



Communities and Equalities Scrutiny Committee

Date: Tuesday, 7 November 2023

Time: 2.00 pm

Venue: Council Antechamber, Level 2, Town Hall Extension

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

Access to the Council 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.

There is no public access from any other entrance.

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Membership of the Communities and Equalities Scrutiny Committee

Councillors - Hitchen (Chair), Azra Ali, Appleby, Doswell, Good, Ogunbambo, H Priest, Rawson, Sheikh, Whiston and Wills

First Supplementary Agenda

- | | | |
|-----------|--|---------|
| 8. | 2024/25 Budget Proposals
Report of the Deputy Chief Executive and City Treasurer. | 5 - 12 |
| | <p>This report provides a high-level overview of the updated budget position for 2024/25.</p> | |
| 9. | Overview Report
This includes a briefing note on the RBDxP Programme, for information, in response to a recommendation by the committee. | 13 - 20 |

Further Information

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

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This supplementary agenda was issued on **Tuesday, 31 October 2023** by the Governance and Scrutiny Support Unit, Manchester City Council, Level 2, Town Hall Extension (Library Walk Elevation), Manchester M60 2LA

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**Manchester City Council
Report for Information**

Report to: Economy and Regeneration Scrutiny Committee - 7 November 2023
Communities and Equalities Scrutiny Committee - 7 November 2023
Children and Young People Scrutiny Committee - 8 November 2023
Health Scrutiny Committee - 8 November 2023
Environment and Climate Change Scrutiny Committee - 9 November 2023

Subject: Revenue Budget Update 2024/25

Report of: Deputy Chief Executive and City Treasurer

Summary

The Council is forecasting an estimated budget shortfall of £46m in 2024/25, £86m in 2025/26, and £105m by 2026/27. After the application of approved and planned savings, and the use of c£17m smoothing reserves in each of the three years, this gap reduces to £1.6m in 2024/25, £30m in 2025/26 and £49m by 2026/27. This position assumes that the savings approved as part of the Medium-Term Financial Strategy in February 2023 of £36.2m over three years are delivered.

This report provides a high-level overview of the updated budget position. 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 2024.

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 budget changes which are relevant to the remit of this Scrutiny Committee.
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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 will, subject to Member comments and consultation, be included in the final 2024/25 revenue budget set by Council on 1 March 2024.

Financial Consequences – Capital

None directly arising from this report.

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Background documents (available for public inspection):

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

[Medium Term Financial Strategy and 2023/24 Revenue Budget – Executive 15 February 2023](#)

[Revenue Budget Update 2024/2025 - Resources and Governance Committee 7 September 2023](#)

1. Introduction

- 1.1. An indicative balanced 2024/25 budget was set out in the February 2023 MTFs, including the planned use of reserves. As reported to Resources and Governance committee in September the current years pressures and updated forecasts meant that the position had to be reviewed. This report updates on the refreshed position including progress in reaching a balanced budget, reflecting preliminary savings and investment options.

2. Background

- 2.1. The funding outlook for Local Government remains extremely challenging. The LGA published new analysis on 20 October¹ which estimates that English councils are set for a budget gap of £4bn by March 2025 just to keep services at current levels. This is an increase of more than a third since the previous forecast in July, which has been driven by higher inflation forecasts by the Bank of England. This is in the context of over a decade of austerity which saw councils' core spending power fall by 27% in real terms from 2010/11 to 2023/24. As a result, the financial resilience of the sector is low and its capacity to respond to financial crises is limited. Many Councils have warned this is threatening their financial sustainability and most are facing tough decisions around cutting services and increasing Council Tax and fees and charges during a cost-of-living crisis.
- 2.2. 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. As part of the 2023/24 financial settlement, the government produced a Policy statement on the 2024/25 financial envelope outlining the likely size of a number of key funding streams. The assumptions in this paper still stand and recent confirmation has also been received for the levels Adult Social Care grants in 2024/25. It should be noted that these assumptions include an overall council tax referendum threshold of 4.99% for upper tier authorities. Uncertainty still remains around a number of funding streams including New Homes Bonus. The number and level of different specific grants remains an ongoing risk.
- 2.3. The government is expected to announce the Autumn Statement on 22 November 2023, but no major changes are expected. Government funding for 2024/25 will be confirmed in the provisional finance settlement, expected late in December 2023.
- 2.4. In common with the rest of the sector the Council's finances continue to be under pressure. The high levels of inflation and rising demand for services continues to outstrip the level of resources available. The resilience of the

