



## **Resources and Governance Scrutiny Committee**

Date: Thursday, 9 November 2023

Time: 10.00 am

Venue: Council Antechamber, Level 2, Town Hall Extension

This is a **Second 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, Brickell, Connolly, Davies, Evans, Kilpatrick, Kirkpatrick, Lanchbury, Rowles, Stogia and Wheeler

## **Second Supplementary Agenda**

---

7. **2024/25 Budget Proposals** 5 - 42  
Report of the Deputy Chief Executive and City Treasurer.

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.

- 7a. **Corporate Core Directorate 2024/25 Budget**  
This item is included with item 7.

## 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](mailto:charlotte.lynch@manchester.gov.uk)

This supplementary agenda was issued on **Thursday, 2 November 2023** by the Governance and Scrutiny Support Unit, Manchester City Council, Level 2, Town Hall Extension, Manchester M60 2LA

This page is intentionally left blank

**Manchester City Council  
Report for Information**

**Report to:** Resource and Governance Scrutiny – 9 November 2023

**Subject:** Revenue Budget Update and Corporate Core Budget Proposals 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 sets out the priorities for the services in the remit of this committee and details the initial revenue budget changes proposed by officers. 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.
- 

### Wards Affected: All

<p><b>Environmental Impact Assessment</b> - the impact of the issues addressed in this report on achieving the zero-carbon target for the city</p>
--

<p>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.</p>
--

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

<p>Consideration has been given to how the proposed savings could impact on different protected or disadvantaged groups. Where applicable proposals will be subject to</p>
--

completion of an Equality Impact Assessment (EqIA) and an Anti-Poverty Assessment.

<b>Manchester Strategy outcomes</b>	<b>Summary of how this report aligns to the OMS/Contribution to the Strategy</b>
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.

### **Contact Officers:**

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

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

Name: Paul Hindle  
Position: Head of Finance - Corporate Services, Neighbourhoods  
and Growth & Development  
Telephone: 0161 234 3025  
E-mail: paul.hindle@manchester.gov.uk

Name: Samantha McArdle  
Position: Head of Corporate Finance  
Telephone: 0161 234 3472  
E-mail: samantha.mcardle@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.

[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. This report outlines the Council's budget position for 2024/25 and an update on the budget for the Corporate Core including progress in reaching a balanced budget, reflecting preliminary savings and investment options.
- 1.2. An indicative balanced 2024/25 budget was set out in the February 2023 Medium Term Financial Strategy (MTFS), as approved by Full Council, including the planned use of reserves. As reported to this 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.

## 2. Background

- 2.1. The funding outlook for Local Government remains extremely challenging. The LGA published new analysis on 20 October 2023<sup>1</sup> which estimates that English councils are set for a budget gap of £4bn by March 2025 just to maintain services at current levels. This is an increase of more than a third since the previous forecast in July 2023, and has been mainly 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 which was built into the MTFS for both years as part of the 2023/24 Budget Process. Uncertainty still remains around a number of funding streams including New Homes Bonus and the number and level of different specific grants remains an ongoing risk.

---

<sup>1</sup> **Autumn Statement 2023: LGA submission**

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



- 2.3. The government is due 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, although it could be as late as 5 January 2024.
- 2.4. In common with the rest of the sector the Council's finances continue to be under pressure, with high levels of inflation and rising demand for services continuing to outstrip the level of resources available. The resilience of the Council has been eroded by the impact of over a decade of austerity. 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 2023-26 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 required to address it.
- 2.5. This report sets out the updated financial position and the proposed budget process.

### **3. Summary Budget Position**

- 3.1. A balanced budget for 2024/25 was presented to both Executive and this committee in February 2023, although this did include the use of c£17m a year of reserves to support the budget position. This is not sustainable in the longer term. The forecast was based on reasonable assumptions around the likely level of resources available and likely spending requirements. The assumptions were always subject to change as more up to date and robust information became available.
- 3.2. The updated position leaves a budget gap of £1.6m in 2024/25, £30m in 2025/26, increasing to £49m by 2026/27. Unless further funding is forthcoming additional significant cuts to council services will be required to balance the budget from 2025/26. The 2025/26 budget process will start immediately with further options to be explored following the Autumn Statement, 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.
- 3.3. The latest position is shown in the table below.

Table One: Summary Budget position

	2023 / 24	2024 / 25	2025 / 26	2026 / 27
	£'000	£'000	£'000	£'000
<b>Resources Available:</b>				
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
<b>Total Resources Available</b>	<b>738,703</b>	<b>773,861</b>	<b>773,186</b>	<b>784,564</b>
<b>Resources Required:</b>				
Corporate Costs	116,421	120,681	124,767	123,986
Directorate Costs	638,751	699,761	734,783	765,996
<b>Total Resources Required</b>	<b>755,172</b>	<b>820,442</b>	<b>859,550</b>	<b>889,982</b>
<b>Budget Gap</b>	<b>16,469</b>	<b>46,581</b>	<b>86,364</b>	<b>105,418</b>
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)
<b>Gap after use of Smoothing Reserves and savings</b>	<b>0</b>	<b>1,655</b>	<b>29,844</b>	<b>48,990</b>

3.4. The main budget assumptions are as follows:

- Government grant funding will roll over from 2023/24 funding levels, other than known increases to social care grants.
- Business Rates Multiplier uplift in line with September 2023 CPI, at 6.7%. This also impacts the tariff/top up arrangement. There is a risk the government may freeze Business Rates. They usually compensate LA's when this happens.
- Increases in council tax over the MTFFS period, including an assumed 4.99% increase in 2024/25 as agreed by Full Council in February 2023. It should be noted that every 1% change in council tax assumptions increases or decreases the budget gap by approximately £2.2m in 2024/25.
- Delivery of an approved savings programme of £36.2m over three years
- Use of reserves of c£17m a year for three years
- Cost pressures including:
  - 6% for pay inflation in 2023/24 and 4% thereafter.
  - Non-pay inflation in line with contractual rates or CPI forecasts where appropriate totaling £8.5m in 2024/25 then £5m a year.
  - Demographic growth pressures for Adults and Childrens, totaling £8.1m in 2024/25

3.5. The medium-term position set out in February 2023 included significant use of reserves at c£17m a year for three years. This is to help smooth the budget

position until increases in commercial income are anticipated. Reserves can only be used once and the ability to do this to support the budget position has now gone and it is not a sustainable approach in the longer term.

