



Economy and Regeneration Scrutiny Committee

Date: Tuesday, 7 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

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Membership of the Economy and Regeneration Scrutiny Committee

Councillors - Johns (Chair), Benham, Hussain, Iqbal, Northwood, Richards, I Robinson, Taylor, Abdullatif and Shilton Godwin

Second Supplementary Agenda

- 5. Oxford Road Corridor** 3 - 16
Report of the Strategic Director (Growth and Development).
- This report provides information on how the Oxford Road Corridor facilitates and promotes innovation, commercialisation and employment growth in Manchester.
- 7a. Growth and Development 2024/25 Budget Proposals** 17 - 38
Report of the Strategic Director (Growth and Development).
- 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.

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 **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: Economy and Regeneration Scrutiny Committee – 7 November 2023

Subject: Oxford Road Corridor

Report of: Strategic Director (Growth and Development)

Summary

This report provides information on how the Oxford Road Corridor facilitates and promotes innovation, commercialisation and employment growth in Manchester.

Recommendations

The Committee is recommended to consider and comment on the information in the report.

Wards Affected: Ardwick; Hulme; Piccadilly

<p>Environmental Impact Assessment -the impact of the issues addressed in this report on achieving the zero-carbon target for the city</p>	<p>The Oxford Road Corridor Vision 2030 document identifies net zero and sustainability as one of five key strategic priorities. Oxford Road Corridor partners have ambitious plans to achieve net zero by 2038 supporting city-wide and GM targets. The partners hold significant expertise and research capability and are committed to working together to accelerate the delivery of their plans, to communicate innovative interventions and roll out best practice across the area and wider region.</p>
<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>The Oxford Road Corridor's 2030 vision is to transform lives through research, innovation, skills and education. The partnership is committed to working with skills providers and businesses, and as employers to develop career pathways and addressing skills gaps to ensure a more diverse and representative workforce.</p>

Manchester Strategy outcomes	Summary of how this report aligns to the Our Manchester Strategy/Contribution to the Strategy
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	<p>The Oxford Road Corridor's 2030 strategy is informed by the Our Manchester Strategy. Its key strategic priorities include:</p> <ul style="list-style-type: none"> • Research and innovation • Employment and skills • Zero carbon and sustainability • Place-making • Place-marketing <p>These priorities align and support the delivery of the Our Manchester Strategy</p>
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

There are no direct financial consequences.

Financial Consequences – Capital

There are no direct financial consequences.

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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.

- City South Strategic Development Framework – Manchester City South Partnership, 2007.
- Corridor Manchester – A Decade of Opportunity – Strategic Vision to 2025.
- Oxford Road Corridor Vision 2030, January 2023.
- Oxford Road Corridor Strategic Regeneration Framework. March 2018
- Oxford Road Corridor Strategic Regeneration Framework Guidance for Upper Brook Street, former Elizabeth Gaskell Campus, former Salvation Army site and Birchall Way. October 2019
- Oxford Road Corridor Enterprise Zone Impact Evaluation and Future Modelling Summary, January 2022, ekosgen consulting
- Manchester Science Park Strategic Regeneration Framework Update: August 2018
- Manchester Science Park SRF Greenheys Site Addendum, 23 December 2022.

1.0 Introduction

- 1.1 The Oxford Road Corridor area covers approximately one square mile, stretching out south from St Peter's Square in the city centre. It has a unique concentration of knowledge, business and cultural assets (see attached map). Two of the UK's largest universities, the UK's largest NHS foundation trust, leading cultural institutions and a cluster of digital, technology and life science businesses are based on the Corridor.
- 1.2 For almost two decades, Corridor partners have been working together to build on the area's strengths and align investment plans behind a shared strategic vision to create jobs and growth opportunities for the city. The plans are underpinned by key research specialisms in life sciences, advanced materials, digital, tech, and creative. This report provides an overview of the partnership's history, governance, strategy, key schemes and impact, and considers future growth opportunities.

