



Resources and Governance Scrutiny Committee

Date: Tuesday, 8 November 2022

Time: 2.00 pm

Venue: Council Antechamber, Level 2, Town Hall Extension

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

Access to the Antechamber

Public access to the Council Antechamber is on Level 2 of the Town Hall Extension, using the lift or stairs in the lobby of the Mount Street entrance to the Extension.

Filming and broadcast of the meeting

Meetings of the Resources and Governance 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 Resources and Governance Scrutiny Committee

Councillors - Simcock (Chair), Andrews, Davies, Good, Kirkpatrick, Lanchbury, B Priest, Rowles and Wheeler

Supplementary Agenda

5. **[14.05-14.50] Workforce Equality Strategy Implementation Update** 5 - 38
Refreshed presentation slides.

7. **[15.20-15.50] Revenue Budget Update** 39 - 60
Report of the Deputy Chief Executive and City Treasurer.

The Council is forecasting an estimated budget shortfall of £44m in 2023/24, £85m in 2024/25, and £112m by 2025/26. After the use of c£16m smoothing reserves in each of the three years, this reduces to £28m in 2023/24, £69m in 2024/25 and £96m by 2025/26. Officers have identified potential savings options to reduce the budget gap totalling £42.3m over three years.

This report sets out the priorities for the services in the remit of this committee and details the initial revenue budget changes proposed by officers.

Even after these proposals there remains a budget gap of £7m to close to get to a balanced budget in 2023/24 and further savings and cuts options will be required to be worked between now and January and be reported back to Scrutiny committees in February. Each scrutiny committee is invited to consider the current proposed changes which are within its remit and to make recommendations to the Executive before it agrees to the final budget proposals in February 2023.

- 7a. **[15.20-15.50] Corporate Core Budget Proposal 2023/24** 61 - 86
Report of the Deputy Chief Executive and City Treasurer, City Solicitor and Assistant Chief Executive.

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recommendations to the Executive before it agrees to the final budget proposals in February 2023.

Further Information

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

Charlotte Lynch
Tel: 0161 219 2119
Email: charlotte.lynch@manchester.gov.uk

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

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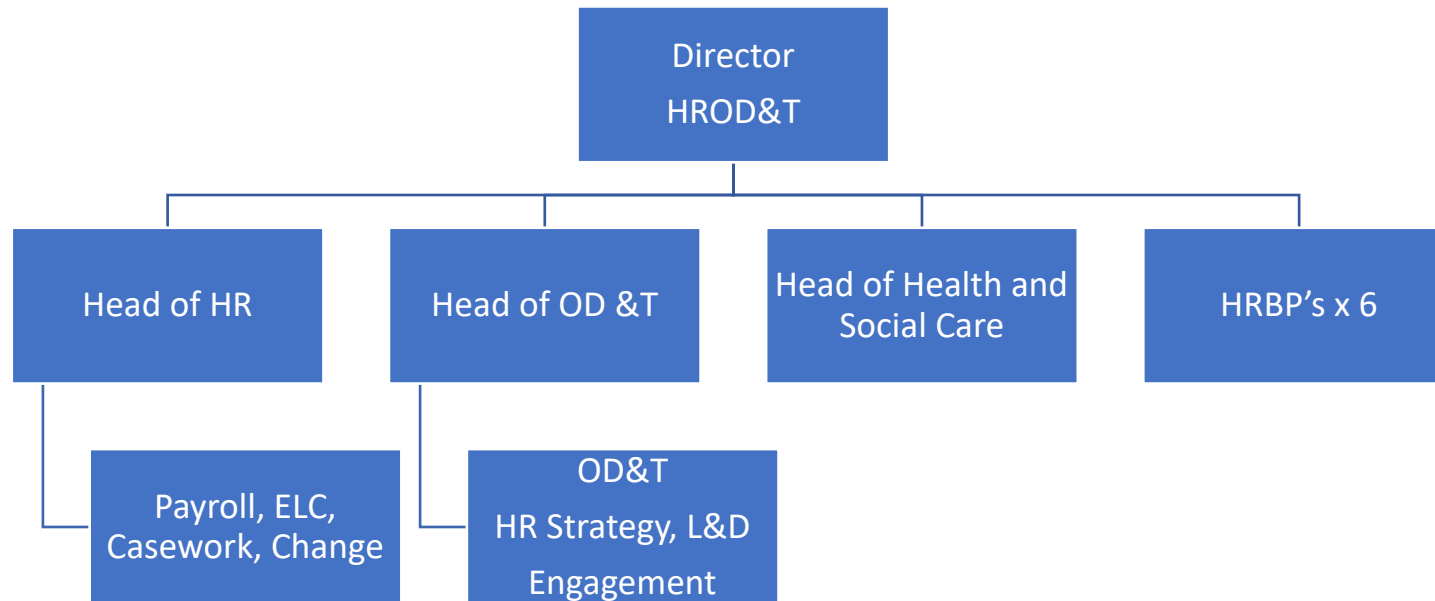
Update on **Workforce Equality**

November 2022

Context

This is an update on progress with the Workforce Equality Strategy since it last came to RAGOS in October 2021, so is a year in review. Not the subject of this report but for information;

Page 6



There are 137 posts in HROD,
4 out for recruitment
7 not being filled for various reasons
Vacancy rate 8%
Council overall 20%

Item 5

Our Vision for 2025

“A place where everyone can be themselves and thrive.”

“A place where our workforce fully reflects the rich diversity and talent of the communities we serve at all levels. “



Our Vision – Summary of aims

“ A place where **everyone** can be themselves and thrive ”

Our workforce fully reflects our communities at all levels

We talk openly and frequently about equality and inclusion

Staff have access to develop and fulfill their potential

Staff will feel free to bring their whole selves to work

Policies and processes are fair and do not discriminate against any group or community

Managers and leaders understand how to support their employees, monitor equality and address any issues quickly

How will we get there...

1



Attract, recruit and select in a way that is inclusive and drives diversity at all levels

2



Educate, develop and build talent in our workforce

3



Strengthen visibility and voice of staff networks, equality champions and allies

4



Be clear in our zero tolerance to discrimination

5




Set and monitor targets across a range of measures

6




Create policies and processes that feel fair to everyone



“
Our leaders
recognise the
strength of
our
workforce
and the
power of
working
together

ROB BROWN



“ The
programme
forms one
strand of the
overall Race
Equality work
we're
currently
working on.

HAIDER JAVED



“
After the success
of The Our
Manchester
Experience for
staff and partners,
it felt right to
create something
similar for
children and
young people

YASMIN BIBI



“
We've cried
together,
laughed
together,
and worked
so hard to
get where
we are now.

PAULA WATT

A workforce that reflects Manchester...

- Apprenticeships
- Trainees
- Work Experience
- Careers fairs

....and Leadership Pathways



Haider Javed talks about a new pathway to progression

Page 12



Item 5

The Leadership Pathway (for Black, Asian & Minority Ethnic staff)



 Better understanding

 Better equipped

 Increased confidence

▲ 6 (of the 12) participants promoted within 6 months

 Now committed to running 2 programmes a year



Impact & Outcomes

BEFORE

29%

of the women
confidently applied for
roles above their grade



Page 15

AFTER

93%

Of the women
confidently applied for
roles above their grade

7

Have secured promotions to
more senior roles' so far



Item 5

Leadership Pathway:

**Kemi Omoboye,
Business Analyst,
Reform & Innovation Team**

Staff voice

"A place where everyone can be themselves and thrive" - 2025 Vision

Learning and Organisation Development

Page 17

- Inclusive leadership
- Corporate Induction and welcome packs
- Our Manchester Experience
- Listening in Action
- Awards for Excellence
- Staff Survey



And a total of **1972** days training last year on equality, diversity and inclusion

< Back

Leadership course

Inclusive Leadership

by Purple Fusion

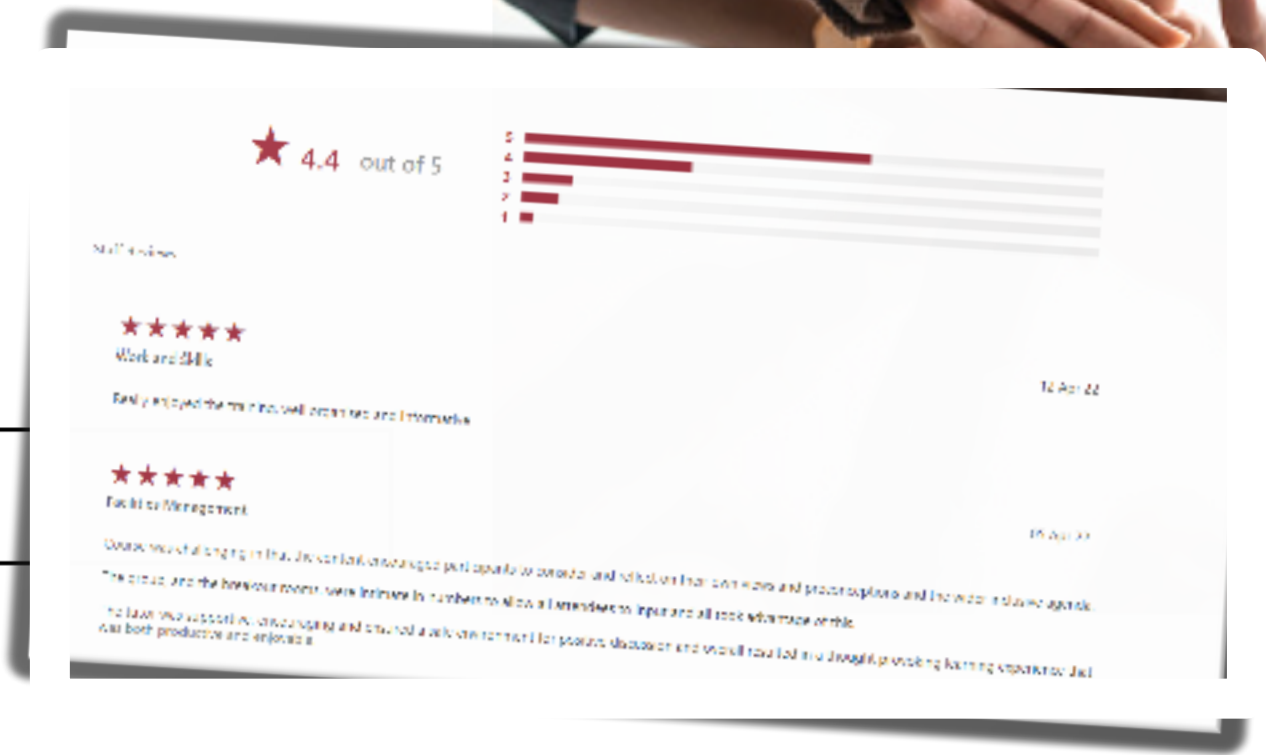
Equip yourself with the confidence and skills to role model inclusive behaviours and improve Inclusion in the workplace.

Page 18
Length: 2 Hours 30 Mins

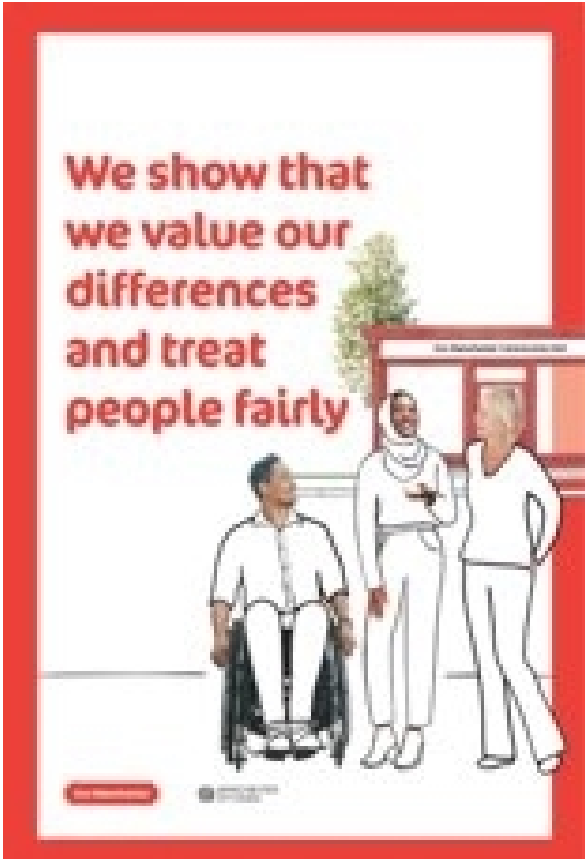
Delivered: Virtual

[Find Dates](#)

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Our Manchester Behaviours



Creating the fifth behaviour with staff

Page 20



“Following on from the findings of the Race Review, it was important for Manchester City Council to imbed equality into its everyday culture, but equality was missing from our Manchester

Behaviour. We all as individuals have a duty to offer Manchester regardless of our race, gender, or sexual orientation and this should be accepted within the organisation.