#### 4. Changes to the Medium Term Financial Plan (MTFP)

- 4.1. The final budget position for 2024/25 and future years forecast 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 and the Final Finance Settlement is received.
- 4.2. Table Two list the changes since the 2023/24 budget was approved in February 2023 and the latest assumptions are highlighted in section which follows.

*Table Two: Summary of changes to Budget position since the original 2023/24 MTFP*

	2024 / 25	2025 / 26	2026 / 27
	£'000	£'000	£'000
<b>Forecast budget gap presented in 2022/23 MTFP</b>	<b>0</b>	<b>40,392</b>	<b>54,164</b>
<b>Resource Changes:</b>			
Collection Fund 22/23 Surplus applied over three years	(4,717)	(4,717)	(4,717)
Increase in Business Rates income including from 100% retention	(11,802)	(21,815)	(23,977)
Council Tax forecast 2023/24 surplus and base growth	(3,000)	(1,000)	(1,000)
Updated government grant forecasts	(5,982)	(1,666)	(1,666)
Remove Social Care reform risk	-	(15,721)	(15,721)
<b>Total resource changes</b>	<b>(25,501)</b>	<b>(44,919)</b>	<b>(47,081)</b>
<b>Spend Changes:</b>			
Increase price inflation (CPI higher than budgeted)	3,658	5,668	6,669
Transport Levy forecast increase	1,173	1,614	2,085
New Contract for Electricity	(3,000)	(3,000)	(3,000)
Directorate Pressures	25,325	32,589	38,653
Directorate Savings	(2,500)	(2,500)	(2,500)
2023/24 Overspend - top up GF reserve	2,500		
<b>Total spend changes</b>	<b>27,156</b>	<b>34,371</b>	<b>41,907</b>
<b>Current forecast gap / (surplus)</b>	<b>1,655</b>	<b>29,844</b>	<b>48,990</b>

#### ***Resources Available***

- 4.3. The overall level of resources available to the council has increased by £25.5m for the reasons set out in the following paragraphs.

- 4.4. **Business Rates** – the 2022/23 collection fund included a significant surplus as the collection rates recovered faster than expected from their pre covid levels. This combined with a lower level of appeals than previously experienced has seen an increase in the likely level of business rates available over the next three years. The GMCA Trailblazer confirmed the continuation of the 100% business rates retention scheme for the next 10 years. Districts will now retain 75% of the growth generated. This has also led to an increase in the level of income available to the council.
- 4.5. **Council Tax** – a surplus is anticipated on the collection fund as council tax support claimant numbers have stabilised. In addition, the increase in house building across the city has seen a growth in the council tax base over and above that assumed at budget setting.
- 4.6. **Government Grants** – After the budget was set the methodology for allocating the Adult social care grant was confirmed. The final allocation was £1.7m higher than that estimated in the budget reports. In addition, a further year of New Homes Bonus funding has been assumed at £4.3m in line with sector expectations, although this is yet to be confirmed.
- 4.7. **Local Government Funding Reform** - Provision had been made for the potential financial impact of the governments proposed reforms to Social Care including Fair Cost of Care and revised thresholds. This provision has now been removed as the reforms are unlikely to be implemented in the next two years. There remains a risk that changes will be made in the future and any impact will need to be reflected in the budget when the position is clearer. It has also been assumed that any reforms to the overall funding formula (Fairer Funding) or business rates regime will not happen in 2025/26.

#### *Resources Required*

- 4.8. 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 and reported to Executive. In the Autumn statement 2022 the OBR forecast that inflation had peaked in 2022 and would fall significantly by 2024 to an average rate of 0.6%. The September 2023 rate for CPI is at 6.7% and as contracts come up for renewal there is a lag in the impact to the Council. Further provision has therefore had to be made. The original 2024/25 allowance was £5m, this has been now increased to £8.5m.
- 4.9. GMCA have indicated the **transport levy** will increase by c4%, costing an additional £1.2m. This, alongside the waste levy, will be confirmed in February once the GMCA budget is formally approved.
- 4.10. **Utilities costs** had been very high following the need to relet contracts at the point the war in Ukraine started. Electricity contracts have now been

renegotiated at substantially lower rates, the ongoing saving is estimated at c£3m per annum.

- 4.11. **General Fund Reserve** - Any remaining overspend in 2023/24 will need to be met from the General Fund which will need reimbursing. Work is underway to reduce the overspend and this is currently forecast as requiring reimbursement of £2.5m. If this is not achievable the budget pressure will increase.
- 4.12. The most significant increase relates to **directorate pressures** of £25m. As part of the budget process it is important that, as well as identifying savings to balance the budget, service pressures are recognised, challenged and are correctly budgeted for. The budget assumptions that underpin 2024/25 to 2026/27 include the commitments made as part of the 2023/24 budget process to fund ongoing demand pressures. In addition, provision has been made to meet the ongoing effect of current year inflation and the full year impact of rising placement costs and service demands.
- 4.13. The relevant November 2023 scrutiny reports provide the detail in full.