2.0 Background

- 2.1 The Manchester City South Partnership developed its first strategic regeneration framework in 2007, with a core objective "to maximise the economic potential of the area by harnessing the investment currently being made by our universities, health trust and the private sector. We want to stimulate future improvement and growth at key locations within the area and capture tangible economic benefits".
- 2.2 In 2008, the Oxford Road Corridor was incorporated as a company limited by guarantee. The company is non-trading and acts as a strategic body. It comprises five member organisations: University of Manchester (UoM); Manchester Metropolitan University (Man Met); Manchester City Council (MCC); Bruntwood; and Manchester University NHS Foundation Trust (MFT). The company's board also includes representation from the Royal Northern College of Music and Manchester Museum (on behalf of cultural organisations located on the Corridor).
- 2.3 The company's board is chaired by Professor Malcolm Press (Vice-Chancellor, Manchester Metropolitan University). Board Directors include Cllr Bev Craig (Leader of Manchester City Council) and Pat Bartoli (Director of City Centre Growth and Infrastructure, Manchester City Council); Professor Dame Nancy Rothwell (President and Vice-Chancellor, University of Manchester); Mark Cubbon (Chief Executive Manchester University NHS Foundation Trust); Darren Banks (Group Director of Strategy, Manchester University NHS Foundation Trust); Chris Oglesby (Chief Executive, Bruntwood); Esme Ward (Director of Manchester Museum) and Linda Merrick (Principal, Royal Northern College of Music). A team of three officers provides policy, administration and marketing support.

3.0 Main issues

3.1 Policy context

3.1.1 As highlighted at the beginning of this report the Oxford Road Corridor's Vision 2030 aligns closely with the Our Manchester Strategy; and the area and partnership will play an important role in supporting the delivery of the new emerging Manchester Economic Strategy.

3.1.2 The Oxford Road Corridor is identified in the Greater Manchester (GM) Places for Everyone plan as a key growth area that, due to its scale, presents opportunities for the whole city-region. The GM Local Skills Report and Labour Market Plan identifies the Oxford Road Corridor as an asset of national and global importance which is helping to drive the skills agenda.

3.1.3 The GM Innovation Plan, co-created with Government in November 2022, recognises the area as a highly concentrated innovation zone that plays a central role in driving GM's innovation ecosystem. The Government's Levelling Up UK White Paper committed to increasing public research and development investment to £20bn by 2024-25 and total UK investment to reach 2.4% of GDP by 2027, with every region of the UK experiencing an uplift in investment.

3.2 Planning and delivery

3.2.1 The Oxford Road Corridor has an adopted Strategic Spatial Framework and several site specific Strategic Regeneration Frameworks. The frameworks enable the right mix of development to be brought forward supporting the wider strategic vision for the area. The Oxford Road Corridor does not directly deliver capital projects. Different delivery arrangements are in place for each project depending on land and building ownership and the most appropriate delivery model in line with the respective procurement guidelines. Positioning individual schemes within a broader strategic and place context has allowed partners to attract significant levels of external grant funding and private investment. The section below details some of these schemes and the wider economic impact.

3.3 Investment, impact and key schemes

3.3.1 Over the last 15-years partners have invested over £2.6Bn, which has helped to transform the area, creating over 45,000 jobs and increasing annual economic output by c£2.5Bn. The area now accounts for:

- 86,000 jobs, £4.8bn annual GVA, and 7,100 businesses.
- 14,750 jobs in health and life sciences, advanced manufacturing, and tech sectors in the Enterprise Zone area.
- 26% of Manchester's employment in the cultural and creative industries.
- 27,500 graduates and post-graduates supplied into the labour market every year. Including 50% in STEM and Design, Creative & Arts subjects.

