget and Business Plan: 2017/18 -2019/20 - Executive – 8 February 2017
- Strategic Development Budget and Business Planning: 2018-2020 - Executive - 7th February 2018

1. Introduction

- 1.1. This report sets out in broad terms the directorate's key priorities, key activities and draft revenue and capital strategy for 2019/20. It is a refresh of the directorate's Business Plan for 2018-20 in the context of changing resources, challenges and opportunities.
- 1.2. In the Business Plan for the period 2017-2020, directorates set out their proposed savings in the context of their objectives. This report sets out both the progress made to date in delivering these savings and the directorate's focus over the final year of the three year plan.
- 1.3. Taken together, the directorate business plans show how the different parts of the Council will work together and with partners to progress towards the vision set out in the Our Manchester Strategy.

2. The Directorate Business Plan

- 2.1. The Directorate Business Plan is set out from paragraph three below and includes:
 - A description of the contribution that the directorate makes to delivery of our Corporate Plan priorities
 - The directorate's vision and objectives
 - A self-assessment of the directorate's key challenges for 2019/20
 - The revenue strategy
 - The capital strategy/programme
 - Other considerations
- 2.2. This represents the initial draft business plan for the Directorate. A more detailed plan will be submitted to Scrutiny Committees and Executive in February which will update the position and take into account the comments of this Committee.

3. Delivering Our Plan

- 3.1 The Directorate has a pivotal role in driving the **sustainable economic growth of the city** by securing new commercial development, attracting inward investment and generating employment growth across the city. Along with providing leadership to the Council's Housing function, Strategic Development is delivering the City Council's Residential Growth Strategy which underpins the city's economic growth trajectory. The management of the City Council's land and property assets to promote growth is closely aligned with the management of the City Council's operational and investment estates. In July 2018 the Directorate expanded to include the planning, building control and licensing functions to enhance the strategic planning and place shaping function. Additionally, Work and Skills and Adult Education services joined the directorate to ensure that **Manchester residents directly benefit from the economic growth and development of the city and associated jobs creation.**

- 3.2 The Directorate also works with a range of stakeholders to enable people to better support their **children's learning, fulfilling their potential** and to be active citizens contributing in their communities. For an increasing number of residents, this means support to manage the impact of welfare reform and transition to universal credit.
- 3.3 Strategic Development has the central role in **ensuring the delivery of the right mix of good quality and affordable housing for Manchester residents to have a good choice of quality homes. We will accelerate and sustain the delivery of more housing, including enough which is affordable for our residents on low and average incomes** and will intervene, where necessary, to speed up the delivery of housing across the city, including developing homes ourselves.
- 3.4 The directorate recognises that we have a responsibility to support some of our most vulnerable residents, those at risk of, or **experiencing homelessness, and we are dedicated to enabling better housing options and better outcomes**. The review of the Allocations Scheme is to ensure that the correct level of rehousing priority is given to vulnerable people.
- 3.5 The Directorate also works directly with colleagues in the Neighbourhoods Directorate in the planning and delivery of new **neighbourhoods** making sure these meet the needs of our diverse and complex communities. As the Directorate with the key role for creating places where people will live or work our developments must consider the impact on **highways, connectivity**, and neighbourhoods management services (such as waste collections). We work proactively in partnership with businesses, residents and partners to make sure our developments meet local needs to deliver neighbourhoods people want to live in.
- 3.6 The directorate strives to be **well managed, to balance our budgets** and to provide additional efficiencies and **increase income** from the council's property portfolio to help underpin the council's budget.
- 3.7 The Directorate also actively progresses the Our Ways of Working through the ongoing review and rationalisation of our operational estate, which the council uses to deliver all of its services from, to provide a more efficient asset base with a reduced carbon footprint. We constantly review our operational estate to ensure the Directorates have the right building assets to deliver quality services and deliver the Corporate Plan. We also actively encourage our teams to work differently, and in an agile and flexible way as part of demonstrating our commitment to Our Ways of Working.
- 3.8 The **Our Manchester approach** is at the heart of how we work. As a directorate we are committed to put people at the centre of everything we do, recognising that people are more important than processes, procedures or organisational boundaries. We are committed to listening, then learning, then responding to the needs of our residents and creating the capacity, interest, enthusiasm and expertise for individuals and communities to do things for themselves. We are committed to working together more, by building long

term relationships and having honest conversations which give a say and role to both those who need services and those who provide them.