¹ **Autumn Statement 2023: LGA submission**

<https://www.local.gov.uk/parliament/briefings-and-responses/autumn-statement-2023-lga-submission>

Council has been eroded by the impact of over a decade of austerity. It should be noted that Manchester was one of the hardest hit councils and has delivered £443m of savings since 2010 to cope with the funding cuts and unfunded budget pressures. The Council is only in a position to set a balanced budget for 2024/25 due to the careful long-term financial planning which has involved taking some difficult decisions, including £36.2m of savings agreed across 2024-26 and the use of £53.2m of reserves to support the budget deficit during the same period. Despite this a significant and growing budget gap remains from 2025/26 and urgent action is going to be required to address this.

- 2.5. This report sets out the updated financial position and the proposed budget process.

3. Summary Budget Position

- 3.1. The final budget position for 2024/25 and future years will be confirmed at February 2024 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 in January and the Final Finance Settlement is received.
- 3.2. The indicative medium-term position is shown in the table below, showing the planned use of reserves and the level of savings proposals identified as part of last years budget setting process (£36.2m across three years) and additional savings for consideration (£2.5m in 2024/25).

Table One: Summary Budget position

	2023 / 24	2024 / 25	2025 / 26	2026 / 27
	£'000	£'000	£'000	£'000
Resources Available				
Business Rates / Settlement Related Funding	376,527	400,701	415,207	421,805
Council Tax	217,968	228,712	238,279	247,840
Grants and other External Funding	130,494	136,226	109,997	109,997
Use of Reserves	13,714	8,222	9,703	4,922
Total Resources Available	738,703	773,861	773,186	784,564
Resources Required				
Corporate Costs	116,421	120,681	124,767	123,986
Directorate Costs	638,751	699,761	734,783	765,996
Total Resources Required	755,172	820,442	859,550	889,982
Budget Gap	16,469	46,581	86,364	105,418
Savings approved in current MTFP	(15,396)	(25,568)	(36,170)	(36,170)
Additional Savings		(2,500)	(2,500)	(2,500)
Use of Smoothing Reserves	(1,073)	(16,858)	(17,850)	(17,758)
Gap after use of Smoothing Reserves and savings	0	1,655	29,844	48,990

- 3.3. The budget assumptions that underpin 2024/25 to 2026/27 include the commitments made as part of the 2023/24 budget process to fund known ongoing demand pressures. In addition, a review of emerging pressures and budget assumptions has been completed and provision has been made to address these where they are unavoidable, including inflation and 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.
- 3.4. The accompanying report sets out the priorities and officer proposals for the services within the remit of this committee. This includes a reminder of the savings proposals identified as part of last year's budget setting process (£36.2m across three years) and additional savings for consideration (£2.5m from 2024/25). As far as possible these are aimed at protecting the delivery of council priorities and represent the least detrimental options.
- 3.5. There remains a forecast shortfall of £1.6m next year. Any further reduction to the underspend this year will reduce the need to top back up General Fund reserve in 2024/25 and help bridge this shortfall. In addition, the Collection Fund position will be finalised in January and the final levy amounts from GMCA confirmed.

4. Budget Consultation

- 4.1. 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 31 October and run until 27 December 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 26 February to ensure they are fully considered before the final budget is set.
- 4.2. None of the budget options set out to date require formal statutory consultation.

5. Equalities Impact and Anti-Poverty Assessments

- 5.1. Each saving option that was approved last year was supported by a robust business case where consideration was given to how the savings could impact on different protected or disadvantaged groups. Where applicable proposals were 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.

6. Scrutiny of the draft proposals and the budget reports

- 6.1. The reports have been tailored to the remit of each scrutiny as shown in the table below. 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 2024.