- Over 18,000 people participate in health research trials annually, and over 2,500 staff across MFT services directly support clinical research activity.
- 3.3.2 The Corridor is now home to one of the largest clinical academic campuses in Europe, with strengths that include cancer, diagnostics, genomic medicine, clinical trials, and digital health. Major R&D assets that build on the discovery and translational research capability at the University of Manchester and Manchester Metropolitan University include the National Institute for Health and Care Research (NIHR) Manchester Biomedical Research Centre, the Manchester Clinical Research Facility, the Manchester Academic Health Science Centre, and the recently launched Christabel Pankhurst Institute for Health Technology and Institute of Sport. These R&D assets sit alongside the clinical and research excellence of the Manchester University NHS Foundation Trust, which has five hospitals on the Corridor. The Corridor is home to 50% of Manchester's total life sciences businesses.
- 3.3.3 The University of Manchester is a world-leader in developing new and existing materials. The ambition for the Oxford Road Corridor is to be at the centre of international commercialisation for a wide range of 2D and advanced materials linked to new industry 4.0 manufacturing methods. More than £120m of capital funding was invested to establish the National Graphene Institute (an academic-led research centre, developing the new physics of 2D materials) and the Graphene Engineering Innovation Centre (which works with industry to rapidly develop and scale up new 2D materials applications).
- 3.3.4 These centres of excellence, along with the Henry Royce Institute for Advanced Materials and Man Met's Fuel Cell Innovation Centre, provide an attractive set of laboratory to market facilities and a community of leading materials scientists and engineers. The commercial offer for advanced manufacturing has been enhanced with the completion of the BASE building on Manchester Science Park, which will provide specialist premises for light manufacturing and materials science businesses building on the existing business cluster. Manchester Metropolitan University's PrintCity facility has an extensive range of 3D printing and additive manufacturing facilities, and strong links with local SMEs through to global multinationals, as well as with the GM Growth Company.
- 3.3.5 Digital is a fast-growing key growth sector on the Oxford Road Corridor. Digital Futures at the University of Manchester brings together more than 2,000 academics who are pioneering research and working with industrial partners in areas such as fundamental data science and artificial intelligence, digital trust and security, digital health, fintech and legal-tech. Programmes have been developed – the AI Foundry and Cyber Foundry – that support the growth and development of companies working in digital through access to the asset base at the University of Manchester, Manchester Metropolitan University, and other regional universities. This has been further boosted through support of a Centre for Digital Innovation (led by Manchester Metropolitan with three other regional universities) funded through GM Innovation Accelerator funds and complemented by the DISH (Digital Innovation Security Hub) an MCC

established facility located close to the Oxford Road Corridor and providing support programmes and networking opportunities for SME's and start-ups.

- 3.3.6 The availability of digital talent generated by the two universities on the Oxford Road Corridor is a major factor in the city's success in attracting inward investment and growing new digital firms. This offer has recently been enhanced through the School of Digital Arts at Manchester Metropolitan University, which is now a leading provider of courses in film, animation, UX, design, photography, sound design, gaming, AI and more.
- 3.3.7 The Oxford Road Corridor is home to many of the city's most iconic music venues, galleries, and theatres. Culture is at the heart of the partnership's approach to place-shaping, reflected in a significant programme of capital investment in recent years, including at the Royal Northern College of Music, Manchester Museum, the Whitworth and HOME. The diverse cultural ecology on the Corridor creates an environment which helps drive the area's knowledge and innovation strengths. It acts as a conduit to exchanging ideas, and brings a diversity of thought that drives productivity, jobs growth and wider societal benefits.
- 3.3.8 Promoting the area's culture and lifestyle offer to residents and visitors complements the capital investment. Each month 'what's on' guides are curated and promoted via the partnership's website (www.oxfordroadcorridor.com) and social media channels. A tri-annual zine is produced and distributed across the city, including the city's library network. This gives a voice to the diverse range of organisations and people on the Corridor, and encourages visitors to explore the area.
- 3.3.9 Oxford Road Corridor partners have made significant investment in public realm to open up their estates and introduce new green space. For example, the Brunswick Park development by The University of Manchester improves east-west connectivity between Oxford Road and Upper Brook Street with new landscaping, seating areas and pedestrian and cycle paths. The project was made possible by the Cross City Bus Priority Scheme, delivered by TfGM in partnership with the Corridor partners, which has seen general traffic limited and over 4km of segregated cycle lanes developed. Over a million cyclists use the infrastructure annually.
- 3.3.10 The Oxford Road Corridor Enterprise Zone was formally designated in 2016. Its focus is on attracting and developing businesses within the life sciences, health innovation, med tech, ICT, and advanced materials sectors, providing a strong platform for the development of an innovation cluster. All business rates growth generated above baseline are retained for 25 years to reinvest in the area to support further growth.
- 3.3.11 The Enterprise Zone covers two neighbouring sites: Manchester Science Park's central campus, owned by Manchester Science Partnerships, and the city's main hospital site, owned by MFT, which has seen the development of Citylabs 1.0 & 2.0. Since Enterprise Zone status was secured, the area has

reported strong development levels, driven by high levels of occupier demand that has allowed an impressive portfolio of premises to be delivered.