4. Vision and Objectives: Building Manchester's Future

- 4.1 The Strategic Development Directorate seeks to drive effective place making and facilitating the economic growth of the city by creating the necessary conditions needed to promote strong growth in commercial, residential, retail and leisure related development in the city, stimulating new employment, new homes and broadening the City Council's tax base. To ensure that all Manchester residents benefit from this growth by providing good quality training and job creation and developing effective pathways for residents into these jobs.
- 4.2 Together with the other Directorates of the Council, Strategic Development will deliver the shared vision and objectives set out in the Our Manchester Strategy and the Corporate Plan. The specific objectives for Strategic Development are:-

Growth that Benefits Everyone: Facilitating the Economic Growth of the City

- The continuing sustainable growth of the city centre as a major regional, national and international economic driver; ensuring growth through efficient use of land for commercial led development opportunities, such as: the Airport City Enterprise Zone; the Didsbury Technology Park; the Eastern Gateway and the Etihad Campus; St John's Quarter, Mayfield, Manchester Science Park and the Corridor Enterprise Zone;
- Uphold Manchester's attractiveness as an investment opportunity for new commercial, residential and other development opportunities;
- Maintain and build confidence in Manchester's reputation as a destination City through the growth and improvement of its retail provision, the opportunities presented by its diverse cultural, sporting and leisure offer, together with its civic functions as a focus for residents and visitors;
- Ensuring residents, neighbourhoods, businesses and goods can connect to local, national and international markets. Through working with partners both internally and externally maximise the impact of the provision of new and enhanced physical and digital infrastructure such as High Speed Rail (HS2, Northern Powerhouse Rail and Northern Hub), bus reform, and new walking and cycling infrastructure;
- Utilise the city centre developments, coupled with strengthening and diversifying the city's economic base, to drive new employment growth. Provide businesses with the opportunities to grow and re-invest in Manchester as their City of choice through the provision of new workspace across the city; and

- Support businesses to grow and re-invest in Manchester as their city of choice through a quality business support offer; local recruitment and contributing to social and environmental outcomes.

Growth that Benefits Everyone: Pathways to Good Quality Job Creation for Residents

- Maximise employment opportunities for Manchester residents, leveraging, in particular, where the City Council has a partnering, land ownership, investment, procurement or commissioning role;
- Ensure that business start-up and growth services deliver a quality offer for the City's businesses and facilitate more of the City's residents to start a business or pursue self-employment;
- To improve the skills and qualifications of adults in Manchester, working with partners to commission and deliver integrated services that support residents into employment;
- Simplify the skills offer and pathways for residents from all backgrounds to lead to sustainable jobs and careers progression, working with colleges and training providers to provide quality post-16 education and training with an accessible learning offer for all and clear routes to centres of excellence providing higher level and technical skills linked to the City's growth sectors;
- Improved careers advice based on real labour market information and continued work with schools and colleges to ensure that there are a range of positive pathways that provide young people with the skills and attributes needed to successfully compete in the labour market; and
- Embed work as an outcome across the City's reform programmes and continue to work with Working Well and the health system more broadly to support more people with underlying health conditions into sustainable and quality work.

Housing: The right mix of good quality affordable Housing

- Create places where people want to live in good quality housing with diverse tenures; inclusive neighbourhoods with a good social, economic, cultural offer and visitor offer;
- Promote new developments that support our environmental objectives associated with a zero carbon city;
- Contribute to population and economic growth by providing an expanded, diverse, high quality housing offer that is attractive, affordable and helps attract and retain residents in the City, ensuring that the growth is in sustainable locations supported by local services, an attractive neighbourhood and the public transport infrastructure;

- Explore and exploit the opportunities of new technologies including offsite construction to accelerate and sustain the delivery of more high quality and affordable housing; and
- Work with colleagues in Adult and Children's Services to deliver housing solutions for some of the most vulnerable residents in the city, including people who are homeless, people with a learning disability, older people and Our Children (who have been in the care of the Local Authority).

Young People: Supporting Children to have the best possible start in life

- Support the implementation of the City's Family Poverty Strategy, using an "Our Manchester" approach to engage with families and neighbourhoods, where a disproportionate number of our children and young people grow up in poverty.