Table Two Scrutiny Committee Remits

Date	Meeting	Services Included
7 Nov 23	Communities and Equalities Scrutiny Committee	Sport, Leisure, Events Libraries Galleries and Culture Compliance and Community Safety Housing Operations including Homelessness Neighbourhood teams
7 Nov 23	Economy and Regeneration Scrutiny Committee	City Centre Regeneration Strategic Development Housing and residential growth Planning, Building Control, and licensing Investment Estate Work and skills Highways
8 Nov 23	Health Scrutiny Committee	Adult Social Care Public Health
8 Nov 23	Children and Young People Scrutiny Committee	Children and Education Services
9 Nov 23	Resources and Governance Scrutiny Committee	Chief Exec Corporate Services Revenue and Benefits / Customer and Welfare Support Business Units
9 Nov 23	Environment and Climate Change Scrutiny Committee	Waste and Recycling Parks Grounds maintenance

7. Next Steps

7.1. The proposed next steps are as follows:

- 31 October Budget consultation launched to close 27 December 2023
- 7-9 November - Scrutiny Committees
- 7 December – RAGOS – Update on Autumn Statement (expected 22 November) and Council Tax and Business Rates Key Decisions report
- Late December - The Local Government Finance Settlement expected
- 11 January - Resources and Governance Scrutiny Committee - settlement outcome, update on the budget position and consultation responses, including for the proposed changes to the Council Tax Support Scheme
- 17 January - Executive -settlement outcome, update on the budget position and consultation responses

- 6-8 February - Scrutiny Committees
- 14 February - Executive receive proposed budget
- 26 February - Resources and Governance Budget Scrutiny.
- 1 March - Council approval of 2024/25 budget

Manchester City Council Report for Information

Report to: Communities and Equalities Scrutiny Committee Briefing Note – October 2023

Subject: Resident and Business Digital Experience Programme (RBDxP) Progress Update

Summary

This report provides an update on the Resident and Business Digital Experience Programme (RBDxP), the Programme's approach to user engagement and progress made in the procurement of new technology to replace the Council's existing Customer Relationship Management (CRM) System, eForms, Integration technology and CMS (Website).

1.0 Background

- 1.1 The Resident and Business Digital Experience Programme forms part of the transformation of how we work as a Council, driven by digitising and streamlining how we work in the Corporate Core. The Resident and Business Digital Experience Programme (RBDxP) is a key part of this and has been set up to make the Council much easier to engage with for residents, businesses and Councillors reporting and tracking their casework.
- 1.2 As part of RBDxP we will replace the Council's aging existing customer relationship management system (CRM), its interface with line of business systems (integration layer), content management system (CMS) (website) and eForms package in one integrated Digital Platform so that Council front-facing systems interact to the benefit of our residents and businesses.
- 1.3 Its aim is to improve how we deliver digital services to residents and businesses. Where users have access to digital services we aim to make it their channel of choice.
- 1.4 We have been listening to residents through user research to understand what is important in how they report things to the Council.
- 1.5 Our engagement with Members started during the Discovery phase in 2020 and with the Policy Panel sessions in September 2022. This engagement will continue to help us to understand how we can improve the digital offer to the Residents and Businesses of Manchester as well as supporting members with casework specifically the reporting and tracking of reports and requests.
- 1.6 Throughout this we have been working with our colleagues in services across the Council to improve digital processes and information. To achieve this we have been analysing business processes, reviewing forms and automated

email notifications. This is to ensure that they are accurate, up to date, removing jargon and they are accessible for those who can and choose to use digital channels using the learning and insight from the extensive engagement with service users conducted across the programme.

