



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 **Second 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

Second Supplementary Agenda

- 8a. Neighbourhoods Directorate 2024/25 Budget** 3 - 22
Report of the Strategic Director (Neighbourhoods).

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.

- 8b. Homelessness Directorate 2024/25 Budget**
This item is covered under Item 8a.

Further Information

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

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

This supplementary agenda was issued on **Friday, 3 November 2023** by the Governance and Scrutiny Support Unit, Manchester City Council, Level 2, Town Hall Extension (Library Walk Elevation), Manchester M60 2LA

Manchester City Council Report for Information

Report to: Communities & Equalities Scrutiny Committee – 7 November 2023

Subject: Neighbourhoods Directorate Budget 2024/25

Report of: Strategic Director (Neighbourhood Services)

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 changes which are relevant to the remit of this scrutiny committee.
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Wards Affected: All

<p>Environmental Impact Assessment - the impact of the issues addressed in this report on achieving the zero-carbon target for the city</p>
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<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>
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<p>Equality, Diversity and Inclusion - 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 completion of an Equality Impact Assessment (EqIA) and an Anti-Poverty Assessment.</p>

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.

Contact Officers:

Name: Neil Fairlamb
Position: Strategic Director – Neighbourhood Services
Telephone: 07798947609
E-Mail: neil.fairlamb@manchester.gov.uk

Name: Paul Hindle
Position: Head of Finance – Corporate Core
Telephone: 0161 234 3205
E-Mail: paul.hindle@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](#)

1. Introduction and purpose

- 1.1 The report sets out a service overview and key priorities along with the latest draft budgets for the services within the remit of this scrutiny committee. The draft budget contains details of the already approved savings and investments, along with initial thoughts on other areas for consideration and comment as part of the budget process in order to help ensure an overall balanced budget.
- 1.2 A further report outlining the final proposals will be brought forward in February and will take into account the overall changes to the Council's budget position following the Autumn Statement and Provisional Finance Settlement in December. This report should be read with the covering budget report to this committee. This report covers the services under the remit of the scrutiny committee, the Corporate Core and Operations and Commissioning services within the Neighbourhood Services Directorate.

2. Service overview and priorities

- 2.1 Neighbourhood Service Directorate has a wide range of services and employs over 1,910 staff. The Directorate works to improve the lives of Manchester residents and showcase the city to our millions of visitors every year. Our services work directly with the people of Manchester and together we want to make Manchester a better place to live, work and play. We have committed, via the Our Manchester Strategy to creating sustainable, safe, resilient, and cohesive neighbourhoods, with more affordable housing, good quality green spaces, and accessible culture and sporting facilities. We will work with colleagues and partners to achieve our zero-carbon ambition by 2038 at the latest, via green growth, low- carbon energy, retrofitting of buildings, green infrastructure, and increasing climate resilience.
- 2.2 The services under the remit of this committee includes the following services:

Community Safety, Compliance and Enforcement

- 2.3 Protect the public and the environment and keep citizens safe through ^{OBJ} reducing crime, safeguarding vulnerable people, building community resilience, and preventing vulnerable people from being drawn into extremism.
- 2.4 Enforce the law in a fair and consistent manner, helping businesses to meet their legal obligations and taking firm action against those who disregard the law or act irresponsibly.

Parks, Leisure Events and Youth

- 2.5 Responsible for providing strong strategic leadership which focuses relentlessly on improving outcomes for residents. The service is seeking to make the best use of parks and open spaces, increase sport and physical

activity levels to help residents lead healthy, active lifestyles, strengthen youth provision and establish Manchester as an eventful city – making a significant contribution to Manchester being a world class place to work, live and visit and where companies want to invest.

- 2.6 The service area continues to deliver an exciting programme of work to support residents increase activity levels and reach their full potential. The team deliver greater resident involvement, strengthen partnership working, and build capacity in the voluntary sector in the main through commissioning arrangements and collaborating with partners to deliver events.