- 3.3.12 Businesses have reported high levels of investment since locating in the Enterprise Zone area, and cited advantages of being near the universities, hospitals and other similar businesses. Overall, there has been an uplift of approximately 3,000 jobs over five years due to a combination of newly developed floorspace and higher take-up of existing space – an average of over 600 jobs per year, making an important contribution to jobs growth within the city. It is estimated that the Enterprise Zone makes a GVA contribution of £320m per annum.
- 3.4 Future development and opportunities
- 3.4.1 The Oxford Road Corridor presents a unique opportunity of national significance to counterbalance innovation led growth in the south-east and support the ambition set out in the city’s new emerging economic strategy.
- 3.4.2 The Oxford Road Corridor is committed to ensuring that the area continues to grow in a way that is fair, inclusive and in-line with zero-carbon commitments.
- 3.4.3 An independent assessment of the area’s development pipeline shows the potential to create over 25,000 high quality new jobs in priority sectors such as health and life sciences, advanced materials, digital and creative and increase annual GVA by £1.9bn. An overview of key schemes is detailed in this section.
- 3.4.4 ID Manchester (IDM) is situated on 8 hectares of land on the University of Manchester’s former north campus. Located adjacent to Manchester Piccadilly Station, it is Europe’s most ambitious, sustainable and inclusive innovation district development. IDM is aiming to create over 10,000 high quality jobs in spin-outs and start-ups, SMEs that are scaling up, and global R&D businesses new to the city.
- 3.4.5 IDM will be the northeast gateway to the Oxford Road Corridor, driving innovation, collaboration, and commercialisation based on proximity to R&D assets. A Joint Venture between University of Manchester and Bruntwood Sci-Tech will develop the site and deliver the vision. Bruntwood SciTech will be investing over £1bn into the scheme over the 10 year development lifetime of the project.
- 3.4.6 Market outlook data highlights a UK wide shortage of lab and biomanufacturing space, and at a GM level there is evidence to indicate that there is unsatisfied demand. This presents an opportunity for the Oxford Road Corridor and reiterates the importance of bringing forward additional life sciences space to complement the area’s research asset base. Including the Upper Brook Street site (UBS) runs along the eastern boundary of the Oxford Road Corridor area. It is a 4.3 hectares site located immediately south of IDM. UBS represents a significant opportunity to connect the Oxford Road Corridor into IDM, Piccadilly and Mayfield to the north of IDM, and East Manchester,

completing a regeneration arc and opening up opportunities to local residents in Ardwick, Longsight and Rusholme, Hulme and Piccadilly.