1.7 RBDxP will provide a range of benefits for different users. The diagram below illustrates some of these.

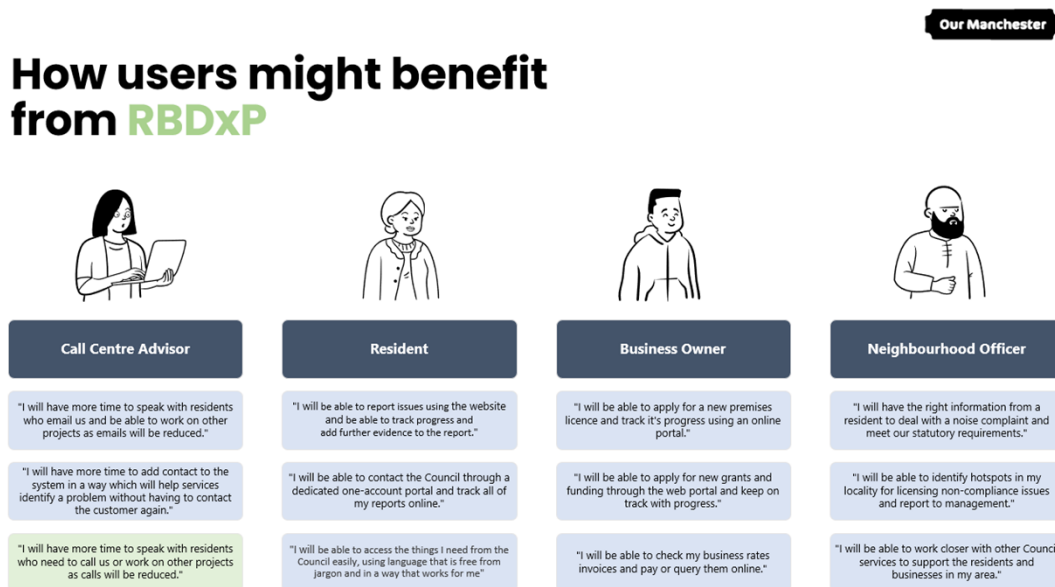


Diagram 1: How users may benefit from RBDxP

1.8 A further example of how this would benefit Residents would be the ability for them to upload photographs to support their reports and requests.

2.0 Procurement of new Technology

2.1 The Programme’s approach to procuring the new technology has been divided into three component parts as set out below:

- a. CRM system and webforms
- b. Integration technology that links the CRM to line of business systems such as Biffa our waste management system.
- c. Content Management System (website).

2.2 Procurement

2.2.1 A series of demonstrations with CRM suppliers took place. The suppliers were asked to demonstrate the suitability of their product against a number of critical requirements to a panel of Service representatives. This process helped us to better understand the suppliers in the market and understand what capabilities our future CRM solution needed to include.

2.2.2 The Programme followed a Crown Commercial Services procurement route to accelerate the procurement timescales. Following consideration of all

responses from each supplier a recommendation to award the contract to Verint was approved by the RBDxP board for the replacement CRM system.

- 2.2.3 The Digital Delivery Board selected Mulesoft as the integration technology. Following Crown Commercial Services framework procurement exercise, HCL Technologies was selected to implement Mulesoft.
- 2.2.4 The procurement of the Councils new CMS (website) will commence in the Autumn of 2023.

3.0 Timescales

3.1 Public Sector Network

- 3.1.1 The Public Service Network (PSN) allows the Public sector to share important information across organisations and services such as information on benefits from the Department of Work and Pensions. To ensure the Council remains compliant with the PSN requirements the decommissioning of the Council's existing CRM system, Microsoft CRM 4, and integration technology, Biztalk, will commence from the end of February 2024. This will enable the removal of the two systems which are out of extended support including the aging servers which these systems currently sit on. Subsequently the new CRM system and Integration layer technology will be developed and go live from this date, providing an 'As Is' replacement of both legacy systems.

3.2 Implementation

- 3.2.1 The RBDxP team have worked closely with service areas to understand and validate the current services and processes which will be replicated within the new CRM system and to gain a detailed understanding of the functionality required to be developed in the new system by the end February 2024.
- 3.2.2 Service resources have supported the design of the new system at different points through the development lifecycle and not all forms will be developed for a particular service at the same time. This is to minimise the impact should not all current functionality be delivered by the time the current CRM system has to be decommissioned.
- 3.2.3 To ensure that we minimise impact to existing services we will focus on delivering key service requirements first. The Programme has held detailed workshops defining and agreeing these requirements in collaboration with service areas.
- 3.2.4 Once the first phase, which will focus on the "As Is" system replacement has been delivered, the next phases of the programme will see the service improvements identified as part of the detailed user engagement delivered. This phase of the programme will ensure we make best use of the new functionality that will be available within the new systems/technology to improve the experience for our residents, businesses and members when interacting with Council services.