Libraries, Galleries and Culture

- 2.7 Responsible for providing all the city-wide libraries, information and archive services, the Manchester Art Gallery, Platt Hall, Queen’s Park Conservation Studio and a range of cultural activities and organisations across the city.
- 2.8 The service operates the Central Library, 15 neighbourhood libraries and 6 community libraries, HMP Manchester prison library as well as Books to Go service for housebound library users. The Archives Service operates the Greater Manchester County Record Service on behalf of GMCA supporting all ten districts.
- 2.9 The library strategy and renewal programme has seen 80% of Manchester libraries being refurbished and co-located in recent years. The services have developed the Manchester standard for national, regional and Greater Manchester initiatives, supporting the Universal Public Library Offers which aim to connect communities, improve wellbeing and promote equality through learning, literacy and cultural activity as well as working closely with several city wide and local partners.
- Culture and Creativity
 - Health and Wellbeing
 - Information and Digital
 - Reading
- 2.10 A new vision for Manchester Libraries was agreed in February 2023 and over the past 12 months three new libraries have been opened across the city and a number of refurbishments have been completed or about to commence.
- 2.11 The service has been successful in securing external funding and Manchester Art Gallery is the lead organisation for Manchester Museums Partnership, which an Arts Council England National Portfolio Organisation with The University of Manchester. This year will see significant capital works commencing across the estate.

Neighbourhood Teams

- 2.12 Neighbourhood teams (North, Central, and South) are responsible for the management and development of neighbourhoods, and for making sure that services delivered at a neighbourhood level maintain a strong place-based focus by working closely with elected members, residents, community groups, local businesses and partner organisations.

Homelessness

- 2.13 Preventing people from becoming homeless and supporting individuals and families who find themselves homeless, to secure new permanent homes and better outcomes. Considerable work has been undertaken to reduce the number of families in B&B which contrasts with other Local Authorities where Temporary Accommodation numbers overall are increasing to levels not seen previously which highlights the pressures faced in this area both now and in the coming years.

Priorities:

- Significantly increasing the prevention of homelessness in the first instance.
- Improving the quality-of-service provision for people and families who find themselves homeless
- Reducing rough sleeping
- Reducing the cost of the service by creating more innovative and sustainable housing options in temporary and permanent accommodation
- Delivering better outcomes for families and single people

Housing Services

- 2.14 Housing Services was previously managed by the Council's arm's length management organisation, Northwards Housing, and in July 2021 the service was brought back into the Council. The move sees the Council manage c.15,000 social homes and is therefore the largest provider of social housing in the city, with the aim to provide good quality homes to and with local communities. These budgets are a net nil to Neighbourhoods mainstream budgets.
- 2.15 Neighbourhood Services Directorate has a gross budget of £255m and a net budget of £132.842m. The Directorate employs 1,910 fte. The 2023/24 base budget and fte numbers for the services under the remit of this Scrutiny committee are shown below broken down by service area in the table below, gross budget of £138.302m and a net budget of £66.005m with 1,364 fte.

Table One: Base budget 2023/24

Service Area	2023/24 Gross budget £'000	2023 / 24 Net Budget £'000	2023 / 24 Budgeted posts (FTE) £'000
Community Safety	4,731	2,738	50
Compliance	11,853	8,471	220
Leisure, Youth and Events	20,337	7,003	29
Libraries, Galleries and Culture	13,740	9,910	279
Neighbourhood Teams	5,405	4,889	78
Management and Directorate Support	1,293	1,223	27
Other Neighbourhoods	1,902	699	3
Homelessness and Asylum	76,912	31,072	422
Housing Services	2,129	0	255
Total	138,302	66,005	1,364

3. Service budget and proposed changes

Savings Plan 2024-27

- 3.1 Savings of £3.402m have already been approved for 2024/27 as part of prior year budget approvals and these remain on track to be delivered, however the ability to deliver these savings is being reviewed on an ongoing basis and provision has been made in the draft budget position to offset £1m of this risk and there will be a firm recommendation in the final draft report due to come to February Committee. The table below sets out the already approved savings and further details are set out in Appendix 1.