*Table Three: Summary of additional directorate pressures*

	2024 / 25	2025 / 26	2026 / 27
	£'000	£'000	£'000
Christmas Markets (loss of income until Albert Square reopens)	1,000	1,000	1,000
Children's Residential Places Cost Increases	6,500	6,500	6,500
Increase in demand for HTST	1,300	2,600	3,900
UASC unfunded pressure	2,500	2,500	2,500
School Condition surveys	100	100	100
Adults - estimated cost of transition placements	2,000	2,000	2,000
Adults Pressure - Fair Cost of Care	3,500	3,500	3,500
Adults - Revised Demography Calculation for increased homecare demand	1,735	2,799	3,563
ASC - mainstream investment in New Care Models	-	-	1,300
Additional Risks - ICS/Homelessness	2,000	2,000	2,000
Revenue costs for move to hybrid cloud	2,000	4,000	6,000
Funding for ICT staff no longer capitalisable	1,500	1,500	1,500
New PSAA contract increase in external audit fees	290	290	290
Reduction off street parking income (24/25 funded by parking reserves)		2,100	2,100
Neighbourhoods - Street Cleaning Demography	500	500	800
Additional costs for waste collection - based on increase in number households	400	1,200	1,600
<b>Total emerging pressures</b>	<b>25,325</b>	<b>32,589</b>	<b>38,653</b>

- 4.14. As part of the 2023/24 budget setting process, savings of £36.2m across three years were identified as summarised in the table below. As far as possible

these were aimed at protecting the delivery of council priorities and represent the least detrimental options.

*Table Four: Savings approved in MTFS*

Directorate	Amount of Saving			
	2023/24	2024/25	2025/26	Total
	£'000	£'000	£'000	£'000
Adults Services	4,142	2,200	2,200	8,542
Public Health	730	0	0	730
Children Services	4,411	3,920	3,394	11,725
Neighbourhoods	545	1,135	1,772	3,452
Homelessness	1,244	2,070	1,332	4,646
Corporate Core	3,365	677	1,089	5,131
Growth and Development	959	170	815	1,944
<b>Total profiled savings options</b>	<b>15,396</b>	<b>10,172</b>	<b>10,602</b>	<b>36,170</b>

- 4.15. To offset the emerging gap and get back to a balanced budget officers have identified further options of £2.5m which are subject to approval. The detail is included in the budget reports to individual scrutiny committees. These will largely come from deleting vacant posts, in the context of a continued forecast underspend in this area and the fact the Council has never recruited up to its full establishment.
- 4.16. 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 finalisation of the Collection Fund position in January could increase resources further.
- 4.17. The updated position will be reported to RAGOS in January 2024 following the finance settlement and the further savings considered by scrutiny committees in February. Work will continue throughout 2023/24 to focus on the delivery of the approved savings alongside work to close the 2025/26 gap.

## 5. Budget Consultation

- 5.1. There is a statutory requirement to consult with business rates payers. Public consultation on proposed Council Tax levels 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.
- 5.2. None of the budget options set out to date require formal statutory consultation.

## 6. Equalities Impact and Anti-Poverty Assessments

- 6.1. Each saving option that was approved last year was supported by a robust business cases where consideration was been given to how the savings could impact on different protected or disadvantaged groups. Where applicable proposals were 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. Scrutiny of the draft proposals and the budget reports

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

*Table Five 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

## 8. Next Steps

8.1. 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. This includes the consultation on proposed changes to the Council Tax Support Scheme.
- 17 January - Executive -settlement outcome, update on the budget position
- 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

## 9. Corporate Core - Service Overview and priorities

9.1. The report sets out an overview of the services within the remit of this scrutiny committee and their key priorities. It also contains the updated cuts and savings and investment proposals based on the latest overall budget position. This update covers the services under the remit of the scrutiny committee, the Corporate Core and Operations and Commissioning services within the Neighbourhood Services Directorate.

9.2. The Corporate Core is made up of Chief Executives and Corporate <sup>(00)</sup> Services and has a gross budget of c. £336m and a net budget of c. £104m. The Directorate employs 2,066 fte. The 2023/24 base budget and fte numbers are shown broken down by service area in the table below.



Table Six: Base budget 2023/24

	<b>2023/24 Gross budget £'000</b>	<b>2023 / 24 Net Budget £'000</b>	<b>2023 / 24 Budgeted posts (FTE)</b>
Coroners & Registrars	3,778	2,352	50
Elections	1,340	1,113	12
Legal Services	17,755	10,051	307
Communications	4,379	3,367	78
Executive	1,040	1,040	13
Policy, Performance & Reform (PRI)	18,155	15,995	153
CEX Corporate Items	1,345	1,215	0
<b>Total Chief Executives</b>	<b>47,792</b>	<b>35,133</b>	<b>613</b>
	<b>2023/24 Gross budget £'000</b>	<b>2023 / 24 Net Budget £'000</b>	<b>2023 / 24 Budgeted posts (FTE)</b>
Finance, Procurement & Commercial Governance	10,514	8,165	222
Revenue & Benefits and Customer Services	227,686	17,190	524
ICT	16,125	16,125	159
Human Resources & OD	5,642	4,817	161
Audit, Risk & Resilience	1,881	1,698	47
Cap Prog, Operational Prop & FM Services	26,026	21,082	341
<b>Total Corporate Services</b>	<b>287,874</b>	<b>69,077</b>	<b>1,454</b>
<b>Grand Total Corporate Core</b>	<b>335,666</b>	<b>104,210</b>	<b>2,066</b>

The above budgets include:-

- Revenue and Benefits £176,350m subsidy support to cover costs of Housing Benefit and rent rebates to Manchester residents, £2.646m discretionary housing support and £1.3m welfare provision
- City Policy £4.844m support to voluntary organisations and £6.261m support to culture and other projects
- ICT £8.846m hardware, software, maintenance, and licence costs
- Operational property £15.388m for premises costs
- Facilities Management £6.995m for premises costs

9.3. In addition to the Corporate Core, there are other services that are under the remit of the Resources and Governance Scrutiny Committee, this is traded services with Neighbourhood Directorate. The gross budget is £16.552m,

with a net income budget of £7.261m and 126 employees. A breakdown of the services is shown below.