- 3.4.7 The masterplan intends to transform the currently vacant site with over 2 acres of new public realm and green spaces, a new public square, as well as a series of high-quality new buildings providing for approximately 700,000sq. ft of life sciences accommodation, purpose-built student accommodation, and 25,000sq. ft of active ground floor uses. UBS will deliver 5,800 new direct and indirect jobs, and a total of around £138m GVA contribution to the local economy through construction alone. An initial private investment of c.£450m is planned and the site will generate an additional £9.3m per annum in business rates.
- 3.4.8 The Manchester Science Park SRF offers the potential to increase net floorspace from circa. 320,000 sq. ft to circa 1.3 million sq. ft., accommodating 5,500 jobs. Council approval of an addendum to the SRF in December 2022 allowing the redevelopment of the Greenheys building has paved the way for the relocation of the UK Biobank. UK Biobank is the world's most significant source of data and biological samples for health research.
- 3.4.9 Biobank have received £127.6m from the UK Research and Innovation (UKRI) Infrastructure Fund to fund the move to a larger, faster, and more efficient, purpose-built facility at the Science Park. This internationally significant health research resource adds to the critical mass of assets on the Oxford Road Corridor. It will create new employment opportunities and provide a dedicated resource to promote further industry engagement focusing on SMEs and start-ups, building on the company's existing relationships with pharma and data science companies.
- 3.4.10 The former Elizabeth Gaskell Campus (EGC) is a 1.9 hectares site located immediately adjacent to the existing MFT estate and Citylabs campus, at the southern edge of the Oxford Road Corridor. It is in the single ownership of Nuffield Health. The EGC will be an employment-led development, leveraging its clear advantages in terms of location and scale. The primary use will be buildings that support the commercialisation of health research and life sciences, as well as science, technology and innovation.
- 3.4.11 First Street is a 9.5 hectares site located at a prominent gateway position at the northwest of the Oxford Road Corridor. The overall vision for First Street is to deliver a quality cultural and visitor destination alongside targeted commercial and retail development, hotel and residential accommodation. The area will be home to a new hub, as part of the government's Places for Growth programme, which will host 2,500 civil servants, including more than 700 roles which will be relocated from London to Manchester. First Street is in close proximity to Man Met's new Science and Engineering campus due to open in 2024. Its unique location within the city centre and Oxford Road Corridor, supported by the mix of uses delivered to date, mean it is ideally placed to attract businesses within key growth sectors.

- 3.4.12 Circle Square is a 4 hectares site located on the former BBC site on Oxford Road alongside the Manchester Technology Centre. Already home to leading global tech firms and fast growing start-ups, Bruntwood SciTech is expanding Circle Square with a new 347,000 sq. ft office building and tech hub, which will attract 1,400 jobs. ID Manchester is located immediately to the east of Circle Square, creating the opportunity to connect the two developments and creating a much larger footprint of commercially-led, mixed use developments within the Oxford Road Corridor.
- 3.4.13 Oxford Road Corridor partners have invested heavily in their estates in recent years, transforming the area through new public realm, green spaces and improving permeability. The partnership is bringing forward plans which will complement this investment, focusing on the spatial relationship and connections between estates and key gateways. Improving wayfinding and interpreting the area's unique academic and cultural history will help create a better sense of place and encourage greater levels of active travel.
- 3.4.14 The Greater Manchester Mayoral Combined Authority is one of eight areas asked by Government to co-develop Investment Zone proposals. Government expects to see local areas aligning their IZ proposals with existing and planned public and private investment in the area, including current and future infrastructure plans. All proposals should include a degree of match funding from the private sector and research institution partners.
- 3.4.15 Each IZ is expected to have a clear spatial focus or 'core' across a sensible economic geography, where interventions should focus on facilitating co-location of businesses, fostering collaboration between industry and research institutions, and driving innovation in companies. IZs should have a credible and ambitious planning offer to accelerate development, strong local leadership and build upon existing partnerships. The Oxford Road Corridor is well placed to support the development and delivery of the GM IZ, and plans are in development to designate IDM as part of the final scheme.

3.5 Conclusion

- 3.5.1. The Oxford Road Corridor presents a unique opportunity of national significance to counterbalance innovation led growth in the south-east and support the ambition set out in the city's new emerging economic strategy. The Oxford Road Corridor is committed to ensuring that the area continues to grow in a way that is fair, inclusive and in-line with zero-carbon commitments. Its plans are underpinned by world-leading research and a clear long-term strategic vision for the area driven by a mature partnership with a strong track record of delivery.

4.0 Recommendations

To consider and comment on the information in the report.