Healthy Cared for People

- Utilising our operational estate to enable integrated neighbourhood working by connecting teams to other services and assets locally.

Neighbourhoods: Reduce Greenhouse gas emissions

- Supporting Manchester's commitment to be a zero carbon city by 2038 by reducing the Councils direct CO2 emissions through continued rationalisation of the operational building estate and improving energy efficiency in council owned buildings; and
- Leading and influencing others to reduce CO2 emissions in industry, commercial and residential sectors through developing planning policy and influencing contractors through procurement and commissioning.

5. Self-Assessment/Key Challenges

- 5.1 In order to facilitate and support the delivery of these priorities for the City and its residents, the Directorates will also need to address some key challenges.

The Investment Estate

- 5.2 Although Strategic Development will deliver its budget requirements, and during 2018/19 has increased income from the investment property estate to support the overall council budget position, the task of delivering both the budget requirements for 2019/20 and securing additional income from our property estate will continue to remain a key challenge for the Directorate. As such a key challenge for the future is continuing to strengthen the performance of the council property estate that comprises around 4,300 separate interests that create income. New opportunities to generate long term income will continue to be explored and evaluated along with ongoing reviews to ensure costs against the estate are controlled.

The Operational Estate

- 5.3 In respect of the Council's land and property estate that is used to deliver Council services from the team that is responsible for this operational estate will continue to make best use of the total collective public and community assets (Council and other publically owned assets) to support estates transformation and deliver modern efficient services to our residents and businesses. To support this Operational Estate Strategy and its associated capital investment needs will support key Council priorities such as the ambition of a zero carbon city. The Operational Estate accounts for 3% of the City's CO2 emissions; the latest data for 2017/18 showed that the Council's total direct CO2 emissions had reduced by 33.8% since 2009/10, putting the Council on target for a 41% reduction by 2020.

Commercial and Housing Development

- 5.4 In addition to the very direct contributions to supporting the Council's wider budget position the Directorate has a central role in facilitating the growth of the Council's business rate and council tax base, on which the Council's budget is becoming increasingly reliant. Looking forwards the uncertainty arising out of the June 2016 referendum decision to leave the European Union, and the current lack of clarity as to the precise detail on what BREXIT will be, has the potential to slow down investment decisions in new development.
- 5.5 Any slowdown will manifest itself within the Council through a reduction in the number of planning applications made with a consequent impact on planning fee income. The Planning Service is predominantly funded through the planning fees and this income is volatile. Although in recent years planning fee income has exceeded target, this cannot be guaranteed going forward. In 2016/17 it was agreed to set up a reserve to enable smoothing of planning fee income if planning fee income reduces; the reserve is currently £1.561m. Planning fee rates are set nationally, and in January 2018 a 20% increase was applied on condition that this is re-invested into improving planning services. To manage this there will be a review of all Planning fee income.
- 5.6 In respect of sustaining the delivery of new housing in the city and the expansion of new affordable housing across the city there will be a requirement to address the organisational capacity issues needed to ensure the housing pipeline in the city is sustained. In light of both the uncertainties that may arise from BREXIT and the need to actively drive forward new affordable homes programmes in the city additional staffing capacity in Strategic Development, Legal Services and Planning is currently being reviewed.

Work & Skills

- 5.7 In terms of connecting our residents to the job opportunities being created in the city and the rest of the conurbation the Work & Skills and MAES team play a key role in ensuring that these outcomes are secured. The 2018 State of the City Report highlighted the key Challenge in ensuring that Manchester

residents directly benefit from the economic growth of the city, and in particular, that report has shown that 1 in 4 people aged 50-64 are accessing out of work benefits with health featuring as a major challenge. The Work and Skills and MAES team will be embedding this into the work programmes.