Service Area	2023/24 Gross budget £'000	2023 / 24 Net Budget £'000	2023 / 24 Budgeted posts (FTE) £'000
Advertising	(102)	(4,742)	0
Traded Services	16,654	(2,519)	126
<b>Total</b>	<b>16,552</b>	<b>(7,261)</b>	<b>126</b>

- 9.4. These services aim to maximise the commercially generated income from services alongside the provision of a public amenity, with all funds raised recycled back into Council services and the assets used to deliver them.
- 9.5. The Council sells advertising space on its land holdings across the city and this funding is used to support front line services. There are both small format and large format and includes the digital displays in and around the city centre.
- 9.6. Traded Services includes.
- 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.
- 9.7. The Corporate Core has the following functions:
- Delivery of front-line services to residents and businesses including the customer service, revenues and benefits, coroners and registrars
  - 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.
  - Delivery and support of the Capital Programme through the Capital Programmes team.
  - Corporate Landlord and Facilities Management (FM)
  - Ensuring effective governance, decision making and supporting the council as a democratic organisation. This includes the specific work of internal audit, commercial governance.
  - Engine room for driving policy and strategy and the associated evidence base.

9.8. 2024/25 will remain a busy year for the Corporate Core. Some of the priorities and changes for next year include:

- Supporting development of the refresh of Our Manchester Strategy, Economic Strategy and preparation of the next five year climate change action plan.
- Leadership for the new Medium Term Financial Plan, Capital Strategy and Asset Management Plan.
- Supporting our workforce with the development of the Workforce Strategy, delivery of the Workforce Equalities Plan and considering what good work looks like as part of the Future Shape Programme.
- Continued delivery of support to residents whilst maintaining levels of council tax and business rates collection.
- Delivering further electoral reform changes with the potential for a general election.

9.9. The focus will also be on the continued delivery of the five year Future Shape Programme. This includes:

- Resident and Business Digital Customer Experience (RBDXP) - to significantly improve how residents, businesses and councillors interact with the council. Procurement of the new technology and implementation partner has been completed. Implementation is underway and it is expected that parts of the new system will go live from February 2024. Once complete, phase one is estimated to achieve a further 20% channel shift, by moving c295k of non-digital contacts to digital.
- Digital Data and Insights - to implement new back-office digital technology and process changes required for the council to work smarter and more efficiently. The MCC ICT and Digital Strategy was approved by Executive in October 2022 and is accompanied by a Technology Roadmap. The new Target Operating Model for ICT is being completed with an implementation timeline during 2024.
- Ensuring the Council has an effective Corporate Core - Improving internal interactions with core services, focusing on self-serve, centres of excellence and collaboration. This includes the replacement of the core ERP system (SAP).
- Ensuring our workforce can thrive in the workplace with the right tools, skills and support; offices are hubs of activity, collaboration and productivity with a strong connection to the place and communities they are in.

### **Service budget and proposed changes**

9.10. The Corporate Core has delivered savings of £3.365m in 2023/24 and currently has approved savings of a further £2.734m over the next three financial years with £0.677m scheduled in 2024/25.

- 9.11. The approved £0.677m savings are broken into Future Programme savings £472k and general housekeeping savings £205k with details being set out in Appendix 1.

Savings Plan 2024-27

Future Shape and Transformation Programme

- 9.12. As part of the Future Shape programme an initial benefits realisation programme was agreed in 2023/24 with an ambition to deliver almost £5m of savings over a five-year period. These include: -
- 9.13. An initial £200k from Customer Services in 2025/26 and a further £450k in 2026/27 onwards from the anticipated 20% channel shift to digital channels through the new customer offer and RBDXP programme. Phase Two will deliver further saving/efficiencies as additional services outside of the customer contact centre are transitioned to the new digital platform. It remains too early to accurately quantify total savings from this programme over both phases. The aim is to achieve up to £1.5m p.a. through the further rationalisation of systems as more services and systems are delivered through the new digital platform. 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.
- 9.14. The changes being delivered through the ICT Strategy and Technology Roadmap include 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.
- 9.15. These proposals are estimated to achieve £259k over the next three-year period with £50k in 2024/25.
- 9.16. Benefits from the replacement of the current Finance and HR system, which is scheduled for go live in April 2025, savings of £0.865m are proposed over the three year period with £250k in 2024/25.
- 9.17. In addition to the future shape programme other savings have been identified and were approved as part of the 2023/24 budget process. These total £0.959m with £377k in 2024/25. The savings include additional income, reduced mailroom costs and other housekeeping savings.

## Support For Residents

9.18. Ongoing investment of c£5.55m was approved in 2023/24 to provide additional capacity to support residents in response to the cost of living crisis. This includes:

9.19. £3.55m to support the anti poverty work which as follows:

	2023/24 Allocation s £000's	Comments
Food Response	1,200	Working with Community Food partnership and purchasing ambient food stock for access by food providers
Local Welfare Provision	650	Additional funding for the Local Welfare Provision scheme, The funding helps cover essential costs for households, including one off crisis payments, basic white goods and furniture for residents moving from temporary accommodation.
Discretionary Housing Payments	500	The primary aim is to support people in their own tenancies and to help prevent people becoming homeless.
Community Health Equity for Manchester (CHEM)	250	To support Communities experiencing racial inequality and other inequalities more likely to be impacted by the cost of living crisis.
Support to VSCE	600	To increase the capacity of the VSCE sector to respond to the cost of living crisis in the wards most affected and citywide.
Expand advice and debt offer	250	Expand the advice and debt support offer across the City.
Other	100	Includes additional communication and engagement for residents and support to increase digital inclusion.
	3,550	

9.20. £2m to provide to provide additional targeted support to vulnerable residents and the voluntary sector. £1m is providing support to Voluntary and Community groups that provide Community Hubs, Good Neighbours Groups and other locally focused activities that support residents in all parts of the city. This has been allocated as part of the Our Manchester grants programme. The remaining £1m is being used to provide support to the most vulnerable residents suffering direct hardship, this will be addition to existing welfare provision schemes but recognise the severity of the current economic climate on our residents. In 2024/25 the £1m for residents will be used to fund the

proposed changes to the Council Tax Support Scheme which are currently out to consultation. The outcomes of the consultation will report to January RAGOS.