The 5th behaviour is a reminder that we all have a duty to acknowledge our differences and value them. It also reminds us that we should make it our daily aim, wherever we are, whoever we encounter, to treat them fairly – with respect and dignity which we all deserve.

Paula Watt
Project and Support Officer, Corporate Estates

“I have been involved with the LGBTQ Staff Network since it started in 2000, so I was keen to be part of the work creating Our Manchester fifth behaviour. As an out lesbian who has always been comfortable working for the Council, I am keen to foster an LGBTQ friendly atmosphere, and to encourage colleagues to recognise the challenges faced by all protected characteristics”

Lizzie Gent
Resources Officer, Libraries, Galleries & Culture



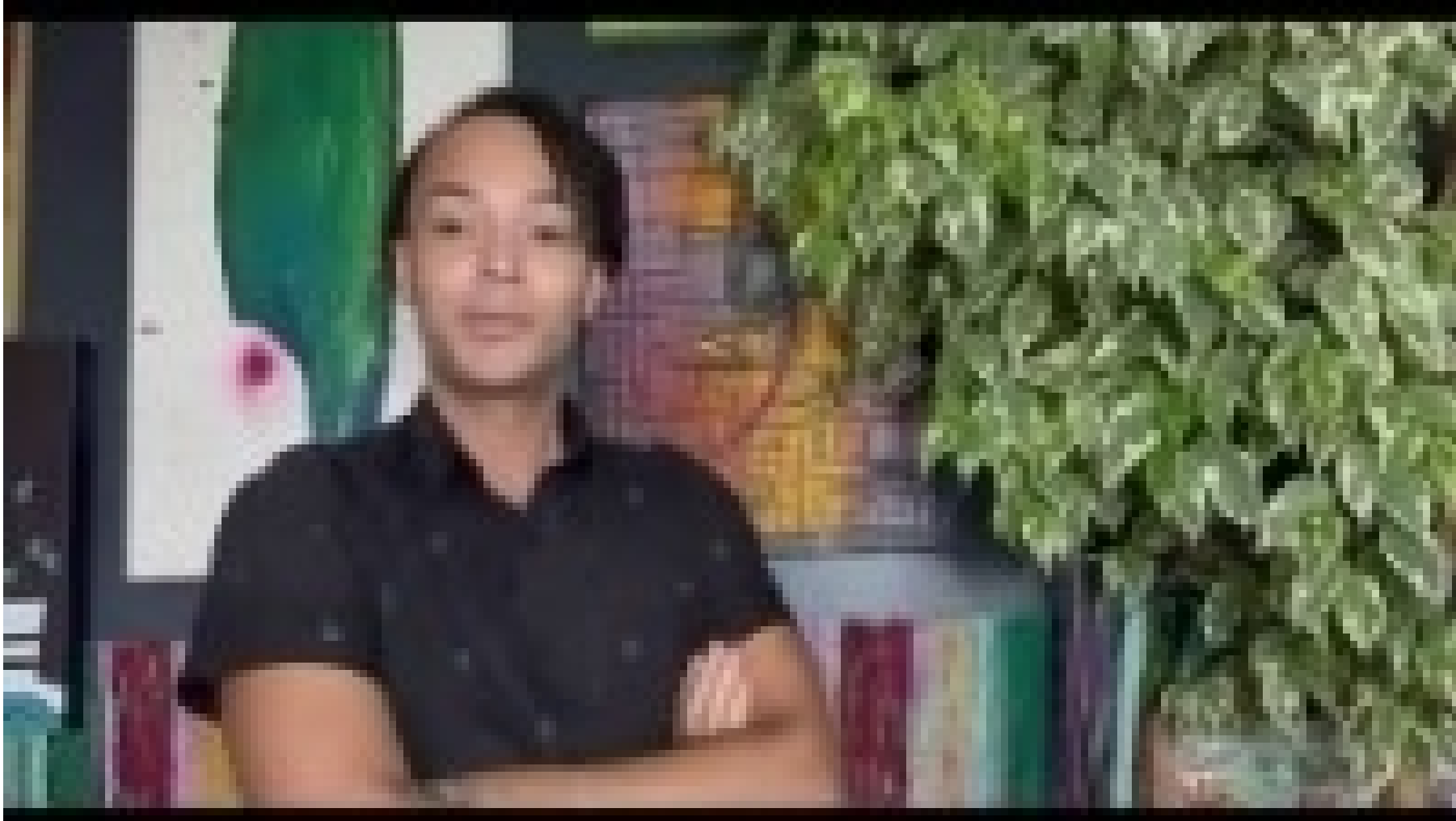
“I have had constructive engagement with fellow Council colleagues who share my interest in equality, diversity and inclusion and how these are transitioning from being implied to being explicitly stated. Our Manchester’s fifth and newest Behaviour acts as a demonstration of a growing commitment to the continued exploration and promotion of these areas”

Damian Day
Benefits Officer, Revenues and Benefits Service

Item 5

Let's Talk About Race – Team Conversation

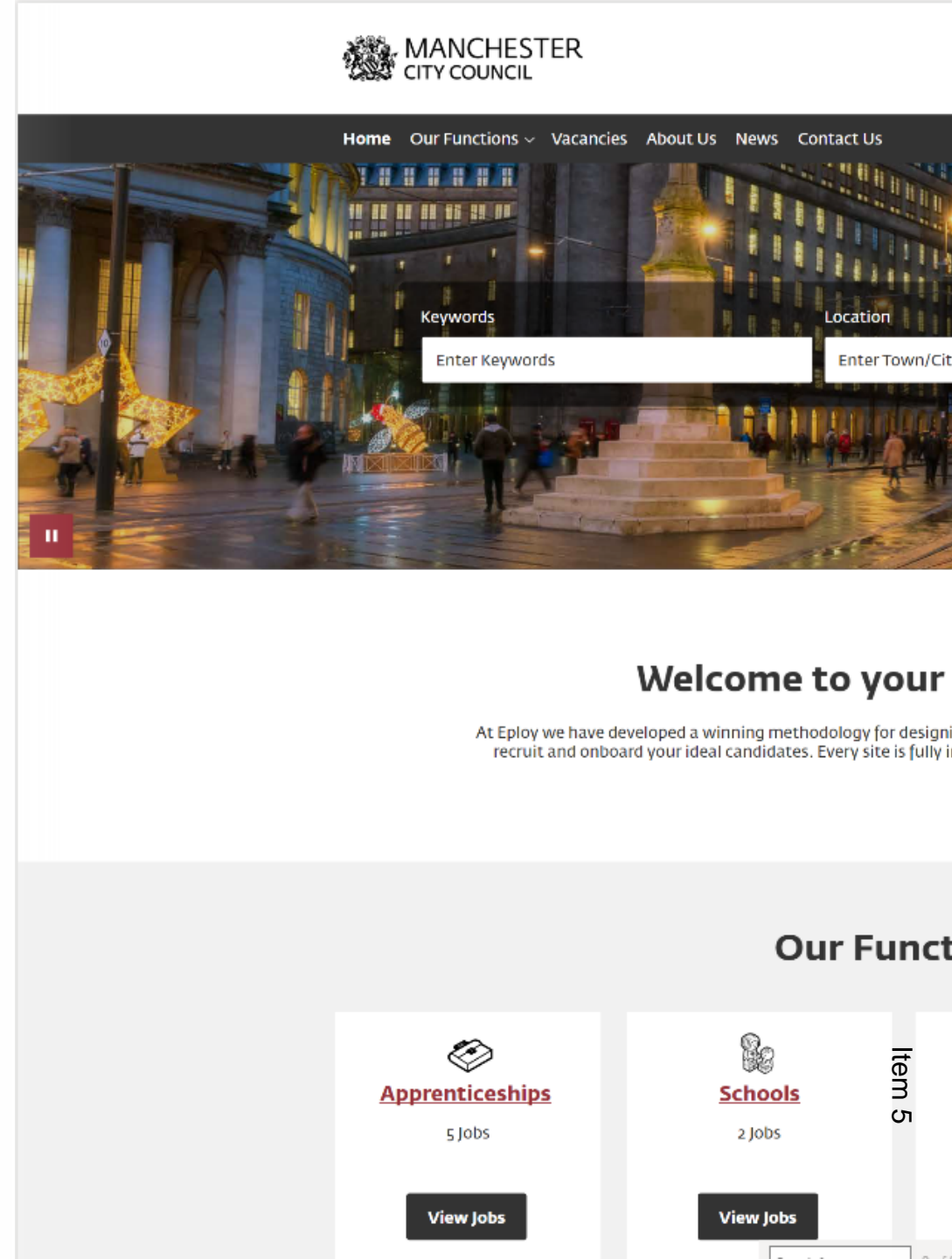
Page 21



Item 5

Recruitment and Selection

- a new system for applicants and managers
- Process improvements in the meantime
- A new website to be designed which invites people to ‘Make a difference in Manchester’



Diversity in our Recruitment



Diverse Panels App:

Henry Iyoha,
Commissioning & Contracts Officer,
Children's

Staff voice

"A place where everyone can be themselves and thrive" - 2025 Vision

Equality employee groups

- Equality employee groups Home
- Learning more about our Equality Employee Groups
- LGBTQ+ group
- Disabled staff group
- › The Race Equality Network employee group
- Women's equality network
- Pregnancy and parenting group
- Mental health group
- Neurodiversity network
- Over 50s network

Page 25



Item 5

Equality Networks

Jon Atkin - LGBTQ+ Group

Laura McIntosh - Women's Equality Network

Eleanor Fort – Pregnancy & Parenting Group

Staff voice

"A place where everyone can be themselves and thrive" - 2025 Vision

Women's Equality Network: Workforce Equality Strategy Feedback, Oct '22

We can see progress.

We now have a menopause policy, there are more staff networks, and there is a supported forum for network chairs to come together.

We see an SMT member and the Deputy Leader co-chairing the corporate EDI group as positive.

New policies and structures are a first step. Policy implementation needs to shape and change behaviour and have impact.

We still see and feel inconsistency.

The work from the race review has made progress. A focus on workplace adjustments will help. But the view through a single lens will only ever make limited progress.

To feel free to bring our whole selves to work, we need support for the whole strategy from all levels of the organisation to improve inclusion as a whole – not just one aspect at a time.

Women's voices:

"A member of the public was racist and abusive to my team members. I raised to senior managers. We have a third party abuse policy, but no e-learning yet."

"Women in my team often use annual leave instead of sick leave for women's health issues"

"I was told that being off work once a month for severe menstrual pain would impact on my progression, as if it was about performance rather than health. Even if there was a way to log this properly I wouldn't feel comfortable. I'd feel like I'd have to prove how bad it is."

"I was put on AMR while I was having treatment for cancer"

"Presenteeism is still a problem. The mostly male team I work for are always in and I am made to feel bad when I work from home. When I am in for a team meeting, someone else is not in and we sit in different pods on our individual screens!"

"The recruitment training I was sent on bears absolutely no resemblance to the actual process. The system is terrible"

"Looking back, the reason I was unhappy, lost all confidence in doing my role and opted into m.people was due to the hormonal impacts of the menopause... I wonder if women affected by menopause or post-natal hormones are overrepresented in m.people?"

"M.people is great for having a go – but it's a tightrope of terror. People need more support."

"Managing a person on an Mpeople placement is hard. They were brilliant and could do more senior work. I had budget but the process wouldn't allow her to be paid for it even temporarily. She missed out on experience, and we missed out on skills. When the placement came to the end, no-one got in touch. She had to chase them. This isn't how to make people feel valued."

Pregnancy & Parenting Group

- WES Feedback

Policies & Procedures

- Difficult to find policies and procedures relating to maternity, pregnancy, parenting and leave.
- Language is often complicated and sometimes negative.
- Lack of knowledge and understanding of policies from managers.
- Parents left searching for information without any guidance from managers as they don't know how to find it either.
- Many parents have learnt about policies from others – felt they couldn't rely on managers or HROD.
- Outdated language used - "date of confinement" etc.
- Adoption leave language is problematic.