Description of savings	2024/25 £000's	2025/26 £000's	2026/27 £000's	Total £000's
Homelessness	2,070	1,332	0	3,402
Total Already Approved Savings	2,070	1,332	0	3,402

- 3.2 As part of the 2023/24 budget process savings were identified over a three-year period and it was intended that the 2024/25 budget would be light touch and no further savings would be required. In light of the current financial years pressures and ongoing high inflation rates it has been necessary to revisit the initial assumptions and identify further savings options for consideration.
- 3.3 As part of identifying further savings options the initial priority has been to protect service delivery wherever possible, and this has included looking to increase income generation opportunities where possible.

- 3.4 Review of our existing workforce structures and capacity and in particular how we budget for staffing costs in light of high levels of turnover and allowing for all posts at top of grade.
- 3.5 The proposed savings from services within the remit of this scrutiny committee are summarised below and details are set out in the table at Appendix 1.

Cross Cutting Staff Savings

- 3.6 Historically there have been staffing underspends across all Council Directorates, this is because of a combination of ongoing vacant posts, the high number of part time posts and staff not being at the top of the grades. To provide a more realistic staffing budget, without reducing capacity it is proposed to reduce staffing budgets by £1m across the council, and Neighbourhood Services proportion of this is £198k of which £147k fall within the remit of this Scrutiny Committee.

Community Safety and Compliance

- 3.7 A temporary reduction in the annual £40k contribution to the security measures for the Christmas Markets whilst Albert Square is unavailable, it is proposed that this will be re-introduced once the markets return to Albert Square.

Libraries and Galleries

- 3.8 As part of the annual running costs Libraries have a £0.68m annual budget to fund ongoing refresh of books and other media sources, in order to support wider Council budget, it is proposed to reduce the book fund budget by £30k to £0.65m per annum.

Government Grants 2024-27

Grant	2023/2024 Budget	2024/2025 Indicative Budget	2025/2026 Indicative Budget	2026/2027 Indicative Budget
	£'000	£'000	£'000	£'000
Rough Sleeping Initiative	2,432	2,422	2,422	2,422
Afghan Resettlement Funding	6,133	1,188	796	0
Domestic Abuse New Burdens	1,691	1,691	1,691	1,691
AFEO	748	748	748	748
Homelessness Prevention Grant DA New Burdens	165	239	239	239
Homelessness Prevention Grant	3,287	3,450	3,450	3,450
Dispersal Asylum Grant	64	64	64	64
Trading Standards (Strangeways)	70	70	70	70
HMP Manchester Library	124	124	124	124
GM Libraries	125	125	125	125
Prevent Staffing	305	305	305	305
Blame Belonging	3	3	3	3
Choices	7	7	7	7
SAVE	3	3	3	3
Prevent Staffing - PEO	61	61	61	61
Community Engagement Fund	1	1	1	1
Prevent Regional Dovetail	333	333	333	333
Trading Standards	5	5	5	5
Vigilant Manchester	20	20	20	20
KIKIT	50	50	50	50
Parents Against Radical	5	5	5	5
Creating Positive Change	5	5	5	5
Total	15,637	10,919	10,527	9,731

3.9 As can be seen from the table above services receive a wide range of grants and these total £15.6m in the current financial year, the majority of the grants relate to the Homelessness service and the table reflects the forecast reduction in 2024/25 Afghan Resettlement funding based on latest estimates.

3.10 **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**.

4. Commissioning and procurement priorities

- 4.1 The Directorate will continue to work with Integrated Commissioning and Procurement colleagues to ensure the procurement pipeline is understood and that work to procure contracts is undertaken in a timely manner.
- 4.2 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.
- 4.3 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.

5. Workforce Implications

- 5.1 The Council's establishment is fully budgeted for at the top of the grade. In reality there are vacancies caused by staff turnover, recruitment difficulties and staff employed throughout the grade scale. In order to avoid budgeting for costs that will not be required and making bigger cuts elsewhere, adjustments are being made to reflect these issues by applying a vacancy factor to recognise that vacancies will always exist. The continued challenges in filling posts also means that the council is working hard on ensuring we are an employer of choice and can attract people and minimise the pressures on our existing workforce.