3.2.5 In addition to improvements to the new CRM system, the programme will also lead the design and implementation of the Council's new Content Management System (Website).

3.3 High Level Plan

3.3.1 The high level plan is shown below.

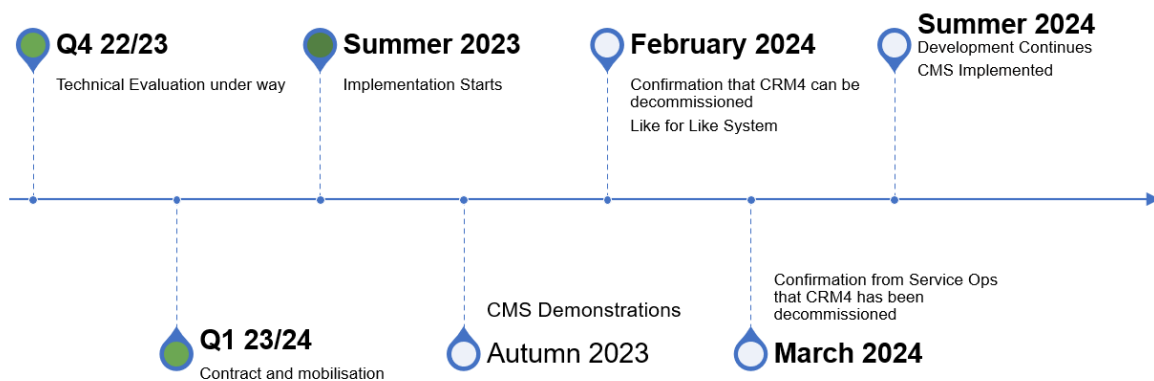


Diagram 2: RBDxP High Level Plan

4.0 Services Supported

4.1 The following services are in scope for Phase 1 and will have their “As Is” business processes developed and implemented in the new CRM system by the end of February 2024:

- Waste, Recycling and Street Cleansing
- Highways
- Parking
- Contact Centre
- Neighbourhood Services (including Compliance and Enforcement, Grounds Maintenance and Parks)
- School Admissions (including Home to School Transport)
- Elections

4.2 Phase 2 of the Programme will see the implementation of the digital improvements to the above Service areas identified as part of the detailed user engagement completed by the programme as well as the development of new digital services for other Council services such as;

- Revenues and Benefits
- Pest Control
- Licencing

5.0 RBDxP User Engagement

- 5.1 The Programme has continued to progress extensive engagement with service areas across the Council, residents, businesses and Members. Service engagement activities have focussed on understanding service areas requirements which will inform the design of the Council's new CRM system, eForms and email notifications.
- 5.2 Robust and detailed user research is a key objective of RBDxP to ensure that Council services are data driven, accessible for all and are designed to meet the needs and expectations of residents, businesses, and Members. Since the Programme commenced, significant Resident and Business user engagement has taken place across the City as well as specific engagement with Members through lunch time and evening Member engagement sessions. The RBDxP team have been working with Neighbourhood teams and the Equalities, Diversity and Inclusion (EDI) Team to identify channels and community groups to engage with.
- 5.3 To date, the Programme have carried out;
- Online surveys 'Improving manchester.gov.uk' for residents and businesses, to capture website feedback and equalities data
 - Website feedback sessions in the Town Hall Extension and local libraries (Manchester Central, Longsight, Gorton Hub)
 - In-person workshops in the City Centre and Wythenshawe, alongside an online workshops for those who preferred this channel
 - Attended digital inclusion events in Harpurhey and Clayton to speak to residents to understand the challenges they face when interacting online
 - Presented at business and resident forum events in Chorlton, Moss Side, Clayton, Piccadilly and the Northern Quarter to gather feedback
 - Held Policy Panel Sessions with Members.
- 5.4 More than 100 residents have so far signed up to the Resident User Group which the Programme will engage with further as part of the Development and Testing phases of the Programme to ensure that our digital services are aligned to the needs of users.
- 5.5 As the Programme progresses, we will continue to work with colleagues in the EDI team and we will continue to engage with residents, businesses and Members throughout the lifecycle of the Programme.
- 5.6 The next phase of user engagement will focus on underrepresented communities to ensure that we meet the needs of all our residents. The RBDxP team will be working with colleagues across the Council and external organisations to identify and understand the most effective way to communicate with Manchester's diverse communities including Black, Asian and Minority Ethnic groups, disability groups and trans inclusivity.