Returning from leave

- Poor information available.
- Inconsistent experiences, some managers in communication during leave making the return smoother for example, others came back and relied on speaking to other parents for advice around flexible working etc.
- MCC not as flexible or family-friendly as we advertise ourselves to be – also inconsistent as some have been able to work with manager to agree flexible working arrangements and others had requests denied and were unable to reach agreement with manager.

Parental leave

- Not widely known that emergency parental or carer's leave is available – parents are using annual leave or muddling through.
- Policies and forms are inaccessible, notification of entitlement form has to be set up months in advance - not family friendly.
- There's a desire for policies that support men doing things differently; this will support women to do things differently too - uptake of men taking parental leave is still low.
- Lack of understanding of what shared parental leave is.
- Shared Parental Leave is paid at the basic rate compared to Maternity Leave which is enhanced – this inequality is an barrier to taking shared parental leave
- No info about how grandparents with caring responsibilities can utilise parental leave.

Culture

- Those who change their working pattern need confidence and behaviour change to say 'I have to leave now' when hours are reduced to fit family needs. Often feel guilty having to highlight reduced working hours and reduced capacity for work.
- Some have been made to feel as though they are going on holiday when on mat or pat leave.
- Not easy to challenge meeting times when they clash with caring responsibilities – this should be a consideration when early meetings arranged.
- Experiences are inconsistent across the organisation
- There is a need for good practice guidance for manages

Data

In the WES, the way pregnancy and maternity data is captured is lacking – it is not representative of the organisation or the impact of this protected characteristic.

Abuse and harassment:

**NOT part
of the job**

**Third Party Abuse and
Harassment Policy**

**Employee Dispute
Resolution Policy**

Special Leave Policy

Disciplinary Policy

Menopause Policy

Gemma Walsh talks about the workplace adjustment hub and 'passport'



Working group established to improve the workplace experiences of disabled staff and those with a long-term health condition.

The Working Group will:

- Engage with disabled employees to gain a greater understanding of their experiences, what is working well, what isn't and how we can improve.
- Develop the Council's approach to a workplace adjustment hub
- Develop a workplace adjustment 'passport'

Stakeholders include HROD, H&S, ICT, Estates, Corporate Equalities, Chair of Disabled Staff Group, Chair of Mental Health Staff Group and Chair of Neurodiversity Staff Group.

The Hub will provide support, advice and guidance to disabled employees, those with a long-term health condition and Managers.

The 'passport' is a record of agreed workplace adjustments, so a change of job, manager or location doesn't result in the same conversation

Disciplinary

In 2019/20 black, Asian and minority ethnic staff were more than twice as likely to be subject to disciplinary action



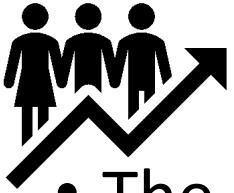
- Casework team took part in equality training to better understand issues around race and lived experience. This included micro aggressions and white privilege.
- Continued development to make sure that we are more consistent with how we work, and to challenge how some cases were being handled.
- Introduced an enquiry stage before any cases enter formal action.
- Worked closely with Trade Unions to analyse casework trends and issues, and develop a new disciplinary policy.
- Quarterly meetings with HR and all Strategic Directors to monitor all cases but specifically monitor cases relating to black, Asian and minority ethnic staff. (This now also includes Employee Dispute Resolution cases and all cases that could be related to any of the protected characteristics.)
- Managers reviewing any cases involving elements of discrimination are now required to have attended the Inclusive Leadership programme.
- Reviewed the level of manager who deals with any case involving an element of discrimination.

Since 2019/20 we have reduced numbers from 38% to 26%

Accreditations



Progress



- The overall number of employees stays more or less the same year on year but tracking progress has to take account of TUPES in and out (Northwards, Catering) and the 'push' for employees to declare their characteristics and of course people can become disabled who weren't previously and vice versa
- Our new recruitment system will make it possible for us to track recruitment much more easily
- In the meantime, if we just look at the overall numbers against our black, Asian and minority ethnic employees and our disabled employees we can see some progress but also areas to keep pressing on..

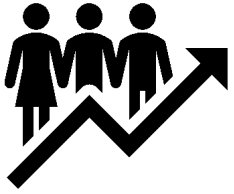
Progress



Page 34

	2021	2022
Number of Black, Asian and minority ethnic staff overall	1,517	1,561
Number of Black, Asian and minority ethnic staff at Grade 10 and above	37	60
Number of Black, Asian and minority ethnic staff on SS grades	6	8

Progress



Page 35

	2021	2022
Number of staff who are disabled or living with a long term health condition	537	579
Number of staff who are disabled or living with a long term health condition at Grade 10 and above	39	46
Number of staff who are disabled or living with a long term health condition at SS grades	6	8

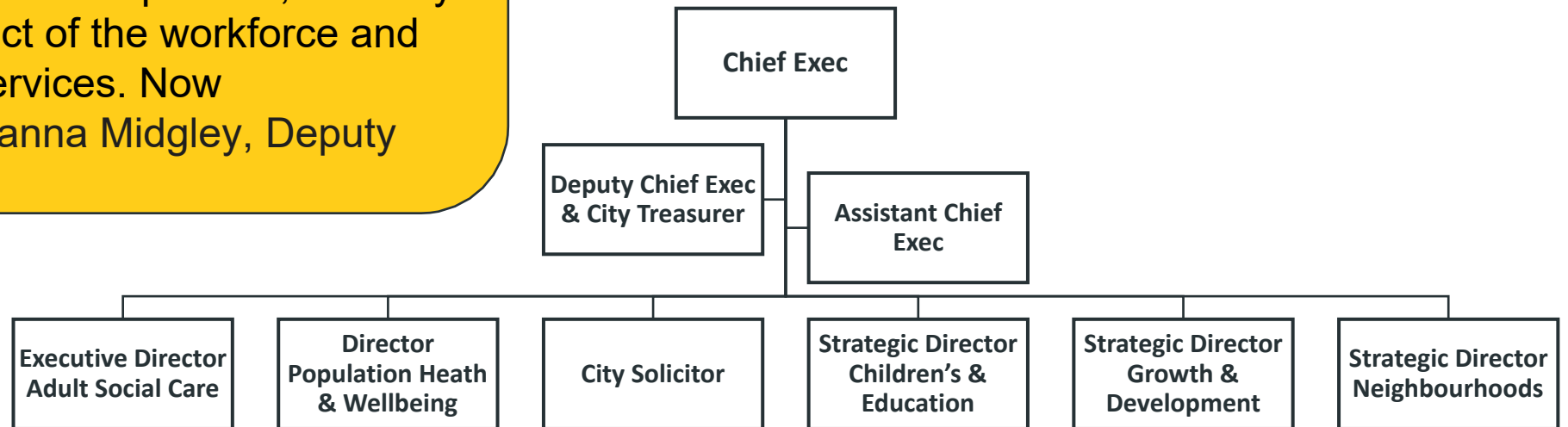
Mechanisms for accountability

"A place where everyone can be themselves and thrive" - 2025 Vision

Mechanisms for accountability

Corporate Equalities Diversity & Inclusion Leadership Group

Established to provide assurance throughout the organisation that actions are being taken in relation to the promotion of equalities, diversity and inclusion in respect of the workforce and the development of services. Now Co-Chaired by Cllr Joanna Midgley, Deputy Leader



The Race Equality Network – Assurance Working Party

Steven Grant, Senior Solicitor,
Children and Families (Legal) Group

Staff voice

“A place where everyone can be themselves and thrive” - 2025 Vision

**Manchester City Council
Report for Information**

Report to: Resource and Governance Scrutiny – 8 November 2022
Executive – 16 November 2022

Subject: Revenue Budget Update

Report of: Deputy Chief Executive and City Treasurer

Summary

The Council is forecasting an estimated budget shortfall of £44m in 2023/24, £85m in 2024/25, and £112m by 2025/26. After the use of c£16m smoothing reserves in each of the three years, this reduces to £28m in 2023/24, £69m in 2024/25 and £96m by 2025/26. Officers have identified potential savings options to reduce the budget gap totalling £42.3m over three years.

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Recommendations

The Executive and Resources and Governance Committee are recommended to:

- (1) Consider and comment on the forecast medium term revenue budget and
- (2) Consider the content of this report and comment on the proposed changes.

Wards Affected: All

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

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

Equality, Diversity and Inclusion - the impact of the issues addressed in this report in meeting our Public Sector Equality Duty and broader equality commitments

Consideration has been given to how the proposed savings could impact on different protected or disadvantaged groups. Where applicable proposals will be subject to completion of an Equality Impact Assessment (EqIA) and an Anti-Poverty Assessment.

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

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

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

Financial Consequences – Revenue

The ongoing implications of the pandemic and record levels of inflation on the Council's cost base will have a significant impact on the Council's finances for a number of years. With the scale of funding pressures and future resource constraints, it is important that the Council takes action to ensure financial stability. This includes holding a robust position on reserves and maintaining the ability to deal with issues that arise during the financial year.

Financial Consequences – Capital

There are no capital consequences arising specifically from this report.

Contact Officers:

Name: Carol Culley
Position: Deputy Chief Executive and City Treasurer
Tel: 0161 234 3406
E-mail: carol.culley@manchester.gov.uk

Name: Tom Wilkinson
Position: Deputy City Treasurer
Tel: 0161 234 1017
E-mail: tom.wilkinson@manchester.gov.uk

Name: Samantha McArdle
Position: Corporate Finance Lead
Telephone: 0161 234 3472
E-mail: samantha.mcardle@manchester.gov.uk

Name: Tim Seagrave
Position: Commercial Finance Lead
Telephone: 0161 234 3445
E-mail: t.seagrave@manchester.gov.uk

Background documents (available for public inspection):

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the contact officers above.

[Revenue Budget Report - Executive Meeting February 2022](#)
[Medium Term Financial Strategy 2022/23 to 2024/25 -Executive Meeting February 2022](#)
[Revenue Monitoring to the end of July 2022 and Budget update 2023/24 to 2025/26](#)
[Resource and Governance Scrutiny – 6 September 2022](#)

1. Context and Background

- 1.1. The Council's budget has seen considerable reductions since the programme of austerity started in 2010/11, which saw a significant reduction to central government support for local authorities, in which Manchester has been one of the hardest hit places in the country. Over the last 12 years the Council has had to make £428m of cuts and savings to cope with Government funding cuts and unavoidable cost pressures such as inflation and a growing population. Prior to 2015/16 reductions were made pro rata to government funding, without taking into account the size of the council tax base. This meant that the Council has had disproportionate budget reductions. Even if Manchester had received only the average cut to council funding between 2010/11 and 2022/23, we would still have £77m a year more to spend on services.
- 1.2. Nationally, the Institute of Fiscal Studies (IFS) has warned that public services face a shortfall of £18bn a year which is the amount needed to keep pace with inflation and demand pressures across public services. The Local Government share of this is estimated at £3.2bn.
- 1.3. The national funding outlook for Local Government is therefore volatile. The Chancellor, Jeremy Hunt MP, delivered an emergency financial statement on 17 October 2022 which reversed the majority of the tax changes announced on 23 September by the previous Chancellor. A further statement on government spending and tax rates was expected on 31 October 2022. Following the appointment of a new Prime Minister, on Monday 24 September, the date of the budget statement has been revised to 17 November 2022. This will now be a full Autumn statement, accompanied by an independent forecast from the Office of Budgetary Responsibility. The statement is expected to set out in detail plans to reduce debt and a medium-term plan to grow the economy.
- 1.4. Despite levels of inflation being significantly higher than forecast at the time of the Spending Review in October 2021, the government has communicated there will be no increase in the overall funding envelope over the spending review period. The Chancellor has committed to public debt falling as a share of the economy over the medium term which indicates that government departments are likely to have to find further efficiencies and cuts to some areas of spending to achieve this aim.