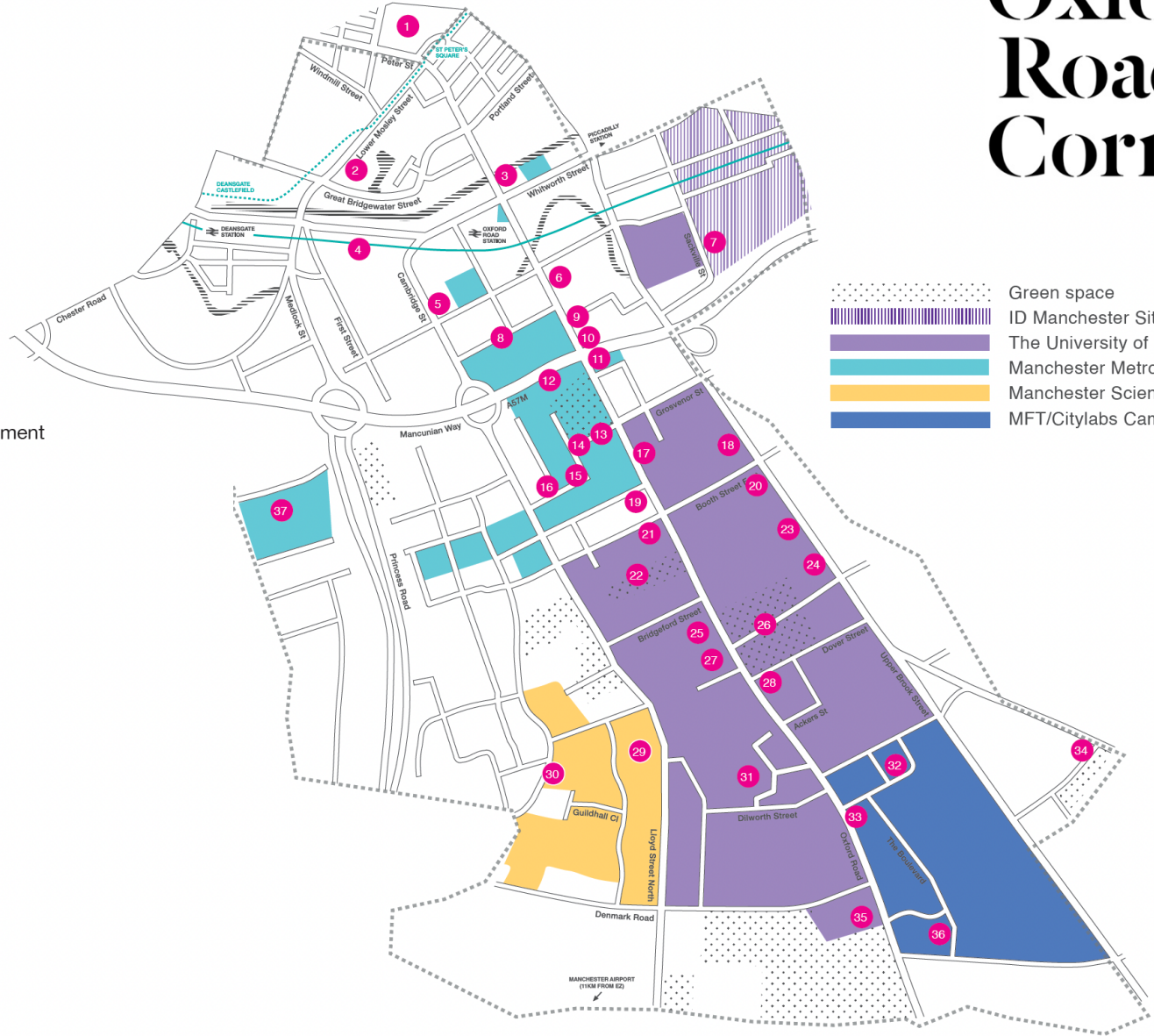
5.0 Appendices

Appendix 1 - Oxford Road Corridor map.

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The Knowledge Quarter

1. Central Library
2. The Bridgewater Hall
3. Palace Theatre
4. HOME
5. International Anthony Burgess Foundation
6. Circle Square
7. Graphene Engineering Innovation Centre
8. Faculty of Science and Engineering
9. Manchester Technology Centre
10. HATCH
11. Manchester Institute of Sport
12. Manchester Metropolitan University
13. Manchester Poetry Library
14. Manchester School of Art
15. Manchester School of Architecture
16. SODA - School of Digital Arts
17. Manchester Aquatics Centre
18. Manchester Engineering Campus Development
19. Royal Northern College of Music
20. National Graphene Institute
21. Alliance Manchester Business School
22. University Green
23. Henry Royce Institute
24. Alan Turing Building
25. Manchester Museum
26. Brunswick Park
27. The University of Manchester
28. The Christabel Pankhurst Institute
29. Bright Building
30. Base
31. Contact
32. The Pankhurst Centre
33. Citylabs 1.0
34. Elizabeth Gaskell's House
35. The Whitworth
36. Citylabs 2.0
37. Birley Fields