- 5.7 Once the new digital platform is available the Programme Team will engage with the Resident User Group to ensure that the digital services developed are aligned to the needs and expectations of users.

6. Equalities

- 6.1 We have worked with our Equalities team throughout RBDxP. They were fully involved in the early discovery work, helped to define our requirements and were part of our technology selection panel.
- 6.2 Our Equalities Impact Assessment is a living document which we continue to develop and will be refined and updated throughout the lifecycle of the programme.
- 6.3 Our system will conform with the Web Content Accessibility Guidelines. Specifically, we will adhere to the latest standard 2.2 AA. In order to assist us we will be commissioning an independent assessor to provide a report on our conformity.

7. Personas

- 7.1 In order to build on the work carried out with stakeholders from across community groups, residents, Members and officers a number of 'Personas' have been developed. They are representations not of real people but of user experiences. As such they form a part of the user centred design process we will adopt when designing our new services and systems.
- 7.2 The developed 'Personas' will be used to inform how we design services and they will also inform our user testing, sign off of our new systems and will be a key success criteria for the programme. By using 'Personas' we will ensure that our Design Principles are achieved.
- 7.3 One of the thirteen Personas we have developed is Anya who is new to IT. One of her frustrations is finding a telephone number when she is struggling to complete an online form and would like someone to help her. One of the things that she wants is to get help completing a form.



Anya New to IT

Our Manchester

Who is Anya?

- Anya recently completed Digital Inclusion training at Moston library
- She's newly connected to the Internet, using a tablet which was bought for her by her son
- She's not confident in completing an online form and would like some help

My frustrations with the Council

- I can't find a telephone number when I am struggling to complete a request online and would like someone to help me

What I want from the Council

- Quick and easy way to access my Council account which means I can save time by not ringing
- To know I'm not being scammed when using the Council website
- If I do get stuck that I can ring the Contact Centre and an advisor can see my completed form and help me with requesting online so that I know how to do it in the future

Diagram 3: Persona - Anya

The Personas of Councillor Rogers and a Customer Centre Operative, Jenny, are given below. Both of these illustrate some of the frustrations they feel and what they want from the Council.

Councillor Rogers

Who is Councillor Rogers?

- Has served as a Councillor in Manchester for 15 years
- Councillor Rogers raises enquiries, service requests and reports issues on behalf of their residents

My frustrations with the Council

- The system doesn't make it easy for me to understand the progress of multiple service requests that I have raised
- I want to be notified throughout the process, so that I can keep my residents informed about issues in their area

What I want from the Council

- I want regular and accurate updates on things I report that I can share with my residents

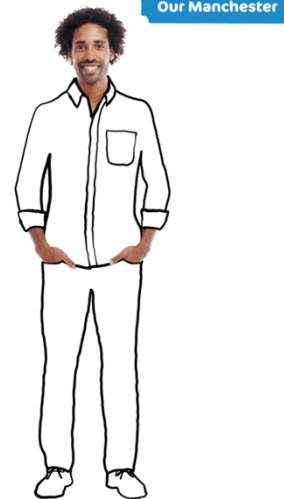


Diagram 5: Persona – Councillor Rogers

Jenny Contact Centre Operative

Who is Jenny?

- Jenny works in our contact centre answering calls and emails from our residents and business

My frustrations with the Council

- Our CRM is slow to work and often breaks when I'm speaking to callers, which means I spend longer on calls than I should be
- It's hard to see the history of a case, making it hard for me to update callers efficiently

What I want from the Council

- The tools to do my job, they need to be reliable, quick and easy to use
- Customer histories that are easily accessed so I can understand the context of the call or email



Diagram 5: Persona – Jenny

8. Member Engagement

- 8.1 The Programme will continue to engage with Members including a demonstration of the new system prior to Go Live. This will take place in the first two months of 2024 and provide members with the opportunity to see the first phase of the development of the new CRM system and further

engagement sessions and demonstrations will take place with members as the new technology continues to be developed and refined.