2. Executive Summary

- 2.1. The Council's 2023/24 funding from central government will be confirmed in the provisional finance settlement, expected late in December 2022, following the Autumn Statement.
- 2.2. The report sets out the scale of the budget challenge if, as expected, no further funding is received and:
 - Shows a budget gap of £43.4m in 2023/24 rising to £85.6m in 2024/25 and £111.9m by 2025/26 if no reserves are used to smooth the position

- Shows the use of reserves of £15.6m, £16.2m and £15.7m respectively across the three years helps to close the gap. This, along with the other planned uses of reserves, will reduce the council's ringfenced useable reserves from £482.9m in 2022/23 to £95m in 2026/27. It should be noted that the ongoing use of reserves is not sustainable, and the level of reserves will need to be replenished.
 - Presents the first round of budget cuts and savings of £42m over the three years as put forward by officers. The details are included in the individual reports to Scrutiny Committees and to the Executive.
 - Inflationary and pay award increases are estimated at a cumulative £58m for 2022/23 and 2023/24. This compares to a usual budget allowance of c£16m for that period, therefore resulting in an additional £42m of largely unavoidable costs to be funded.
 - The costs to meet rising demand for Children's and Adults social care adds a further £15m over the three years to 2025/26.
 - Whilst an increase in council tax is assumed, the majority of this is earmarked to fund £3.55m of additional investment to support residents during the cost-of-living crisis.
- 2.3. In addition to increasing inflationary pressures, increases in interest rates will have a significant impact on the cost of borrowing and the ability to support the future capital programme
- 2.4. Following the above a budget gap of £7m remains in 2023/24, rising to £36.7m in 2024/25 and £53.9m in 2025/26. Unless further funding is forthcoming additional and significant cuts to council services will be required to balance the budget. Therefore, a minimum of an additional savings target of £4m is required for 2023/24 (with a full year effect of £7m-£8m) alongside efforts to reduce the current 2022/23 overspend to free up extra capacity in the smoothing reserves to help balance the 2023/24 position.
- 2.5. The 2024/25 budget process needs to start immediately with further options to be explored following the Autumn Statement and Finance Settlement, to allow maximum time for the development and delivery of future budget cuts. There are likely to be very difficult decisions for the Council to make.
- 2.6. The latest position is shown in the table below.

Table One: Summary Budget position

	2023 / 24	2024 / 25	2025 / 26
	£'000	£'000	£'000
Resources Available			
Business Rates / Settlement Related Funding	348,497	344,090	346,503
Council Tax	211,450	219,348	228,187
Grants and other External Funding	101,872	89,374	80,461
Dividends	0	0	0
Use of Reserves	13,584	11,703	6,222
Total Resources Available	675,403	664,515	661,373
Resources Required			
<i>Corporate Costs</i>	111,763	116,403	113,122
<i>Directorate Costs</i>	599,302	625,959	651,406
Total Resources Required	711,065	742,362	764,528
Shortfall	35,662	77,847	103,155
New budget pressures	7,785	7,785	8,785
Shortfall including new budget pressures	43,447	85,632	111,940
Use of Smoothing and Airport Reserve	(15,641)	(16,177)	(15,738)
Gap after use of Smoothing Reserves and emerging pressures	27,806	69,455	96,202
Savings options identified to date	(21,135)	(32,738)	(42,320)
Remaining Shortfall	6,671	36,717	53,882

3. Key Assumptions to the Medium-Term Financial Plan (MTFP)

- 3.1. The final budget position for 2023/24 and future years will be confirmed at February 2023 Executive. This will be after the key decisions confirming the Council Tax and Business Rates tax base to be used to determine the collection fund position have been made and the Final Finance Settlement is received.
- 3.2. When the 2022/23 revenue budget was approved the medium-term position was forecast at a shortfall of £33.8m next year increasing to £77.3m by 2025/26. The medium-term financial plan is updated a number of times during the year as new information and intelligence of the funding and spending position become available.
- 3.3. Table Two list the changes since the 2022/23 budget was approved in February 2022 and the latest assumptions are highlighted in the following section.

Table Two: Summary of changes to Budget position since the original 2022/23 MTFP

	2023 / 24	2024 / 25	2025 / 26
	£'000	£'000	£'000
Forecast budget gap presented in 2022/23 MTFP	36,782	57,547	77,296
Changes to resources available:			
Revised assumption on Business Rates pilot	(12,000)	(2,250)	0
Forecast Business Rates surplus	(12,649)	0	0
Council Tax Base increase	(2,047)	(2,151)	(2,237)
Forecast Council Tax surplus	(2,783)	0	0
Updated rebate forecast from GMCA	(4,498)	0	0
Potential increases on BCF and IBCF	(2,000)	(2,000)	(2,000)
Slip risk of Fair Funding / BR reset a further year	(3,000)	(2,000)	0
Assume one further year of New Homes Bonus	(5,000)	0	0
Use of St Johns growth to support revenue budget	(1,156)	(830)	(830)
Reserve use to support cost of Anti-poverty measures	0	(2,000)	0
Use of reserves to fund New Care Models	(1,300)	(1,300)	(1,300)
Additional use of Smoothing reserve	4,741	(7,259)	(11,259)
Sub total changes to resources available	(41,692)	(19,790)	(19,426)
Changes to inflation requirements:			
Reversal of 1.25% National Insurance increase	(1,506)	(1,506)	(1,506)
Gas Inflation	2,000	0	0
Electricity Inflation	5,400	2,800	2,800
Price Inflation	6,100	6,100	6,100
Pay inflation	12,938	16,518	20,352
Sub total changes to inflation requirements	24,932	23,912	27,746
Changes to other pressures and adjustments pressures:			
Updated levy forecast from GMCA	1,534	1,536	1,536
Anti poverty measures	3,550	3,550	3,550
New Care Models	1,300	1,300	1,300
Children's reduced recharge to DSG	940	940	940
Town Hall pressures Increased from £1m in original MTFP to £2m)	0	0	1,000
ICT - Software Licenses	461	461	461
Sub total changes to other pressures and adjustments	7,785	7,787	10,587
Total changes since 2022/23 MTFP	(8,975)	11,909	18,907
Updated Budget Gap pre savings	27,806	69,455	96,202

Resources available

- 3.4. In the absence of any firm information, a rollover settlement has now been assumed for 2023/24 with the impact of 'fair funding' reforms being moved to

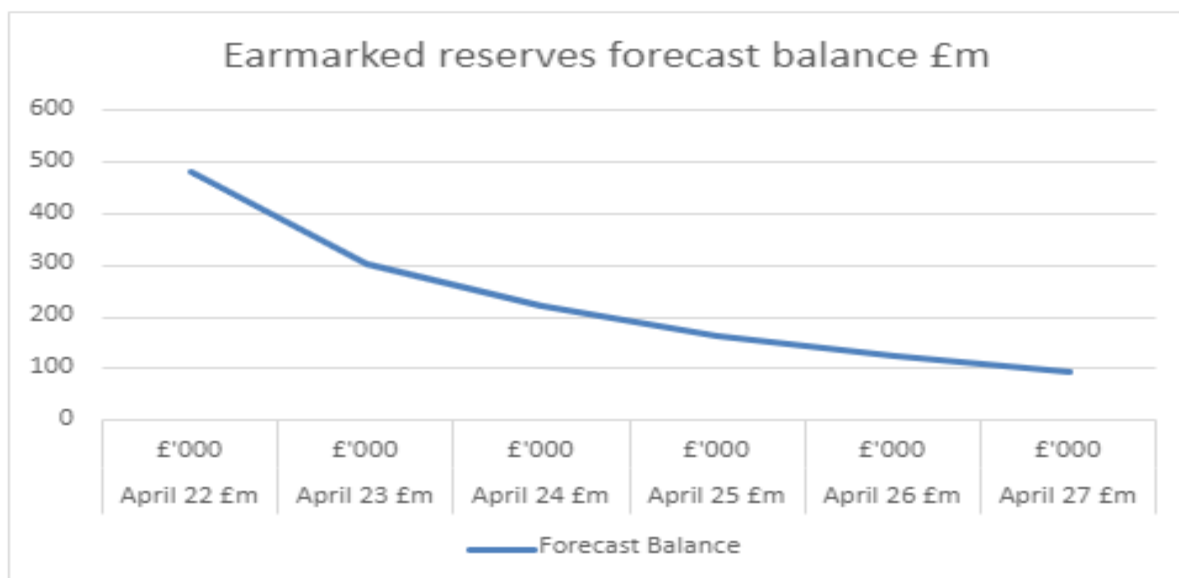
2024/25. The MTFS assumed that any redistribution of local government funding was likely to be detrimental to the Council. In addition, it is now assumed the current business rates regime and 100% retention pilot will continue for a further year which again means resources could be higher than budgeted for. This pushes the settlement risk in our financial plans from 2023/24 to 2024/25.

- 3.5. All budget proposals are subject to the political decision-making process, in summary the main working assumptions around income include:
- The Fairer Funding reforms are delayed to 2024/25 and all current government grants continue, including New Homes Bonus.
 - Business rates – continuation of 100% pilot for a further year, indexation of 2.6% and growth in the business rates base of £5m per annum.
 - Council tax – 2023/24 growth in base of 2.0% and increase in council tax of 2.99% in line with the current referendum limit, and Adult Social Care Precept. A 1% increase in council tax generates c£2m.
 - Collection Fund surpluses totalling £15.4m which will be available to support the 2023/24 position. This is linked to collection levels being higher than anticipated in 2021/22. Collection Fund accounting requires this to be recognised a year in arrears.
- 3.6. Each year the business rates income is uplifted by an inflationary uplift to the multiplier rate which is applied by the Government. This is usually linked to the September CPI increase. The Government has not yet committed to this and it seems unlikely that business rates will increase by this amount (10.1%). The Council's budget assumption is a 2.6% increase, which was the forecast CPI increase per the Office of Budgetary Responsibility at Spending Review 2021. Note, if the Government freezes the multiplier and does not compensate the Council for the resulting loss of income, this will result in a £6m reduction from the income levels currently assumed.
- 3.7. Whilst no decisions on the council tax precept have been made, this position assumes Council Tax increases of 1.99% a year and an Adult Social Care precept of 1% a year, with 1% of council tax generating c£2m of income. Without these increases the budget gap would be £6m per annum bigger. By 2025/26 the amount generated increases to £6.4m due to the growth in council tax base.
- 3.8. A **Rebate from GMCA** has been proposed relating to waste reserves of £25m. Manchester's indicative share of this is £4.498m which has been applied to reduce the gap in 2023/24.
- 3.9. **Grants and Other external funding** have been reviewed. The majority are assumed to continue at current rates. In relation to Better Care Fund (BCF) and Improved Better Care Fund (IBCF) it has been assumed that these funding streams will be uplifted in line with NHS funding, with £2m additional funding included in the MTFP to support the Adult Social Care budget in relation to demographic and Real Living Wage pressures.
- 3.10. **Reserves** - The St Johns business rates growth had been ringfenced into the St Johns Reserve and will continue until the business rates reset (date to be

confirmed). This funding has been released to support the revenue budget and help close the future budget gap. There is a forecast £1.156m available to support next year then £0.830m per annum.

- 3.11. The position also reflects the use of smoothing reserves of around £16m a year for the next three years. This is to reduce the budget gap and protect front-line services from higher cuts. Use of reserves cannot be viewed as a long-term strategy to balance the budget as this is unsustainable. They must be used in a planned way to avoid financial cliff edges while achievable long-term savings are developed and delivered, and whenever possible be replenished to enable greater resilience to absorb future risks.
- 3.12. Approximately £34m of reserves was already committed across 2023/24 and 2024/25 in line with the MTFP presented to February 2022 Executive. An unallocated reserve balance of £19m was created with £12m identified from existing reserves including the ASC reserve plus the £7m reported last year. Of the £19m, £10.8m will be required to meet the 2022/23 overspend, £3.9m of the ASC element has been used to support the continuing cost of the new care models (as outlined in paragraph 3.25), £1m is being used to fund future cost of living support to residents and the remaining balance of £3.3m has been used as part of closing the budget gap. In addition £10m risk based reserves have been released to support the 2025/26 position and reduce gap that year. This gives a total of £48m of support being applied to reduce the budget gap by c£16m a year for three years.
- 3.13. Airport Dividend Reserve – The current balance is £39m of which £24.9m is supporting the 2022/23 budget as planned, leaving a balance of £14.1m at the end of this financial year. This is being applied to close the budget gap in 2023/24 to 2025/26 at £4.7m, £4.9m and £4.5m respectively.
- 3.14. The Council's robust reserves strategy has proven successful in managing risk and timing differences to deliver balanced and sustainable budgets and provide the time necessary to deliver on its planned savings. Reserves should not be used to mitigate the requirement to make ongoing savings, they can only be a temporary support to enable permanent savings to be implemented effectively. However, over the next 4 years usable earmarked reserves are forecast to reduce to under £100m, as the Council seeks to protect residents from the worse of the cuts through the inflation and cost of living crisis. The following graph shows the expected reduction in earmarked reserves.