Directorate Wide

- 5.8 Over recent years we have reviewed the approach to commissioning and contracts supporting our partners and the broader supply chain, delivering services on our behalf, to explore the added social value they can contribute to the city.
- 5.9 The directorate needs to ensure it has the capacity to deliver the Council's affordable housing strategy and other strategic development opportunities; therefore a review of resources will be completed with a view to increasing its establishment especially within the Housing and Residential Growth teams.
- 5.10 The Directorate has been committed to enabling the workforce to be more resilient, effective, creative, ambitious and innovative through embedding Our Manchester and developing a culture of trust, honesty and empowerment is critical and we are committed to plan for the future workforce. There is a commitment to ensure staff are equipped with the skills and knowledge needed to be able to work in an Our Manchester way. To date, 287 staff have attended the Listening in Action events, and 110 have attended the Our Manchester experience. The directorate has already exceeded apprenticeship commitments for the year.
- 5.11 We are supporting our managers through Our Manchester Leadership and Raising the Bar training, of which 32 and 77 staff have completed respectively. Strategic Development now has the lowest absence levels in the Council and its use of agency staff is comparatively low.
- 5.12 It is essential that we continue to embed the Our Manchester approach and behaviours throughout the workforce and in the services approach to delivery. The Directorate continues to deliver a programme of engagement activities including large scales staff conferences, service specific away days and team huddles. The most recent staff conference focused on 'Our Manchester in Action' which was well received by staff with 73% of attendees providing feedback, 97% were satisfied with the event and 88% said it was relevant and helpful for their job. The staff engagement survey results from 2018 placed the Directorate in the 'One to Watch Category' and revealed that employees wanted greater opportunity for development opportunities which is being addressed through the Workforce Development Group with a focus on 'skills for growth' and innovation to support the development of the key priorities.
- 5.13 A challenge for the directorate is communicating and engaging with front line staff employed within Facilities Management Services that have limited or no access to work emails, computers, e-learning and difficulties being released from frontline duties to attend training sessions. Plans are currently being

developed within the service to establish a bespoke solution to meet this challenge.

- 5.14 Supporting our ways of working also remains a priority, we intend to increase productivity amongst staff within the directorate through adopting leaner support systems and processes (ICT, HROD, and Finance) which enable efficient working, whilst also ensuring we have appropriate oversight and governance arrangements in place.

6. Revenue Strategy

- 6.1 The Strategic Development Directorate has a gross budget of £53.926m and a net budget of £7.410m, with 668 FTE's. The breakdown of both budget and FTE's by service area is set out in the table below:-

Table 1: 2018/19 Base budget

Service Area	2018/19 Gross Budget £'000	2018/19 Net Budget £'000	2018/19 Budgeted Posts (FTE) FTE
Operational Property	8,029	7100	33
Facilities Management	10,754	9,065	183
Investment Estate	7,042	(12,290)	27
Strategic Development	690	323	4
City Centre Regeneration	1,311	425	10
Housing & Residential Growth	2,983	1,577	34
Planning, Building Control & Licensing	6,830	(513)	128
Work and Skills	1,761	1,723	24
Manchester Adult Education Service	10,308	0	219
Our Town Hall Project	4,218	0	6
Total	53,926	7,410	668

- 6.2 As part of the original three year budget proposals savings of £433k were identified for delivery in 2017/18, and all have successfully been delivered with the exception of the £250k procurement savings on security and repairs and maintenance. Both these contracts are currently being re procured and the savings are now expected to be achieved in 2019/20 following completion of the procurement exercise.
- 6.3 In order to ensure that the City Council's advertising portfolio is managed effectively, and any opportunities for improved co-ordination of advertising across the City are maximised all the advertising contracts will be consolidated and managed within the Investment estate. In doing this the already approved

£0.7m saving to be achieved from the re procurement of the on street advertising sites has transferred from Highways to Strategic Development. The new contract will commence in September 2019, and the risk of delivering the savings in year will become clearer once the procurement exercise is complete.

- 6.4 As part of the work to review budgets and identify proposals to support the wider Council budgets, Strategic Development has identified savings proposals of £1.02m, these comprise of increased and the details are set out in the table below.

Strategic Development Proposed Savings 2019/20	19/20 £000's
Building Control - Increase recharge income	20
Investment Estate - Additional Lease income for car parking land	1,000
Total	1,020

- 6.5 There remains an ongoing risk in relation to the operational and investment estate budgets, and the Strategic Development service continually look at ways to effectively manage the estate through regular reviews of rents, leases and service charges whilst maximising occupancy.