- 9.21. In 2023/24 the Council have received Government Grant of c.£12.9m through the Household Support Fund 4 programme, and this has provided direct support to the most vulnerable residents in the form of cash grants and free school meals. The HSF4 funding was operating alongside the additional £3.5m Council investment into providing cost of living support to Manchester residents.
- 9.22. At this stage there is no indication that the Household Support Fund grant will continue. A review is currently underway of all the known funding currently available for next year to support residents in response to the cost of living crisis to ensure that their impact can be maximised. This will also report back to January RAGOS alongside the Council Tax Support scheme consultation outcomes. This will then enable the proposals to be finalised for the final draft budget papers scheduled to go to scrutiny in February.

### **New Savings Proposals**

- 9.23. In addition to the already approved savings and in recognition of the work required to balance the overall council budget, further options for savings have been developed, and the areas considered include the following.
- Review of workforce structures and capacity alongside taking a realistic view on the ability to fill longstanding vacancies.
  - Review all income generation from sales, fees and charges and whether there are opportunities to increase charges in line with inflation and increase income.
  - Review all savings proposals that have not been taken forward as part of the 2023/24 budget process.
- 9.24. The measures proposed are set out below:
- Additional income of £130k:
    - £50k from increased vehicle clamping income.
    - £80k from increased registrars income following the price increase that was introduced during 2023/24 which aligned Manchester registrars fee levels with that of other Core Cities.
  - The Council's staffing establishment is budgeted at the top of the grade, with an allowance made to allow for vacancies, staff not being at top of grade and in year turnover. Despite this, staffing budgets have continued to consistently underspend across all directorates. All vacant posts are currently being reviewed, with a focus on those that have been vacant for longer than 12 months, to determine which posts should be deleted with the least impact on service delivery. An estimated further £286k will be achieved from this exercise. A breakdown of the changes will be brought

back to the February scrutiny meeting. The continued challenges in filling posts also means that the council is continuing to work on ensuring we are seen as an employer of choice.

- Bereavement services charge for their services which includes, burials, cremations and memorials. The overall income budget is C£4.155m. It is proposed to increase this by £100k in 2024/25 to be achieved by reviewing the existing activity levels and applying an uplift to the existing prices.
- The City Council currently operates two large advertising contracts for sites across the City. The annual contract value is subject to annual uplifts in respect of inflationary increases in line with RPI, and work is ongoing to identify further opportunities for new sites. It is proposed to increase the existing advertising income budget by a further £200k to reflect the forecast inflationary increase in 2024/25.

### Growth and Pressures 2024-27

#### **Growth Approved 2023/2024**

- 9.25. As part of the 2023/24 budget approvals budget growth of £0.783m was approved for 2024/25 and this was in respect of:
- 9.26. As part of the original end user device strategy in 2020 it was agreed that a regular refresh programme of ICT equipment would be undertaken, and an annual budget of £0.75m was approved from 2024 as part of the 2023/24 budget to support the ongoing costs of the refresh programme.
- 9.27. £33k growth was also agreed to offset pressures in HROD £23k due to reduced school income for payroll services, and £10k in financial management to cover increased costs of Civica Pay licences.

#### **Proposed Growth 2024/2027**

- 9.28. In addition to the above growth approved as part of 2023/24 budget process further budget proposals of £8.123m are proposed, with £4.123m being required in 2024/25. The Growth items are set out in **Appendix 2**, with further details set out below:
- 9.29. As part of the ICT strategy and the move to cloud first there is a change to the funding model with ICT systems being hosted in the cloud and software systems becoming more service contracts rather owned assets this increases the annual revenue costs but provides increased resilience. To allow for the increased ongoing revenue costs it is proposed to allow £2m per annum to cover the increased license costs. This is required to fund the licences and support costs for the move to the hybrid cloud and will then be required for the maintenance and licence costs for the replacement of the CRM and ERP (SAP) systems. A detailed investment plan is being developed and will be

subject to scrutiny and full decision making before the additional funding is approved for spend.

- 9.30. ICT have operated their budget on the basis that staff recharge their time against capital projects, this requires staff to complete timesheets and internal recharges to be undertaken to charge time against capital projects. In order to recognise the move towards cloud based applications a budget of £1.5m is proposed to reduce the need for staff recharges, and allow capacity to deliver and implement planned system changes and to ensure the Council remains resilient against the increased cyber threats. The amount required is under full review and the details will be shared in the February Scrutiny report before the final budget decisions are made.
- 9.31. External Audit fees are set by Public Sector Audit Appointments Ltd, who are a not-for-profit organisation. Due to the increased volume of work required in recent years PSSA have stated that the 2024/25 external audit fees will increase by up to 150%, and a budget increase of £290k is proposed to cover the increased costs in 2024/25.

#### **Traded Services**

- 9.32. Due to the Christmas Markets using a smaller footprint because of the temporary closure of Albert Square, additional funding of £1m is being provided until the town hall reopens to offset the lower rental income that can be realised. This funding will then be used to meet some of the increased operating costs of running the civic estate once the town hall is reopened.



Government Grants 2024-27

Service	Grant Name	23/24	24/25	25/26	26/27
Revenue & Benefits	Voluntary War Pension	43	43	43	43
Revenue & Benefits	Rent All awards	127,519	127,519	127,519	127,519
Revenue & Benefits	Non-HRA Rent Rebates	12,900	12,900	12,900	12,900
Revenue & Benefits	Rent Reb awards	24,488	24,488	24,488	24,488
Revenue & Benefits	New Burdens	500	500	500	500
Revenue & Benefits	Discretionary Housing Payments	1,396	1,396	1,396	1,396
City Policy	Grow Green	137	0	0	0
City Policy	Climate Change	9	0	0	0
City Policy	ERDF UGEGM	25	25	25	25
City Policy	ERDF R&I Bio	46	46	46	46
Elections	General Election	90	0	0	0
Corporate Items	Redmond Review	83	83	83	83
Elections	Elections	185	0	0	0
Performance, Research & Intelligence	Transparency Grant	13	0	0	0
<b>Total</b>		<b>167,434</b>	<b>167,000</b>	<b>167,000</b>	<b>167,000</b>

9.33. The Corporate Core main source of grant income is in respect of housing benefit subsidy support, this cover rent allowances and council tax benefits, the amount received is based on the actual volume and value of applications received and processed in year.