Forecast earmarked reserve balances



Resources required

- 3.15. As part of the budget process, it is important that, as well as identifying savings to balance the budget, service pressures are recognised and where unavoidable are correctly budgeted for. The budget assumptions that underpin 2023/24 to 2025/26 include the commitments made as part of the 2022/23 budget process to fund ongoing demand pressures. In addition, provision has been made to meet the ongoing effect of current year inflation and updated assumptions around future pay awards. Whilst this contributes to the scale of the budget gap it is important that a realistic budget is set which reflects ongoing cost and demand pressures.
- 3.16. **Inflationary pressures** - Budgets set aside for price inflation are held centrally and allocated in year once they materialise and are subject to consideration by the Deputy Chief Executive and City Treasurer, before being recommended to the Executive to be released to Directorates. The inflationary and pay award increases are estimated at a cumulative £58m for 2022/23 and 2023/24. This compares to a usual budget allowance of c£16m for that period, resulting in an additional £42m per year of unavoidable costs to be funded.
- 3.17. This reflects an additional £8.6m which has been made available for price inflation in 2023/24. This may be insufficient as the inflationary outlook continues to be volatile. Significant potential inflation requirements have already been highlighted for 2023/24. From 2024/25 it has been assumed price inflation reduces back to usual levels with £4m a year made available. It is also assumed electricity and gas prices will start to reduce. A pay award allowance of 4% has been made available for each of the following three years.

Table Three: Inflationary pressures

	Updated Forecast 2022 / 23	2023 / 24	2024 / 25	2025 / 26
	£'000	£'000	£'000	£'000
Non Pay Inflation	5,395	8,641	4,000	4,000
Gas Inflation	6,300	0	(2,000)	0
Electricity Inflation	6,684	4,216	(2,600)	0
Pay Inflation	15,900	11,131	11,532	12,033
Pension Contribution Increase 1% estimate	0	0	2,200	0
Change to annual allowance	34,279	23,988	13,132	16,033
Cumulative allowance	34,279	58,267	71,399	87,432

- 3.18. *Reversal of the 1.25% National Insurance increase* - The 1.25% increase to National insurance which was implemented in April 2022 has been cancelled from 6 November. This means the Council can remove the £1.506m which was added to directorate budgets to fund the employer contribution to National Insurance. There will also be a part year cost reduction in 2022/23 of £0.6m. This will help reduce the current year overspend.
- 3.19. It has been indicated that the government will revise funding allocations to remove funding that was allowed for the employers 1.25% NI increase. For Local Government this funding came via the 2022/23 Services Grant. This was allocated based on the Settlement Funding Assessment and is un-ringfenced.
- 3.20. The 2023/24 budget assumes a roll over settlement with funding in cash terms the same as 2022/23. A £3m reduction to the amount for the Services Grant has been included to recognise the risk of redistribution and / or a clawback of the NI budget allocation.
- 3.21. **Directorate pressures** - For completeness Appendix 1 lists the directorate savings and pressures which were reflected in the Medium-Term Financial position when the 2022/23 budget was set. The details are included in the relevant November 2022 scrutiny reports. The pressures over and above those in the original MTFP are shown in the table below:

Table Four: Pressures and growth added / increased since the 2022/23 MTFP

	2023 / 24	2024 / 25	2025 / 26
	£'000	£'000	£'000
Anti-poverty measures	3,550	0	0
Adults - New Care Models	1,300	0	0
Childrens reduced recharge to DSG	940	0	0
Town Hall pressures (Increased from £1m in original MTFP to £2m)	0	0	1,000
ICT - Software Licenses	461	0	0
Updated transport and waste levy forecast from GMCA	1,534	0	0
Total new pressures since 2022/23 MTFP	7,785	0	1,000
Cumulative new pressures since 22/23 MTFP	7,785	7,785	8,785

Investment in Anti-poverty measures

3.22. In response to the Cost-of-Living crisis, resources have been earmarked to provide £1.8m support in 2022/23 increasing to £3.55m in 2023/24 to residents who are most affected. This is in addition to Government support this year of £6.4m for the third round of the Household Support Fund. In addition, there has been a reallocation of existing staffing resources to prioritise this work.

3.23. The £3.5m in 2023/24 will enable the following:

- £1m will be used to increase the Discretionary Housing Payments budget and targeted to support people to remain in their accommodation to reduce homelessness. The budget had been reduced as part of the budget cuts in 2021/22 but it was recognised that it may need to be increased again if demand increased. In 2021/22 4,106 applications were received with a further 2,132 applications received between April and September 2022/23. DHP alongside the Prevention work in Homelessness are a key strand in the Prevention model to assist residents in maintaining their tenancy. As a result of the cost-of-living crisis it is expected that demand in this area will increase in the coming months.
- £1m to invest in food response infrastructure. Working with the Community Food Partnership the majority of this will be invested in longer life, non-perishable stock and storage which all food providers in the city can access. £150k of the total will be allocated to sustain food organisations in the 11 wards with the greatest % of households impacted by the cost-of-living crisis.
- £0.6m Increased funding to discretionary local welfare provision to meet increased demand, helping to cover essential costs of households in crisis
- £0.5m - support to voluntary and community organisation on the front line to help meet the increased demands from residents

- £200k - to invest in CHEM (COVID Health Equity Manchester) to support Communities Experiencing Racial Inequality and other inequalities, more likely to be impacted by the cost-of-living crisis.
- £200k - to expand the advice offer available to residents
- £50k for other welfare schemes, including S17 payments made to vulnerable families and to support care leavers living independently to help them deal with rising costs

3.24. Other measures underway include the following:

- Establishment of the Community Advice Hub – an online and freephone helpline service to connect Manchester residents to the support available, which has been up and running since 03 October 2022.
- Advice and information to schools to poverty proof the school day and help families to ameliorate costs e.g. school uniforms at key points in the school year
- Team Around the Neighbourhoods focusing on cost of living and poverty in the 11 priority wards to bring together the local advice and support offer
- Communications and Engagement campaign across multiple channels to promote the Advice Hub and wider support offer for Manchester residents.
- Work with partners – Registered Providers, VCSE and MLCO to provide a coordinated offer, align resources and extend reach and impact
- Creation of warm spaces through Neighbourhood Living Rooms in Libraries and in community and faith venues where people can access information and support in warm settings.

Other proposed increases to required spend

- 3.25. As part of the Adult Services transformation programme Manchester CCG funded a New Care model approach to better support residents to prevent admission to hospital and long-term care. This funding has ceased, however, in order to sustain the social work infrastructure and reablement capacity, it is recommended that this capacity is maintained at £1.3m per annum for 2023/24 to 2025/26. This is funded from the Adult Social Care reserve which had been increased to meet future demand.
- 3.26. The Dedicated Schools Grant (DSG) is significantly overspent and is subject to a recovery plan, following a line-by-line review of spend to ensure it fully reflects the spending guidance. In order to reduce pressures in the DSG it is proposed that £0.940m commissioned training in relation to early years high needs will no longer be charged to the high needs block and charged to the Early Years council budget instead. This represents a growth pressure, and it is requested that additional Council budget is allocated to accommodate this transfer.
- 3.27. Updated levy and rebate forecasts have been received from the Greater Manchester Combined Authority (GMCA). These are still subject to change as their budget goes through the approval process. The waste levy costs are driven by forecast tonnages of waste to be disposed of and the costs of disposal through the contract. Based on latest forecasts it is anticipated that this will increase by 6% overall in 2023/24, with the increase to Manchester being c£2.023m. This

increase is due to a large proportion of the costs in the contract being linked to CPI, this has been partially offset by a better outlook for income from energy and recyclates. A further increase of £0.959m has been assumed for 2024/25. These increases are reflected in the current budget proposals. The budget position also reflects a one-off return of waste reserves from GMCA of £25m, of which Manchester's share is £4.5m. This has also been built into the budget model.

- 3.28. The Transport levy is expected to increase by 4% overall, for Manchester this is an increase of £1.5m, following a levy reduction in 2015/16 and no increases since.
- 3.29. Compared to the original assumptions this is a net additional cost of £0.636m in 2023/24 increasing to £1.536m from 2024/25.

4. Progress on identifying savings and cuts options

- 4.1. Officers have identified options to reduce the budget gap which are subject to approval. The first round of officer proposals total £42.320m across all committees, over the next three years, and are illustrated in the table below. As far as possible these are aimed at protecting the delivery of council priorities and represent the least detrimental options. The detail is included in the budget reports to individual scrutiny committees.

Table Five: Savings Options identified to date

Directorate	Amount of Saving				Indicative FTE Impact
	2023/24	2024/25	2025/26	Total	
	£'000	£'000	£'000	£'000	
Adults Services	5,575	2,250	2,200	10,025	TBC
Public Health	1,000	-	-	1,000	3
Children's Services	5,297	3,320	3,108	11,725	-
Neighbourhoods	3,293	2,818	745	6,856	13
Homelessness	1,244	2,070	1,332	4,646	-
Corporate Core	3,667	975	1,382	6,024	53
Growth and Development	1,059	170	815	2,044	1
Total profiled savings options	21,135	11,603	9,582	42,320	70

- 4.2. Work is underway to identify further measures to bring forward in January to close the remaining gap and deal with any implications of the finance settlement or other government announcements.

Table Six: Revised gap following savings and pressures

	2023 / 24	2024 / 25	2025 / 26
	£'000	£'000	£'000
Gap after use of Smoothing Reserves and emerging pressures	27,806	69,455	96,202
Savings options identified to date	(21,135)	(32,738)	(42,320)
Shortfall	6,671	36,717	53,882

- 4.3. There remains a forecast shortfall of almost £7m next year increasing to £37m the year after. Officers are working to identify further measures to bring forward in January. The proposed approach is two-fold:
- a further £3m to £4m of savings targeted and deliverable in 2023/24 with a full-year effect of at least £8m.
 - work to control expenditure in 2022/23 to reduce the in year overspend by a further £3-4m to free up reserves to further smooth the 2023/24 position.
- 4.4. This will help close the remaining gap and deal with any implications of the finance settlement or other government announcements. The updated position will be reported to Executive and RAGOS in January 2023 and the further savings considered by scrutiny committees in February. Work will continue throughout 2022/23 to focus on the delivery of the approved savings alongside work to close the 2024/25 gap.

5. Budget Consultation

- 5.1. There is a statutory requirement to consult with business rates payers. Public consultation on proposed Council Tax levels and the savings and cuts measures put forward by officers will open on Monday 7 November and run until 7 January 2023. The provisional results from the consultation will be reported to Executive in February. The full analysis and results, alongside comments from scrutiny committees, will be reported to the Budget Scrutiny meeting on 27 February to ensure they are fully considered before the final budget is set.
- 5.2. None of the budget options set out to date require formal statutory consultation.

6. Workforce Implications

- 6.1. The City Council continues a journey to achieving equality, diversity, and inclusion for its workforce. It is a long-term commitment that must be supported and regularly reviewed. To support this, an overarching Workforce Equalities Strategy was developed and considered by Resources and Governance Overview and Scrutiny Committee in October 2021. The strategy provides the framework for the actions agreed following the 2019 race review and those across all protected characteristics to be tracked and scrutinised. A separate report on the Resources and Governance Scrutiny Committee agenda sets out the progress over the last 12 months.

- 6.2. The indicative workforce reduction linked to the savings proposals is 70 Full-Time Equivalent (FTE) over the three years. Of these, 53 of these posts relate to the back office in the Corporate Core directorate. At this stage, it is anticipated that this will be managed via natural turnover and vacancies and that there will be no requirement for any formal voluntary early retirement or voluntary severance scheme.
- 6.3. The Council's establishment is fully budgeted for at the top of the grade. In reality there are vacancies caused by staff turnover, recruitment difficulties and staff employed throughout the grade scale. In order to avoid budgeting for costs that will not be required and making bigger cuts elsewhere, adjustments are being made to reflect these issues by applying a vacancy factor to recognise that vacancies will always exist. The continued challenges in filling posts also means that the Council is working hard on ensuring we are an employer of choice and can attract people and minimise the pressures on our existing workforce.