6. Equality and Anti-Poverty Impact

- 6.1 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 as part of the detailed planning and implementation. At this stage no direct impacts on people and specifically MCC priority protected characteristics have been identified.

7. Future opportunities, risks and policy considerations

- 7.1 As development continues across the city, this may lead to increased growth pressures for Neighbourhood Services as the number of households grows significantly. There is some funding proposed within the current budget proposals for both waste collection and street cleansing, but the increase demand is likely to also extend to enforcement, parks, leisure and wider neighbourhood working.
- 7.2. The Target Operating Model for delivering services on a Neighbourhood footprint is being reviewed along with options for further integration of

neighbourhood-based functions across the Council, particularly working with adult services and health. It is anticipated that this will generate savings for others rather than within the Neighbourhoods Directorate and this will be considered as part of future budget rounds.

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Appendix 1 - Savings Schedule

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	
2023/24 Approved Savings								
Homelessness and Asylum	Demand reductions in Emergency and Temporary Accommodation Placements	Service Transformation		2,070	1,332	0	3,402	
New 2024/25 Savings								
Community Safety	A temporary reduction in the contribution to the security measures for Christmas whilst Albert Square is unavailable, it is proposed that this will be re-introduced once the markets return to Albert Square	Temporary Reduction to reflect reduced size of markets		40	0	0	40	
Homelessness and Asylum	Review of vacant posts	Efficiency		47	0	0	47	
Neighbourhoods	Review of vacant posts	Efficiency		100	0	0	100	
Libraries	Reduce Book Fund	Efficiency		30	0	0	30	
Total				2,287	1,332	0	3,619	0

Appendix 2 - 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
Community Safety	2,738	2,698	2,698	2,698
Compliance	8,471	8,471	8,471	8,471
Leisure, Youth and Events	7,003	7,003	7,003	7,003
Libraries, Galleries and Culture	9,910	9,880	9,880	9,880
Neighbourhood Teams	4,889	4,789	4,789	4,789
Management and Directorate Support	1,223	1,223	1,223	1,223
Other Neighbourhoods	699	699	699	699
Homelessness and Asylum	31,072	28,955	27,623	27,623
Housing Services	0	0	0	0
Total	66,005	63,718	62,386	62,386

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Appendix 3 - Indicative Medium-term budgets by type of spend / income

	2023/2024 Budget £'000	2024/2025 Indicative Budget £'000	2025/2026 Indicative Budget £'000	2026/2027 Indicative Budget £'000
Expenditure:				
Employees	56,634	56,417	56,417	56,417
Running Expenses	113,173	106,385	104,661	103,865
Capital Financing Costs	77	77	77	77
Contribution to reserves	0	0	0	0
Sub Total Subjective Expenditure	169,884	162,879	161,155	160,359
Less:				
Other Internal sales	(32,406)	(32,406)	(32,406)	(32,406)
Gross Expenditure	137,478	130,473	128,749	127,953
Income:				
Government Grants	(15,637)	(10,919)	(10,527)	(9,731)
Contributions from Reserves	(9,770)	(9,770)	(9,770)	(9,770)
Other Grants Reimbursements and Contributions	(8,260)	(8,260)	(8,260)	(8,260)
Customer and Client Receipts	(37,464)	(37,464)	(37,464)	(37,464)
Other Income	(342)	(342)	(342)	(342)
Gross Income	(71,473)	(66,755)	(66,363)	(65,567)
Total Net Budget	66,005	63,718	62,386	62,386

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Appendix 4 - Government Grants

Grant	2023/2024 Budget	2024/2025 Indicative Budget	2025/2026 Indicative Budget	2026/2027 Indicative Budget
	£'000	£'000	£'000	£'000
Rough Sleeping Initiative	2,432	2,422	2,422	2,422
Afghan Resettlement Funding	6,133	1,188	796	0
Domestic Abuse New Burdens	1,691	1,691	1,691	1,691
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Prevent Regional Dovetail	333	333	333	333
Trading Standards	5	5	5	5
Vigilant Manchester	20	20	20	20
KIKIT	50	50	50	50
Parents Against Radical	5	5	5	5
Creating Positive Change	5	5	5	5
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