9.34. The majority of other grant income received are one off and time limited for specific projects or activities.

Sales, Fees and Charges

9.35. As part of the net Corporate Core budget there are income budgets of c£36.7m for sales, fees and charges. The main area of charges are:

- service provision to other local authorities or public organisations,
- fees and penalty charge notices for on street parking and bus lane enforcement
- Charges for goods and services to residents and businesses.

9.36. The table below provides a high level summary of the current budgets for sales, fees and charges across within the Corporate Core.

<b>Service Area</b>	<b>2023/24 Budget £000'S</b>	<b>Comments</b>
<b>Local Authorities/Public Sector Organisations</b>		
Human Resources	451	Charges are made for payroll services and provision of DBS certificates to other organisations, including schools.
Legal	5,932	Charges to recover the costs of legal services provided to Salford, Rochdale (Children's Legal Services) and work for GMCA.
Procurement	56	Charges to recover the costs of procurement services provided to Bolton Council.
Internal Audit	115	Charges to recover the costs of internal audit services provided to other authorities including Bolton Council.
Commercial Governance	101	Company secretary services are provided to other organisations through a separate company.
<b>Services to Residents and Businesses</b>		
Registrars	1,425	Registrars charge residents for issuance of Certificates in relation to births, deaths and marriage and also for undertaking both marriage and civil partnership ceremonies.
Finance	239	Fees charged to residents for undertaking the deputyship role, i.e. managing residents financial affairs if they are unable to do so.
On Street Parking	16,616	Income from on street parking fees and penalty charge notices, the income is

		used to cover the costs of funding the parking and enforcement service, and any surplus must be credited to a reserve and any use is limited under statute, and must be used for transport related expenditure. full details are set out in the MTFP and Reserves Strategy.
Bus Lane Enforcement	6,514	Income from bus lane enforcement is statutorily restricted in what it can be used for. It is used initially to fund the costs of enforcement, and any surplus must be ringfenced for specific use, this includes 1. Provision or operation of public passenger transport, and 2. Highway improvement projects.
Clamping	378	Vehicles can be clamped or removed if the driver has a number of unpaid parking tickets, the car is not registered with DVLA or the vehicle is untaxed. In order to retrieve the vehicle the vehicle owner has to pay either a clamp release fee, or a release fee if the vehicle has been impounded.
Communications	1,012	Provision of interpretation and Translation services including British Sign Language and provision of professional printing and finishing service.
<b>Other</b>		
Policy	48	The Council has a statutory duty to name and number streets, fees are payable by developers to register new streets names.
Capital Programmes	176	The Council is in partnership with other LA's and operates a construction and professional services framework whereby other public sector organisations can use the frameworks to access required professionals, fees are payable for accessing the framework.

Other	40	
<b>Grand Total</b>	<b>33,103</b>	

- 9.37. As part annual budget process all sales, fees and charges are being reviewed to ensure that they are fully recovering fees where appropriate, and if any increase in charges is appropriate. Once concluded any proposed charges will be included in the February budget report to Members.
- 9.38. Appendix 3 provides an overview of the forecast medium-term budgets by service. Appendix 4 provides an objective analysis of the 2023/24 budget to also set out the key areas of income. The forecast grants are listed at Appendix 5.

## **10. Commissioning and procurement priorities**

- 10.1. Contract sessions with directorate management teams have been established commencing over September 2023 and quarterly thereafter. The aim of these is to support management teams to understand both their current contractual position and contract spend, and to develop an agreed pipeline of future commissions.
- 10.2. A new Contract Management System is expected to go live during the current financial year. Once operational this will provide Directorates with consistent contract performance information to support contract managers to ensure that contracts deliver against expectations and that opportunities for improvement can be identified and realised more easily.
- 10.3. The team have now developed and rolled out a 'Spend Analysis' tool, this is shared quarterly with Directorate Management Teams' and aids their understanding of key supplier relationships, and corresponding contractual relationships. It is also being used to drive innovation in the procurement and commissioning team, by providing a new way to assess spend across the council.
- 10.4. The new Procurement Act received Royal Assent in late October 2023 and will be in force from October 2024 onwards with a six month transition period to prepare all necessary templates and tender documentation in order to take advantage of the new flexibilities available under the new regulations. This will include rolling out training across the council to ensure visibility of the changes amongst service units.
- 10.5. A significant additional workload will be generated by the Transparency Reporting arrangements under the new regulations which include a requirement to post details of contract awards and termination details as well as to report on delivery against Key Performance Indicators within major contracts by uploading information onto a database that is to be managed by

the Cabinet Office. The Contract Management System and Spend Analysis tool will be valuable in providing information to support this new reporting regime.