7. Equalities Impact and Anti-Poverty Assessments

- 7.1. Each saving proposal will be supported by robust business cases where consideration has been given to how the proposed savings could impact on different protected or disadvantaged groups. Where applicable proposals will be subject to completion of an Equality Impact Assessment (EqIA) and a Poverty Impact Assessment as part of the detailed planning and implementation. Work is also underway on the way in which equalities data is collected across the Council, supporting the ability to be better informed on the impact of changes being made to services.
- 7.2. The work that will be carried out on individual business cases will be complemented by work to consider the collective impact of the options proposed and how the overall budget changes will impact on equalities, poverty and ultimately our residents. Each Directorate will review how the use of their budget as a whole, not just that of budget savings/reductions, might mitigate or positively impact on equality, anti-poverty, and how social value can be maximised.
- 7.3. Council wide we will assess the overall impact of the collective savings proposals and the resulting baseline budget on delivery against our Equality priorities.

8. Scrutiny of the draft budget proposals and the budget reports

- 8.1. At the November meetings all scrutiny committees will receive a short update on the Council's budget and a high-level update on the three-year position. The reports have been tailored to the remit of each scrutiny as shown in the table below.
- 8.2. Each Committee is invited to consider the proposed changes which are within its remit and to make recommendations to the Executive before it agrees to the final budget proposals in February 2023.

Date	Meeting	Services Included
8 Nov 22	Resources and Governance Scrutiny Committee	Chief Exec Corporate Services Revenue and Benefits / Customer and Welfare Support Business Units
8 Nov 22	Communities and Equalities Scrutiny Committee	Sport, Leisure, Events Libraries Galleries and Culture Compliance and Community Safety Housing Operations including Homelessness Neighbourhood teams
9 Nov 22	Health Scrutiny Committee	Adult Social Care Public Health
9 Nov 22	Children and Young People Scrutiny Committee	Children and Education Services
10 Nov 22	Environment and Climate Change Scrutiny Committee	Waste and Recycling Parks Grounds maintenance
10 Nov 22	Economy Scrutiny Committee	City Centre Regeneration Strategic Development Housing and residential growth Planning, Building Control, and licensing Investment Estate Work and skills Highways

9. Proposed budget process for the update of the Capital Strategy

- 9.1. The current approved capital programme will deliver over c.£1bn of investment in the city over this and the next three financial years, in highway infrastructure, leisure facilities, zero carbon initiatives, schools, housing and regeneration. This commitment will be funded, in part, by a forecast over c. £500m of additional borrowing.
- 9.2. Whilst this commitment is fully funded, current market conditions are combining to place pressure on the Council's future borrowing capacity. There are inflationary pressures on scheme costs, both within the current approved programme but also for any future schemes. Further, the relatively high level of inflation has been one of the contributing factors to interest rates on debt rising, which means it is more expensive to borrow to fund capital expenditure.
- 9.3. Therefore there is a clear need to prioritise capital investment, and to review the process through which such prioritisation takes place. The Capital Strategy work is being developed and will include:
- A review of the approval process to ensure it remains fit for purpose and supports strong decision making for capital projects.

- Work on a new Strategic Asset Management Plan which provides a transparent methodology and approach to review all building assets across the operational and investment estates in terms of how the assets are being used, and opportunities for alternative use. This will also provide a more structured approach to identifying assets for disposal to generate capital receipts for reinvestment in the Council's assets.
- 9.4. Allowing continued investment in the Council's key assets such as highways and the corporate estate.
- 9.5. To support prioritisation the following key principles will be adhered to in terms of support:
- The project is externally funded and meets strategic objectives;
 - For development projects, the project can be funded through robust investment to save means and aligns with the Council's approach to place; or
 - For other projects, the investment is critical to the organisation.
- 9.6. Financing capacity will continue to be reviewed as the macroeconomic picture develops, and investment proposals will be brought forward within the Capital Strategy as part of the budget process.

10. Next Steps

- 10.1. The proposed next steps are as follows:
- 8-10 November - Scrutiny Committees
 - 7 November - Budget consultation launched to close 7 January
 - 6 December – RAGOS – Update on Autumn Statement (expected 17 November) and Council Tax and Business Rates Key Decisions report
 - Late December - The Local Government Finance Settlement expected
 - 10 January - Resources and Governance Scrutiny Committee -settlement outcome, update on the budget position and consultation responses.
 - 11-13 January - Further options to Scrutiny Committees.
 - 18 January - Executive -settlement outcome, update on the budget position and consultation responses
 - 7-9 February - Scrutiny Committees
 - 15 February - Executive receive proposed budget
 - 27 February - Resources and Governance Budget Scrutiny.
 - 3 March - Council approval of 2023/24 budget

11. Conclusion

- 11.1. The economic and government spending position is extremely uncertain, with a radical policy agenda and corresponding policy reversals having taken place since the “fiscal” event, making the predictions around the impact on Local Government finances even more complex than normal.
- 11.2. This report sets out the estimated budget position for the next three years and the potential scale of budget cuts required. The assumptions are based on a realistic view of the expected settlement announcements and a forecast of local tax

funding available. This results in forecast gap of £28m in 2023/24 increasing to £96m by 2025/26. To date saving options totalling £42m over three years have been brought forward by officers for member consideration. A significant shortfall remains which must be addressed.

- 11.3. This results in a shortfall to balancing the 2023/24 budget of almost £7m increasing to £37m the year after. Officers are working to identify further measures to bring forward in January. The proposed approach will include identifying a further £3m to £4m of savings targeted and deliverable in 2023/24 with a full-year effect of at least £8m, coupled with work to control expenditure in 2022/23 to reduce the in year overspend by a further £3-4m to free up reserves to further smooth the 2023/24 position.
- 11.4. The government's Autumn Statement is expected to be published 17 November 2022. This may provide more clarity on the direction of funding for Local Government. The provisional settlement expected late in late December will provide the funding allocations for 2023/24. The provisional settlement outcome and revised position will be reported to RAGOS and the Executive in January to consider the longer-term position. They will also consider the final cuts and savings proposals to ensure a balanced budget is set and the council remains financially stable

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Appendix 1 – Savings and pressures included in 2022/23 MTFP

	2023 / 24	2024 / 25	2025 / 26
	£'000	£'000	£'000
Savings approved in 2021/22 budget setting	(2,872)	705	0
Pressures and growth included in the 2022/23 MTFP:			
Adults Demography	2,329	2,636	2,936
Adults Contract costs of the National Living Wage	5,590	5,983	4,000
Adults allocation for Real Living Wage	3,500		
Children's Demography	2,357	2,419	2,479
Corporate Core Capital Programmes - Gorton Hub	500		
Corporate Core Finance - additional support costs for the Civica income management system	10	10	
Corporate Core HROD - reduction in fee income for payroll services	23	23	
Corporate Core Corporate Property - Additional costs of maintaining/running town hall following capital investment		1,000	
Corporate Core ICT - Ongoing costs of ICT hardware refresh post roll out of EUD		750	
Neighbourhoods - Improving basic services – with focus on street cleaning	1,000		
Sub total pressures and growth included in the 2022/23 MTFP	15,309	12,821	9,415
Pressures and growth added / increased since the 2022/23 MTFP:			
Increased Town Hall pressure			1,000
ICT - Software Licenses	461	0	0
Childrens reduced recharge to DSG	940	0	0
Anti poverty measures	3,550	0	0
Adults budget increase for New Care Models	1,300	0	0
Sub total pressures and growth since the 2022/23 MTFP	6,251	0	1,000
Total Changes to Directorate budgets	18,688	13,526	10,415

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**Manchester City Council
Report for Information**

Report to: Resources and Governance Scrutiny Committee – 8 November 2022
Executive – 16 November 2022

Subject: Corporate Core Budget Proposal 2023/24

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

Summary

The Council is forecasting an estimated budget shortfall of £44m in 2023/24, £85m in 2024/25, and £112m by 2025/26. After the use of c£16m smoothing reserves in each of the three years, this reduces to £28m in 2023/24, £69m in 2024/25 and £96m by 2025/26. Officers have identified potential savings options to reduce the budget gap totalling £42.3m over three years.

This report sets out the priorities for the services in the remit of this committee and details the initial revenue budget changes proposed by officers.

Even after these proposals there remains a budget gap of £7m to close to get to a balanced budget in 2023/24 and further savings and cuts options will be required to be worked between now and January and be reported back to Scrutiny committees in February. Each scrutiny committee is invited to consider the current proposed changes which are within its remit and to make recommendations to the Executive before it agrees to the final budget proposals in February 2023.

Recommendations

The Committee is recommended to:

- (1) To consider and comment on the forecast medium term revenue budget
 - (2) Consider the content of this report and comment on the proposed changes which are relevant to the remit of this scrutiny committee
-

Wards Affected: All

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

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

Equality, Diversity and Inclusion - the impact of the issues addressed in this report in meeting our Public Sector Equality Duty and broader equality commitments

Consideration has been given to how the proposed savings could impact on different protected or disadvantaged groups. Where applicable proposals will be subject to completion of an Equality Impact Assessment (EqIA) and an Anti Poverty Assessment.

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

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

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

Financial Consequences – Revenue

The changes included within this report are officer proposals and, subject to Member comments and consultation, these will be included as part of the 2023/24 budget preparation.

Financial Consequences – Capital

None directly arising from this report.

Contact Officers:

Name: Carol Culley
Position: Deputy Chief Executive and City Treasurer
Telephone: 0161 234 3406
E-mail: carol.culley@manchester.gov.uk

Name: Fiona Ledden
Position: City Solicitor
Telephone: 0161 234 3087
E-mail: Fiona.ledden@manchester.gov.uk

Name: James Binks
Position: Assistant Chief Executive
Telephone: 0161 234 1146
E-mail: james.binks@manchester.gov.uk

Background documents (available for public inspection):

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy, please contact one of the contact officers above.

[Revenue Budget Report - Executive Meeting 16 February 2022](#)

[Medium Term Financial Strategy 2022/23 to 2024/25 -Executive Meeting 16 February 2022](#)

[2022/23 Budget Overview and Section 25 Report – Executive 16 February 2022](#)

[Corporate Core Budget Report – 2022/23 – Executive 16 February 2022](#)

[Resource and Governance Scrutiny – 6 September 2022](#)

[Revenue Monitoring to the end of July 2022 and Budget update 2023/24 to 2025/26 - Executive 14 September 2022](#)

1. Introduction and purpose

- 1.1. The report is the first in the cycle for the budget programme 2023-26. It sets out an overview of the services within the remit of this scrutiny committee and their key priorities. The budget growth assumptions in the Medium-Term Financial Plan (MTFP) are set out. The report provides a draft set of officer proposals for further savings for 2023-26, developed in the context of the financial challenges facing the Council. This report covers all services under the remit of the scrutiny committee, this includes both the Corporate Core and Operations and Commissioning services within the Neighbourhood Directorate.

2. Service overview and priorities

- 2.1 The Council is facing a need to find savings/cuts/cost avoidance of over £100m over the next three years and the Corporate Core must play its part in closing the budget gap.

The Corporate Core has the following functions:

1. Delivery of front-line services to residents and businesses including the customer service, revenues and benefits, coroners and registrars
 2. Delivery of support services to both the council and partners through the centre of excellence model. These include Finance and Procurement, Human Resources and Organisational Development, Legal Services and Policy, Performance and Reform.
 3. Delivery and support of the Capital Programme through the Capital Programmes team.
 4. Corporate Landlord and Facilities Management (FM)
 5. Ensuring effective governance, decision making and supporting the council as a democratic organisation. This includes the specific work of internal audit, commercial governance.
 6. Engine room for driving policy and strategy and the associated evidence base.
- 2.2 The Corporate Core is made up of Chief Executives and Corporate Services and has a gross budget of c.£329m and a net budget of c£79.8m and employs over 2,000 FTE. The budget and FTE numbers are broken down by service in the third table below.