7. Capital Strategy / Programme

- 7.1 The capital programme for Strategic Development totals £651.7m over the period 2018/19 -2023/24, this includes the Cultural programme, the Town Hall refurbishment, funding to support the Council's corporate estate, regeneration funding, and private sector housing. A summary of the current capital budget is shown in the table below, with the detailed projects shown in appendix 2:

	2018/19 £m's	2019/20 £m's	2020/21 £m's	2021/22 £m's	Future £m's	Total £m's
Culture	27.6	59.6	37.9	1.7	0.0	126.8
Our Town Hall	11.6	26.5	73.2	107.8	82.3	301.4
Corporate Estates	72.5	41.1	24.2	12.6	0.0	150.4
Development	43.8	20.9	8.4	0.0	0.0	73.1
Private Sector Housing	25.3	26.6	29.1	8.2	7.5	96.7
Total	180.8	174.7	172.8	130.3	89.8	748.4

- 7.2 During 2018/19 work has progressed on the Factory cultural venue, particularly in regard to design and acquisition of land, and this will continue prior to the build programme commencing. The design team for the Town Hall project have been appointed, and the procurement of the management contractor is progressing.

- 7.3 The rolling Asset Management Plan has been ongoing, and the Council has acquired a number of strategic sites including the Spire hospital site. The

refurbishment of Heron House is well underway and tenants are expected to move in during 2019/20, and the wider Estates Transformation plan has progressed with proposals brought forward for the refurbishment of Hulme District Office and Alexandra House, to support the corporate estate.

- 7.4 Design works for the Civic Quarter Heat Network, including resolution of legal issues regarding the structure of the finance model, have progressed and it is expected that construction will commence in 2019/20. The expansion of the City's digital base at One Central Park is ongoing.
- 7.5 Within Private Sector Housing, work on the Extra Care programme has continued, as has the regeneration project at Ben Street. Providing adaptations work through the Disabled Facilities Grant has also been ongoing. Proposals to bring into use empty houses and to provide accommodation for homeless families are being developed.

8. Other Considerations

- 8.1 It should be noted that any changes proposed from business plans may require public consultation depending on their nature and impact on services. There remains a statutory requirement to consult business rate payers each year as part of the budget setting process.
- 8.2 The business plans submitted to Executive and Scrutiny Committees in February will include a full description of consultation and conversation with partners and other stakeholders that have taken place to develop the budget proposals, as well as the potential impact of proposals on different communities in Manchester and outcomes of equality analysis carried out and future Equality Impact Assessments required. Workforce implications will also be considered, including any required reduction in budgeted posts as well as strategic workforce development objectives for the Directorate.

Appendix 1 - Strategic Development Revenue Financial Plan

Subjective Heading	2018-2019 Budget £'000	2019-2020 Indicative Budget £'000
Expenditure:		
Employees	22,233	22,233
Running Expenses	38,556	38,556
Capital Financing Costs	237	237
Contribution to reserves	62	62
Total Subjective Expenditure	61,088	61,088
Less:		
Other Internal sales	(7,164)	(7,184)
Gross Expenditure	53,924	53,904
Income:		
Government Grants	(10,328)	(10,328)
Contributions from Reserves	(6,383)	(6,383)
Other Grants Reimbursements and Contributions	(152)	(152)
Customer and Client Receipts	(29,651)	(31,351)
Other Income		
Net Budget Strategic Development	7,410	5,690

Service Area	Approved MTFP			19/20 Net Budget £'000	19/20 Identified pressures £'000	19/20 Recovery proposals £'000	Proposed 19/20 Net Budget £'000
	18/19 Net Budget £'000	Approved savings £'000	Investment and other changes £'000				
Operational Property	7,100			7,100			7,100
Facilities Management	9,065			9,065			9,065
Investment Estate	(12,290)	(700)		(12,990)		(1,000)	(13,990)
Strategic Development	323			323			323
City Centre Regeneration	425			425			425
Housing & Residential Growth	1,577			1,577			1,577
Planning, Building Control & Licensing	(513)			(513)		(20)	(533)
Work and Skills	1,723			1,723			1,723
MAES	0			0			0
Our Town Hall	0			0			0
Total Strategic Development	7,410	(700)	0	6,710	0	(1,020)	5,690