- 10.6. In parallel to the new procurement regulations, the long-awaited regulations for the new Provider Selection Regime (which applies to healthcare procurements) were laid in Parliament in mid-October and will come into force on 1st January 2024 and provide a mechanism to avoid unnecessary competition in certain limited circumstances and to direct award contracts where it is considered that tendering would be unlikely to generate sufficient interest from suppliers to justify the exercise. The draft regulations and statutory guidance have been shared with Public Health, Legal and Procurement colleagues to assist with planning and workshops will be held during the lead in period to run through the detailed workings as there will be new requirements not only in terms of procurement procedures but also for contract notices and auditing of decisions made under the Regime.
- 10.7. The Unit has a significant role in supporting the work of the Major Contracts Review Board which was established in early 2023 and intended to provide assurance for the council that appropriate and robust management arrangements are in place for the council's Gold rated contracts. The Board meets on a 6-weekly cycle and, following an intense period of work to establish the Board's working practices, IC&P has produced a forward plan of contracts for future scrutiny and developed a Delivery Model Assessment and a Sourcing Policy which will go to Executive for Approval in the next 2-3 months.
- 10.8. The Core has a number of high-profile procurements in the pipeline including, but not limited to the following:
- Power Purchase Agreement, £42m total value
  - Gas, Contract value in the region of £8m
  - VCSE Infrastructure Support Service, £2.8m total
  - North West Construction Hub Medium Value Framework, £1bn
  - North West Construction Hub Low Value Framework, £400m
  - Electric Vehicle Charging, TBC
  - Security, Approx £6m per annum

## **11. Workforce Implications**

- 11.1. Corporate Services currently has 2,066 FTE, the savings proposals outlined in appendix one indicates a reduction of 37 fte over the 3-year period. This will be managed through natural turnover and management of vacancies.

### Vacancy Factor

- 11.2. Whilst 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. As part of looking to reduce staffing budgets without impacting on services a review of all current long term vacancies is being undertaken in order to seek to delete some posts, the Core budget reduction ask is £286k and details of how this is allocated across services will be brought back in February. 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.

## **12. Equality and Anti-Poverty Impact**

- 12.1. 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.
- 12.2. 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.
- 12.3. 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.

## **13. Future opportunities, Risks and policy considerations**

- 13.1 The Core continues to support residents and businesses with the ongoing implications of the current economic climate are still unknown, this is having 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 climate and particularly higher rates of inflation is leading to increased contractual costs for goods and services across all services.

#### **14. Conclusion**

- 14.1. 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 £1.6m in 2024/25 increasing to £49m by 2026/27.
- 14.2. The government's Autumn Statement is expected to be published 22 November 2023. 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 2024/25. 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 additional savings proposals to ensure a balanced budget is set and the council remains financially stable

This page is intentionally left blank



## Appendix 1 - Savings Schedule

	Description of Saving	Type of Saving	RAG Impact	Amount of Saving				Indicative FTE Impact
				2024/25	2025/26	2026/27	Total	
				£'000	£'000	£'000	£'000	
<b>2023/24 Approved Savings:</b>								
<b>Resident and Business Digital Experience</b>								
Customer Services and Transactions	ICT investment will make digital access easier and increase no of residents using digital channels rather than traditional channels for contact	Efficiency	Green	0	200	450	650	7
<b>Digital data Insights</b>								
ICT	Due to increased flexible working and access to MS teams, reduce number of telephones (mobiles and landlines) across the council	Efficiency	Green	25	25	0	50	
	Rationalise Wi-Fi providers	Efficiency	Green	0	184	0	184	
	Due to changes in working arrangements, reduce both the number of printers across the estate and the volume of prints.	Efficiency	Green	25	0	0	25	
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	Green	200	200	200	600	12
HR/OD	Replace existing ATS software to improve recruitment processes and new front Door implementation.	Efficiency	Green	50	65	150	265	3

	Description of Saving	Type of Saving	RAG Impact	Amount of Saving				Indicative FTE Impact
				2024/25	2025/26	2026/27	Total	
				£'000	£'000	£'000	£'000	
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	Green	122	125	168	414	5
Legal	Increased income through review of fees and charges	Income Generation	Amber	50	100	0	150	
<b>Total Future Shape</b>				<b>472</b>	<b>899</b>	<b>968</b>	<b>2,339</b>	
City Policy	Reduce strategic cultural grant to NFM	Efficiency	Green	50	0	0	50	
Communications	Review print and mailroom processes	Efficiency	Green	35	70	0	105	
Registrars	Review existing fees and charges to align with other Core Cities	Income Generation	Green	20	0	0	20	
Corporate Core	NI and Superannuation savings through introduction of electric car leasing	Efficiency	Green	100	120	0	220	
<b>Housekeeping Sub Total</b>				<b>205</b>	<b>190</b>	<b>0</b>	<b>395</b>	
<b>New 2024/25 Savings:</b>								
Registrars	Review existing fees and charges to align with other Core Cities	Income Generation	Green	80	0	0	80	
Corporate Core	Share of the £1m workforce savings.	Efficiency	Green	286	0	0	286	
Customer Services	Clamping Income	Income generation	Green	50	0	0	50	
<b>Total Corporate Core</b>				<b>1,093</b>	<b>1,089</b>	<b>968</b>	<b>3,150</b>	<b>37</b>

Service	Description of Saving	Type of Saving	RAG Impact	Amount of Saving				Indicative FTE Impact
				2024/25	2025/26	2026/27	Total	
				£'000	£'000	£'000	£'000	
<b>2023/24 Approved Savings:</b>								
Advertising	Additional advertisement income from new site	Income Generation		100	0	0	100	0
Bereavements Income	Increased Income	Income Generation		0	372	0	372	0
<b>New 2024/25 Savings:</b>								
Advertising Income	Advertising revenue - Chester Road new site and annual inflationary increase	Income Generation		200	0	0	200	0
Bereavements Income	Increased Income	Income Generation		100	0	0	100	0
<b>Total Traded Services</b>				<b>400</b>	<b>372</b>	<b>0</b>	<b>772</b>	<b>0</b>

This page is intentionally left blank

## Appendix 2 – Growth and Pressures Schedule

Service	Description of Pressure	Pressure / Growth Amount			
		2024/25	2025/26	2026/27	Total
		£'000	£'000	£'000	£'000
<b>2023/24 Approved pressures:</b>					
Financial Management	Civica and purchase card rebate	10	0	0	10
ICT	Ongoing costs of ICT hardware refresh post roll out of EUD	750	0	0	750
HROD&T	Lost school income/CCV	23	0	0	23
<b>New 2024/25 pressures:</b>					
ICT	Hybrid Cloud licensing Costs	2,000	2,000	2,000	6,000
ICT	Reduced capacity to capitalise ICT staffing costs, and increased resources to support ICT priorities	1,500	0	0	1,500
Corporate Items	Increased costs of External Audit	290	0	0	290
<b>Total pressures – Corporate Core</b>		<b>4,573</b>	<b>2,000</b>	<b>2,000</b>	<b>8,573</b>