Base budget 2022/23

Chief Executives	2022/23 Gross budget £'000	2022 / 23 Net Budget £'000	2022 / 23 Budgeted posts (FTE)
Coroners & Registrars	3,633	2,240	50
Elections	1,079	1,077	11
Legal Services	15,165	9,596	271
Communications	4,258	3,281	78
Executive	949	949	12
Policy, Performance & Reform (PRI)	18,582	14,125	155
CEX Corporate Items	1,255	1,215	0
Total Chief Executives	44,921	32,483	577

Corporate Services	2022/23 Gross budget £'000	2022 / 23 Net Budget £'000	2022 / 23 Budgeted posts (FTE)
Finance, Procurement & Commercial Gov	8,763	7,742	221
Revenues & Benefits and Customer Services	234,066	11,849	550
ICT	14,802	14,802	158
Human Resources & OD	4,782	4,203	137
Audit, Risk & Resilience	1,544	1,371	39
Capital Prog, Operational Prop & FM Services	20,085	15,602	329
Total Corporate Services	284,042	55,569	1,434
Grand Total Corporate Core	328,963	88,052	2,011

The above budgets also include:

- £3.6m discretionary welfare support budgets in Revenues and Benefits
- £2.9m VCSE grants budget in PRI
- Operational Property and Facilities Management includes Utilities £3.1m, Business rates £2.9m, Security £2.6m and rents £1.6m
- £5.4m for ICT supplier contracts and licences
- Chief Executives Corporate items includes the AGMA contribution of £1.768m.

2.3 In addition to the Corporate Core, there are other services that are under the remit of the Resources and Governance Scrutiny Committee, these are traded services within Operations and Commissioning managed by the Neighbourhoods Directorate. The gross budget is £22.2m, with a net credit budget of £14.4m and total employees of 126, a breakdown of services is shown below.

Business Units, Advertising and Parking	2022/23 Gross budget £'000	2022 / 23 Net Budget £'000	2022 / 23 Budgeted posts (FTE) £'000
Business Units	14,663	(2,753)	122
Advertising	63	(4,400)	1
Parking Services and CCTV	7,508	(7,301)	3
Total	22,234	(14,454)	126

2.4 Headline Priorities for the Operations and Commissioning services

These services aim to maximise the income generated from services which provide an opportunity to generate income commercially alongside the provision of a public amenity.

Business Units

- Markets – traditional, local, wholesale and specialist markets.
- Pest Control - tailored service for domestic and business premises to treat, monitor and eradicate pests.
- Bereavement Services - Manchester's five cemeteries and one crematorium (at Blackley) manage some 3,000 funerals a year, working seven days a week to meet the needs of the city's diverse cultural communities.
- Parking - The service directly supports the transport strategy for the city and our aim is to keep the city's roads safe and moving. Work is ongoing to update the parking strategy and review of both on / off street pricing.
- CCTV - Undertakes management of the city centre control room and the c.200 cameras across the public realm.

3. Service budget and proposed changes

3.1 The core budget savings will be delivered through a combination of:

- Transformation delivered through the Future Shape Programme.
- Review of our workforce structures and capacity and taking a realistic view on the ability to fill longstanding vacancies.
- Good housekeeping and delivery of efficiencies. All Heads of Service have been asked to review their service areas to identify efficiencies or opportunities for income generation.
- Delivering a corporate programme of work on ensuring the basics are right, sound and competitive procurement, approach to managing inflation, ensuring income budgets are maximised and charges appropriate.

Future Shape and Transformation Programme

3.2 Previous reports have been taken to this committee on the Future Shape programme which is a mix of internal and external facing service

transformation. The objectives are to ensure that the quality of our services, resident experiences and outcomes are improved, whilst improving council efficiency and reducing costs. This is being delivered through the following workstreams;

- Resident and Business Digital Customer Experience (RBDXP)
- Digital Data and Insights
- A More Purposeful and Effective Core
- Our Ways of Working – including estates rationalisation

The ambition is to deliver up to £10m of savings over a five-year period.

Resident and Business Digital Customer Experience (RBDXP)

3.3 Work has already started with the revised customer centre offer and experience which delivered £0.6m of savings in 2021/22. The next phase focuses on the customer contact centre and replacement of the Customer Relationship Management system. This will improve how the council interacts with residents and businesses and is key to improving the current manual processes, enabling further channel shift, and targeting resources on providing support where it is most needed.

- Phase One is expected to achieve a further 20% channel shift, by moving c295k contacts from non-digital contacts to digital contacts, and release £0.65m of savings from Customer Services, (£200k 2024/25 and £450k 2025/26) through a reduction in staffing. It is expected that the staffing reduction will be achieved via natural turnover.
- Phase Two will deliver further saving/efficiencies as additional services outside of the customer contact centre are transitioned to the new digital platform such as those used by Markets and Bereavement Services as they move to the new software.

A new technology and implementation partner has been procured, who started in October 2022. Their work will include the transitioning and development of the benefits realisation plan.

3.4 It is currently too early to accurately quantify total savings from this programme over both phases. The aim is to achieve up to £2m through the further rationalisation of systems as more services and systems are included. In order to deliver this a small core digital team will be required, and the costs were included in the initial business case and will be paid for through the longer-term savings.

Digital Data and Insights

3.5 This workstream will implement new back-office digital technology and process changes required for the council to work smarter and more efficiently. The key deliverables include:

- The MCC ICT and Digital Strategy has now been approved by Executive in October 2022 and compliments the Council's external Digital Strategy. It is accompanied by a Technology Roadmap linked to the move to the hybrid cloud, with 50% of the ICT infrastructure to be in the cloud within two years.
- The development and implementation of the new Target Operating Model for ICT is due to be completed for approval in December 2022 with an implementation timeline of March 2023.
- A Data Management Policy was launched 3 October 2022. The policy will support strengthening of our corporate intelligence, embed data ownership and monitoring of data standards and move towards more standardised reporting

3.6 The above is accompanied by a programme of savings and efficiencies including:

- Further rationalisation of printers across the estate
- Energy savings through putting unused machines to sleep
- Strict inventory control and reducing the number of mobile phones etc.
- Rationalisation of software applications where possible and hardware with the move to the cloud.

These proposals are estimated to achieve £359k p.a. by the end of the initial three-year period and a further £0.6m p.a. by the fifth year. The most significant benefits will come from the implementation of the new technology roadmap that underpins the ICT strategy:

- Phase 1 will include savings from the hybrid cloud strategy. There will also be savings from the rationalisation of existing systems such as the move away from Citrix and turning off legacy email systems.
- Phase 2 will include further system rationalisation including the replacement of the current recruitment solution, and Finance and HR Solutions
- Finally, linked to the work to further rationalise the council's office estate will enable ICT savings from having fewer premises on the network.

3.7 The roll out of automation is being tested in two areas. Whilst not primarily about delivering efficiencies, it will enable the workforce to operate more effectively and manage existing/growing workloads within the available resources.

A More Purposeful and Effective Core

This workstream will reshape how the Core operates so that core services, systems and processes are customer-focussed incorporating self-service and digital functions where appropriate, mirroring the RBDXP work for the council's workforce.

3.8 The key deliverables include:

- The implementation of the new operating model with the move to digital first. This will ensure we realise the benefits from the implementation of

the technology investment including the replacement of the current ERP (Finance, HR and procurement) system, which is end of life, to be implemented by 2025, new recruitment system in the current financial year, legal case management system in 2023 and contract management system.

- Whilst all service areas are working on this the following areas have been accelerated: ICT service desk, Recruitment process and Legal casework, all to be completed in 2022 with the aim is to improve productivity /reduce costs through channel shift and reducing handovers and failure demand.
- Budget monitoring and capital prioritisation process reviews will be fully implemented in 2022 and are being aligned to wider pieces of work.

3.9 In total both phases are expected to achieve savings of £1.425m p.a by the end of the initial three-year period, with a further £0.8m p.a. by the fifth year.

Further Budget Savings and Efficiencies

3.10 As stated in the introduction to the report work has also been carried out to:

- Review our workforce structures and capacity taking a realistic view on the ability to fill longstanding vacancies.
- All Heads of Service have been asked to review their service areas to identify efficiencies or opportunities for income generation.
- Delivering a corporate programme of work on ensuring the basics are right, sound and competitive procurement, approach to managing inflation, ensuring income budgets are maximised and charges appropriate.

The resultant work has identified a further £3.59m made up of a combination of £300k additional income generation and £3.29m efficiencies, including the targeted investment of reserves, deletion of vacant posts and review of legacy pension budgets. Details of the proposals are set out at Appendix 1.

The table below sets out the total planned savings and efficiencies and the details are contained within Appendix 1.

Corporate Core - Savings proposals

Future Shape Theme	2023/24 £000's	2024/25 £000's	2025/26 £000's	2026/27 £000's	2027/28 £000's	Grand Total £000's
Customer Experience (RBDXP)	0	200	450	500	850	2,000
More Purposeful & Effective Core	372	520	533	400	400	2,225
Digital Data Insights	100	50	209	300	300	959
Future Shape Total	472	770	1,192	1,200	1,550	5,184
Further Savings & Efficiencies	3,195	205	190	0	0	3,590
Total Corporate Core	3,667	975	1,382	1,200	1,550	8,774

Operations and Commissioning Services Approach to Savings

- 3.11 As part of looking to identify possible savings to support the overall budget priority has been given to generating increased income, the total savings options identified total £4.236m over the three-year period and £4.186m is through increased income. The proposed savings options from across Operations and Commissioning are set out in table 3 of Appendix 1.

Investment Priorities

- 3.12 As the budget covering report refers, due to the unprecedented pressures facing our residents, it is recommended that the budget includes additional provision to provide some additional targeted support to our residents.

Table 4 – Cost of Living Response – New Investment 2023/24

	2023/24 Recom- mended £000	Comments
Food response	1,000	Working with the Community Food Partnership the majority will be invested in ambient stock and storage which all food providers in the city can access. In addition, there will be targeted support in the 11 priority wards where there is greatest need /vulnerability to the Cost of Living crisis.
Local Welfare Provision	600	Additional funding for the Local Welfare Provision scheme operated by the Revenues and Benefits Service. This scheme helps cover essential costs for households in crisis including one-off crisis cash payments and basic white goods & furniture for residents moving from temporary to permanent accommodation.
Other Welfare Schemes	50	Additional support for S17 payments to vulnerable families and for care leavers.
Discretionary Housing Payments	1,000	This is to reinstate the previous budget reduction in this area due to the growing demand for support. The primary aim to support people in their own tenancies and to stop people from becoming homeless.
CHEM	200	Covid Health Equity Manchester to support Communities experiencing racial inequality and other inequalities more likely to be impacted by the cost of living crisis
Support to VCSE	500	Additional support to increase the capacity of the VCSE sector to respond to the COL crisis in the wards most affected and citywide
Expand advice & debt support offer	200	Additional investment to expand the advice & debt support offer with a focus on residents who are in the private rented sector
Total	3,550	

Emerging Budget Pressures to be considered

- 3.12 As part of the 2022/2023 budget process there were a number of budgets pressures identified for future years, and they are summarised in Appendix 2, and further details are set out below. In addition, to these there is a further pressure in relation to security software
- 3.13 As reported in the 2022/23 Corporate Core budget report, the Gorton Hub is expected to open in 2022/23 and will include both City Council and Partner offices. There is c£0.5m additional resources proposed for both 2022/23 and 2023/24 which are a combination of increased costs due to higher specified accommodation, and to cover costs of vacant units until the Hub is fully let.

The Hub includes additional quality space to meet future requirements for office space and feed into the wider ongoing review of office space.

- 3.14 In addition, the following new pressures have been identified for 2023/24:
- Information Technology £0.75m - as part of the ICT strategy there have been including rolling out the end user device strategy. In order to provide an ongoing refresh of kit and additional revenue requirements of c£0.75m will be required from 2024/25.
 - Additional security software - there has also been increased requirements in respect of ensuring systems remain secure, and to avoid any security compromises and to aid this additional software has been installed in 2022/23 and the full year costs in 2023/24 will be c£461k per annum.
 - Financial Management increased licence software to support the implementation of Civica costs £20k
 - HR/OD £46k reduced payroll income as schools use alternative providers.
- 3.15 If the proposed changes are approved the three-year budget position is shown in Appendix 3.
- 3.16 Operations and Commissioning have identified an emerging pressure in respect of Off Street Car parking and this follows the pandemic, the number of car park users has increased, but has not returned to pre covid levels, this is due to changes in working arrangements with more people now working flexibly and not using the offices in the traditional 5 day working week. This is particularly relevant to the season ticket sales which are only at around 24% of pre covid levels. The pay on the day users are at around 72% of pre covid levels, this results in forecast pressure of c£3m due to reduced income. There has been a recent price change, and this will come into effect in November 2022, and the implications of this are not yet known. Officers will continue to review car park usage and any implications of the change in pricing and this will be reported in the January Scrutiny Committee.