Appendix 2 - Capital Strategy / Programme table

Project Name	18/19 £000's	19/20 £000's	20/21 £000's	21/22 £000's	Future £000's	Total £000's
Cultural Programme						
First Street Cultural Facility	12	0	0	0	0	12
The Factory (Build)	24,509	58,209	37,900	1,734	0	122,352
The Factory (Public Realm)	3,025	1,425	0	0	0	4,450
Town Hall Refurbishment Programme						
Our Town Hall refurbishment	11,565	26,520	73,198	107,834	82,276	301,393
Corporate Estates Programme						
Asset Management Programme	16,166	7,110	7,100	6,690	0	37,066
Strategic Acquisitions Programme	15,914	3,000	3,000	3,000	0	24,914
Town Hall Complex Transformation Programme	67	0	0	0	0	67
Hammerstone Road Depot	1,075	6,940	6,940	7	0	14,962
Heron House	14,380	0	0	0	0	14,380
Registrars	1,400	0	0	0	0	1,400
Carbon Reduction Programme	100	9,790	0	0	0	9,890
Civic Quarter Heat Network	15,000	9,000	2,000	0	0	26,000
Lincoln Square	0	0	1,200	0	0	1,200
Brazenose House	678	0	0	0	0	678
Estates Transformation	0	215	0	585	0	800
Estates Transformation - Hulme District Office	4,680	234	0	0	0	4,914
Estates Transformation - Alexandra House	885	4,790	4,000	2,325	0	12,000
Ross Place Refurbishment	2,120	0	0	0	0	2,120
Development Programme						
The Space Project - Phase 2	1,085	0	0	0	0	1,085
The Sharp Project	600	0	0	0	0	600
Digital Asset Base - One Central Park	9,443	620	0	0	0	10,063
Sustaining Key Initiatives	0	5,200	8,400	0	0	13,600
New Smithfield Market	32	468	0	0	0	500
Beswick Community Hub - Highway and Public Realm	2	0	0	0	0	2
Eastern Gateway - Central Retail Park	1,312	2,000	0	0	0	3,312
Eastern Gateway - New Islington Marina	4,036	1,081	15	0	0	5,132
Hall and Rogers	346	0	0	0	0	346
Collyhurst Police Station liabilities	844	0	0	0	0	844
Northern Gateway	15,000	10,000	0	0	0	25,000
Hulme Hall Rd Lighting	39	0	0	0	0	39
ST Peter's Square	602	400	0	0	0	1,002
Medieval Quarter Public Realm	862	1,126	0	0	0	1,988
City Labs 2	3,675	0	0	0	0	3,675
Airport City Power Infrastructure (EZ)	2,440	0	0	0	0	2,440
Digital Business Incubators	3,500	0	0	0	0	3,500

Project Name	18/19 £000's	19/20 £000's	20/21 £000's	21/22 £000's	Future £000's	Total £000's
Private Sector Housing Programme						
Brunswick PFI Land Assembly	2,460	1,726	737	0	0	4,923
Collyhurst Regeneration	10	678	4,265	0	0	4,953
Collyhurst Environmentals	30	97	0	0	0	127
Site Investigation and Early Works HIF Pilot Sites	286	141	155	0	0	582
Miles Platting PFI Land Assembly	210	677	0	0	0	887
Disabled Facilities Grant	7,184	7,929	6,200	6,200	0	27,513
Toxteth St CPO & environmental works	73	141	0	0	0	214
Bell Crescent CPO	0	482	0	0	0	482
HCA Empty Homes Cluster Phase 2	90	801	891	0	0	1,782
Empty Homes Scheme (Adactus)	2,000	0	0	0	0	2,000
Redrow Development Phase 2 onward	300	0	0	0	0	300
West Gorton Compensation	0	4	0	0	0	4
West Gorton Ph 2A Demolition & Commercial Acquisitions	10	490	904	0	0	1,404
Armitage Nursery & Community Facility	1,215	2,160	0	0	0	3,375
HMRP	56	50	40	0	0	146
Collyhurst Acquisition & Demolition	5	661	0	0	0	666
Extra Care	3,555	2,445	0	0	0	6,000
Moston Lane Acquisitions	0	0	0	0	7,500	7,500
Equity Loans	0	0	397	0	0	397
West Gorton Community Park	514	1,336	0	0	0	1,850
Ben St. Regeneration	5,574	556	6,877	0	0	13,007
Homelessness	1,540	3,460	0	0	0	5,000
Marginal Viability Fund - New Victoria	0	1,827	6,263	1,984	0	10,074
Marginal Viability Fund - Bowes Street	0	929	2,385	0	0	3,314
Rent to Purchase	203	0	0	0	0	203
Total Strategic Development Programme	180,709	174,718	172,867	130,359	89,776	748,429

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