Service	Description	Amount of pressure / growth			
		2024/25	2025/26	2026/27	Total
		£'000	£'000	£'000	£'000
Business Units	Christmas Markets – temporary adjustment to offset the loss of income to unavailability of Albert Square.	1,000	0	0	1,000
<b>Total pressures - Business Units</b>		<b>1,000</b>	<b>0</b>	<b>0</b>	<b>1,000</b>

This page is intentionally left blank

### Appendix 3 - Indicative Medium term budgets by service

Service Area	2023/2024 Budget £'000	2024/2025 Indicative Budget £'000	2025/2026 Indicative Budget £'000	2026/2027 Indicative Budget £'000
<b>Chief Executives:</b>				
Coroners and Registrars	2,352	2,252	2,252	2,252
Elections	1,113	1,113	1,113	1,113
Legal Services	10,051	10,001	9,901	9,901
Communications	3,367	3,332	3,262	3,262
Executive	1,040	1,040	1,040	1,040
Reform & Innovation	857	857	857	857
City Policy	11,048	10,998	10,998	10,998
Performance Research & Intelligence	4,090	3,968	3,843	3,675
Corporate Items	1,215	1,215	1,215	1,215
<b>Chief Executives Total</b>	<b>35,133</b>	<b>34,776</b>	<b>34,481</b>	<b>34,313</b>
<b>Corporate Services:</b>				
Finance, Procurement and Commercial Governance	8,165	7,879	7,559	7,359
Customer services and Transactions	17,190	17,140	16,940	16,490
ICT	16,125	20,325	22,116	24,116
Human Resources/ Organisational Development (HR/OD).	4,817	4,790	4,725	4,575
Audit, Risk and Resilience	1,698	1,698	1,698	1,698
Capital Programmes, Operational Property and Facilities Management	21,082	21,987	21,987	21,987
<b>Corporate Services Total</b>	<b>69,077</b>	<b>73,819</b>	<b>75,025</b>	<b>76,225</b>
<b>Grand Total</b>	<b>104,210</b>	<b>108,595</b>	<b>109,506</b>	<b>110,538</b>

Service Area	2023/2024 Budget £'000	2024/2025 Indicative Budget £'000	2025/2026 Indicative Budget £'000	2026/2027 Indicative Budget £'000
Advertising	(4,742)	(5,042)	(5,042)	(5,042)
Traded Services	(2,519)	(1,619)	(1,991)	(1,991)
<b>Total Traded Services</b>	<b>(7,261)</b>	<b>(6,661)</b>	<b>(7,033)</b>	<b>(7,033)</b>

This page is intentionally left blank



**Appendix 4 - Indicative Medium term budgets by type of spend / income**

<b>Corporate Core</b>	<b>2023/2024 Budget £'000</b>	<b>2024/2025 Indicative Budget £'000</b>	<b>2025/2026 Indicative Budget £'000</b>	<b>2026/2027 Indicative Budget £'000</b>
<b>Expenditure:</b>				
Employees	89,367	90,109	89,399	88,431
Running Expenses	253,208	257,018	258,739	260,739
Capital Financing Costs	0	0	0	0
Contribution to reserves	10,340	10,340	10,340	10,340
<b>Sub Total Subjective Expenditure</b>	<b>352,915</b>	<b>357,467</b>	<b>358,478</b>	<b>359,510</b>
Less:				
Other Internal sales	(24,449)	(24,449)	(24,449)	(24,449)
<b>Gross Expenditure</b>	<b>328,466</b>	<b>333,018</b>	<b>334,029</b>	<b>335,061</b>
<b>Income:</b>				
Government Grants	(167,044)	(167,044)	(167,044)	(167,044)
Contributions from Reserves	(6,984)	(6,984)	(6,984)	(6,984)
Other Grants Reimbursements and Contributions	(5,217)	(5,217)	(5,217)	(5,217)
Customer and Client Receipts	(33,103)	(36,303)	(36,404)	(36,403)
Other Income	(8,908)	(8,875)	(8,875)	(8,875)
<b>Gross Income</b>	<b>(224,256)</b>	<b>(224,423)</b>	<b>(224,523)</b>	<b>(224,523)</b>
<b>Total Corporate Core Net Budget</b>	<b>104,210</b>	<b>108,595</b>	<b>109,506</b>	<b>110,538</b>

<b>Business Units</b>	<b>2023/2024 Budget £'000</b>	<b>2024/2025 Indicative Budget £'000</b>	<b>2025/2026 Indicative Budget £'000</b>	<b>2026/2027 Indicative Budget £'000</b>
<b>Expenditure:</b>				
Employees	5,361	5,361	5,361	5,361
Running Expenses	11,699	11,699	11,699	11,699
Capital Financing Costs	0	0	0	0
Contribution to reserves	0	0	0	0
<b>Sub Total Subjective Expenditure</b>	<b>17,060</b>	<b>17,060</b>	<b>17,060</b>	<b>17,060</b>
Less:				
Other Internal sales	(215)	(215)	(215)	(215)
<b>Gross Expenditure</b>	<b>16,845</b>	<b>16,845</b>	<b>16,845</b>	<b>16,845</b>
<b>Income:</b>				
Government Grants	0	0	0	0
Contributions from Reserves	0	0	0	0
Other Grants Reimbursements and Contributions	0	0	0	0
Customer and Client Receipts	(24,106)	(23,306)	(23,678)	(23,678)
Other Income	0	0	0	0
<b>Gross Income</b>	<b>(24,106)</b>	<b>(23,306)</b>	<b>(23,678)</b>	<b>(23,678)</b>
<b>Total Net Budget</b>	<b>(7,261)</b>	<b>(6,661)</b>	<b>(7,033)</b>	<b>(7,033)</b>