4. Workforce Implications

- 4.1 Corporate Services currently has 2,011 budgeted FTE, the savings proposals outlined in appendix one indicates a reduction of 53 FTE over the 3-year period. This will be managed through natural turnover and management of vacancies.
- 4.2 Operations and Commissioning has 126 FTE and the savings proposals include deleting 1 vacant post in markets.
- 4.3 Vacancy Factor

The Council's establishment is fully budgeted for at the top of the grade. In reality there are vacancies caused by staff turnover, recruitment difficulties and staff employed throughout the grade scale. In order to avoid budgeting for costs that will not be required and making bigger cuts elsewhere, adjustments are being made to reflect these issues by applying a vacancy factor to

recognise that vacancies will always exist. The continued challenges in filling posts also means that the council is working hard on ensuring we are an employer of choice and can attract people and minimise the pressures on our existing workforce.

5. Equality and Anti-Poverty Impact

- 5.1 Each Saving proposals will be supported by robust business cases where consideration has been given to how the proposed savings could impact on different protected or disadvantaged groups. Where applicable proposals will be subject to completion of an Equality Impact Assessment (EqIA) and a Poverty Impact Assessment as part of the detailed planning and implementation. Work is also underway on the way in which equalities data is collected across the Council, supporting the ability to be better informed on the impact of changes being made to services.
- 5.2 The current saving proposals in the core directorate focus on delivering efficiencies and implementing new ways of working with limited impact on services which directly deliver to residents. However, the major projects within these proposals, such as RBDXP, have equality and inclusion at their heart and have embedded this in their design stages with robust EqIAs in place at a project level. Due to this diligence at the design stage of these projects no direct impacts on people and specifically MCC priority protected characteristics have been identified. This will remain under review throughout the further development of these proposals.
- 5.3 The work that will be carried out on individual business cases will be complemented by work to consider the collective impact of the options proposed and how the overall budget changes will impact on equalities, poverty and ultimately our residents. The Core Directorate will review how the use of their budget as a whole, not just that of budget savings/reductions, might mitigate or positively impact on equality, anti-poverty, and how social value can be maximised.

6. Future opportunities and Risks

- 6.1 Whilst there is some provision proposed as part of the budget options the longer-term impacts of the current economic climate are still unknown, and this is likely to have ongoing impacts in terms of both increased demands for direct financial support but also increased demands on service areas across the Council. In addition to the support for residents the current economic uncertainty is likely to continue resulting in increased contractual costs for goods and services because of higher inflationary pressures across all services.

7. Appendices

Appendix 1 – Savings Schedule

Appendix 2 – Pressures/Growth Schedule

Appendix 3 – Indicative Medium-Term Budgets by Service

Appendix 4 – Indicative Medium-Term Budgets by Type of Spend/Income

Appendix 1 - Savings Schedule

Corporate Core	Description of Saving	Type of Saving	RAG Impact	Amount of Saving				Indicative FTE Impact
				2023/24	2024/25	2025/26	Total	
				£'000	£'000	£'000	£'000	
Customer Experience (RBDXP)								
Customer Services & Transactions	ICT investment will make digital access easier and increase no of residents using digital channels rather than traditional channels for contact	Efficiency	Reduced staffing requirement due to increased digital access, staffing reduction will be managed through turnover.	0	200	450	650	22
Digital Data Insights								
ICT	Due to increased flexible working and access to MS teams, reduce number of telephones (mobiles and landlines) across the council	Efficiency	Link to EUD reduce mobile phones and 8x8	5	25	25	55	0
ICT	ICT software change that provide staff authentication to use MCC systems	Efficiency	Minimal impact, staff will authenticate access using different software	90	0	0	90	0
ICT	Rationalise wifi providers	Efficiency	Reduce number of wifi providers across the estate	0	0	184	184	0
ICT	Due to changes in working arrangements, reduce both the number of printers across the	Efficiency	Re procure new print supplier and reduce number of printers across the estate to reflect new flexible working	5	25	0	30	0

Corporate Core	Description of Saving	Type of Saving	RAG Impact	Amount of Saving				Indicative FTE Impact
				2023/24	2024/25	2025/26	Total	
				£'000	£'000	£'000	£'000	
	estate and the volume of prints.							
A More Purposeful Effective Core								
Finance, Procurement & Commercial Governance	As part of the planned change in ERP system there will be increased efficiency through standardisation of processes, training of budget holders and self-service.	Efficiency	Look to manage and plan staffing reductions through changed processes and enabling head count reduction through natural turnover and management of vacancies	200	200	200	600	12
HR/OD	Replace existing ATS software to improve recruitment processes and new front Door implementation.	Efficiency	Look to manage and plan staffing reductions through natural turnover and management of vacancies	50	145	65	260	7
Performance research & Intelligence	Review service operating model with greater emphasis on proactive work to improve our data and develop self-serve capacity and greater prioritisation of requests from services	Efficiency	Reduced staffing. Stakeholders improve data quality, agree to reduce the volume of requests and commit to self-serve as systems improve to enable this	122	125	168	415	12
Legal Services	Increased income through review of fees and charges	Income Generation	Increased fees for legal services to third parties	0	50	100	150	0

Corporate Core	Description of Saving	Type of Saving	RAG Impact	Amount of Saving				Indicative FTE Impact
				2023/24	2024/25	2025/26	Total	
				£'000	£'000	£'000	£'000	
Total Future Shape Programme				472	770	1,192	2,434	53

Corporate Core	Description of Saving	Type of Saving	RAG Impact	Amount of Saving				Indicative FTE Impact
				2023/24	2024/25	2025/26	Total	
				£'000	£'000	£'000	£'000	
Housekeeping								
City Policy	Reduce strategic cultural grant to NFM	Efficiency	Reduce grant support to NFM	50	50	0	100	0
Reform & Innovation	Workforce review	Efficiency	Reduction in staffing budget through vacant posts	20	0	0	20	0
Communications	Review print and mailroom processes	Efficiency	Reduce print sites, introduce digital scanner solution and reduce courier costs	15	35	70	120	0
Communications	Review subscription and software licenses	Efficiency	Reduce annual subscriptions, software and reputation research	30	0	0	30	0
Registrars	Review existing fees and charges to align with other Core Cities	Income Generation	Increased fees for ceremonies and certificates	80	20	0	100	0
Customer Services & Transactions	Review annual income targets for clamping budgets	Income Generation	Increased income because of activity levels	200	0	0	200	0

Corporate Core	Description of Saving	Type of Saving	RAG Impact	Amount of Saving				Indicative FTE Impact
				2023/24	2024/25	2025/26	Total	
				£'000	£'000	£'000	£'000	
Corporate	NI and Superannuation savings through introduction of electric car leasing	Efficiency	Employees will access ULEV through salary sacrifice	0	100	120	220	0
Corporate	Savings against historic pension costs	Efficiency	Historic budget reduced to reflect current needs	500	0	0	500	0
Parking	Review existing parking and bus lane reserve	Efficiency	Review forecast bus lane and parking reserves to ensure investment opportunities are maximised. The funding will be used a year in arrears to contribute to funding the road safety elements funded through the transport levy.	2,300	0	0	2,300	0
Total Housekeeping Savings				3,195	205	190	3,590	0
Grand Total Corporate Core				3,667	975	1,382	6,024	53

Operations and Commissioning Savings Proposals

Description of Saving	Impact	Type of Saving	Amount of Saving				Indicative FTE Impact
			2023/24	2024/25	2025/26	Total	
			£'000	£'000	£'000	£'000	
Bereavement Services - Income charges, increase of 10% on all fees and charges	Impact on funeral poverty for Manchester Residents	Income Generation	372	372	0	744	-
New advertising hoardings on Chester Road roundabout	The delivery of the scheme is subject to planning approval, considerable engagement has already taken place to ensure that the planning application addresses all the requirements and concerns.	Income Generation	0	300	0	300	-
Increased traffic enforcement – Moving Traffic Offences - new scheme / Bus Lanes - full enforcement of all bus lanes and bus gates	Will generate additional revenue income that will be used for investment and release existing mainstream budgets	Income Generation	0	1,000	1,000	2,000	-
Review of Parking Charges and Zones	There are risks around the outcome of the required public consultation exercise in relation to both the proposed changes and the implementation date.	Income Generation	250	750	0	1,000	-
Increase to the fees and charges for a Pest Control Service	A 10% increase in prices charged to customers.	Income Generation	59	0	0	59	-
Reduction in pest control supplies budget	The savings are dependent on the functionality of the new system delivering all the requirements before the 31st March 2023.	Service reduction	20	0	0	20	-

Rent increases for market tenants / traders for occupancy and storage Longsight & Gorton 10%	Any increases could adversely impact the current budget position if traders / tenants have issues with affordability and cease trading on MCC markets.	Income Generation	83	0	0	83	-
City Centre and Specialist Markets Saving Delivery Proposal. Disestablish G4 vacant post	Enhanced fluid working between City Centre and Specialist Market delivery teams.	Efficiency	30	0	0	30	1.00
			814	2,422	1,000	4,236	1

Appendix 2 - Pressures / Growth Schedule

Service	Description of Pressure	Pressure / Growth Amount			
		2023/24	2024/25	2025/26	Total
		£'000	£'000	£'000	£'000
Pressures and growth included in the 2022/23 MTFP:					
Operational Property	Revenue support for costs of Gorton Hub as reported in the 2022/23 budget process.ar	500	0	0	500
Financial management	Increased costs of licenses with the implementation of the new Civica finance system.	10	10	0	20
HROD	Reduced income – reduction in use of the school payroll service	23	23	0	46
ICT	Costs of ICT hardware refresh. In order to provide an ongoing refresh of kit and additional revenue requirements of c£0.75m will be required from 2024/25.	0	750	0	750
Pressures and growth added since the 2022/23 MTFP:					
ICT	Additional software licenses there has also been increased requirements in respect of ensuring systems remain secure, and to avoid any security compromises and to aid this additional software has been installed in 2022/23 and the full year costs in 2023/24 will be c£461k per annum.	461	0	0	461
Total		994	783	0	1,777

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Appendix 3: Indicative Medium-Term Budgets by Service

Service Area Chief Executives	2022/2023 Budget £'000	2023/2024 Indicative Budget £'000	2024/2025 Indicative Budget £'000	2025/2026 Indicative Budget £'000
Coroners & Registrars	2,240	2,240	2,240	2,240
Elections	1,077	1,077	1,077	1,077
Legal	9,596	9,596	9,596	9,596
Communications	3,281	3,281	3,281	3,281
Executive	949	949	949	949
Policy, Performance & Reform	14,125	14,125	14,125	14,125
CEX Corporate Items	1,215	1,215	1,215	1,215
Total Chief Executives	32,483	32,483	32,483	32,483

Service Area Corporate Services	2022/2023 Budget £'000	2023/2024 Indicative Budget £'000	2024/2025 Indicative Budget £'000	2025/2026 Indicative Budget £'000
Finance, Procurement & Commercial Gov	7,742	7,752	7,762	7,762
Customer Services	11,849	11,849	11,849	11,849
ICT	14,802	15,263	16,013	16,013
Human Resources & OD	4,203	4,226	4,249	4,249
Audit, Risk & Resilience	1,371	1,371	1,371	1,371
Capital Prog, Op Prop & FM Services	15,602	15,798	16,703	16,703
Total	55,569	56,259	57,947	57,947

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Appendix 4: Indicative Medium-Term budgets by type of spend / income

Corporate Core	2022/2023 Budget £'000	2023/2024 Indicative Budget £'000	2024/2025 Indicative Budget £'000	2025/2026 Indicative Budget £'000
Expenditure:				
Employees	82,146	82,146	82,146	82,146
Running Expenses	250,581	251,248	252,913	252,913
Capital Financing Costs	166	166	166	166
Contribution to reserves	10,285	10,285	10,285	10,285
Sub Total Subjective Expenditure	343,178	343,845	345,510	345,510
Less:				
Other Internal sales	(14,219)	(14,219)	(14,219)	(14,219)
Gross Expenditure	328,959	329,626	331,291	331,291
Income:				
Government Grants	(182,979)	(182,979)	(182,979)	(182,979)
Contributions from Reserves	(7,078)	(7,078)	(7,078)	(7,078)
Other Grants Reimbursements and Contributions	(4,224)	(4,224)	(4,224)	(4,224)
Customer and Client Receipts	(34,862)	(34,839)	(34,816)	(34,816)
Other Income	(11,764)	(11,764)	(11,764)	(11,764)
Gross Income	(240,907)	(240,884)	(240,861)	(240,861)
Total Net Budget	88,052	88,742	90,430	90,430

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