Oxford Road Corridor

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**Manchester City Council
Report for Information**

Report to: Economy and Regeneration Scrutiny Committee – 7 November 2023

Subject: Growth and Development Budget 2024/25

Report of: Strategic Director Growth and Development

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.

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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](#)

1. Introduction and purpose

- 1.1 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

2. Service overview and priorities

- 2.1 The Growth and Development Directorate has a pivotal role in driving the sustainable economic growth of the city to benefit everyone. This is achieved through securing new commercial and residential development, attracting inward investment, generating employment growth across the city, connecting residents to those opportunities, and supporting businesses and communities to thrive.

- 2.2 The Directorate is made up of the following services:

City Centre Growth & Infrastructure

- 2.3 The City Centre Growth & Infrastructure Team provides the essential focus and drive in the delivery of a wide range of initiatives that support inclusive growth, regeneration, and strategic transport, infrastructure and energy provision across the city, with a particular responsibility for the city centre.

- 2.4 Key priorities include:

- Working collaboratively with a range of partners, facilitating the delivery of major regeneration schemes and developing infrastructure and environmental policy to drive inclusive growth across the city.
- Encouraging new inward investment to the city, facilitating the creation of new jobs.
- Aligning growth and infrastructure objectives to support delivery of the city's Climate Change Action Plan, Local Area Energy Plan and related policies.
- Working with a range of Council services, external organisations and agencies to support place management and to ensure the holistic and effective management of the city centre, including public realm.
 - Leading transport infrastructure development, including public transport investment, active travel projects and the development of overarching transport strategies, including the City Centre Transport Strategy.

Strategic Development Major Regeneration

- 2.5 The Major Regeneration Team is focussed on delivering the significant regeneration opportunities provided by North Manchester and Eastern Gateway.
- 2.6 In North Manchester, the Victoria North initiative, which is being driven through a Joint Venture Partnership between the City Council and Far East Consortium is seeking to develop 15,000 much needed new homes across a

range of tenures in 7 new or revitalised neighbourhoods at the northern edge of the city centre, together with a new city river park connecting a series of new and improved green spaces in or adjacent to the Irk River valley. The intention is that 20% of new homes developed will be affordable. This initiative, combined with the planned redevelopment of the North Manchester Health Campus (currently the North Manchester General Hospital), could provide development with a value in excess of £4 billion, catalysing the wider regeneration of the north of the city.

- 2.7 The team also leads on the further regeneration of the Eastern Gateway area, comprising the neighbourhoods of Ancoats, New Islington, Holt Town and the Lower Medlock Valley. Working in the “Manchester Life” Joint Venture with Abu Dhabi United Group and other developers including Registered Providers, the City Council is seeking to deliver in excess of 6,000 homes and commercial uses as part of this scheme, building on the success of what has been delivered in Ancoats and New Islington to date.

Strategic Housing

- 2.8 The service has developed a new 10-year housing strategy for the City which was approved in 2022. There has been some progress on each of the 3 strands below:

Increase affordable housing supply & build more new homes for all residents, outcomes include

- *1900 new homes built of which 415 were affordable homes*
- *1280 affordable homes under construction and 1760 with planning permission*
- *236 homes sold under the Right to Buy*
-

Address inequalities & create neighbourhoods where people want to live

- *129 new affordable homes with 3 or more bedrooms*
- *88 tenants chose to move to a smaller property freeing up a family home*
- *5 new areas designated for Selective Licensing*

Address the sustainability & zero carbon challenges in new and existing housing

- *Over 1000 homes across the Manchester Housing Providers Partnership improved from Energy Performance Certificate D to C*
- *104 properties retrofitted by the Council’s Housing Services*
- *54 new affordable homes built to low/zero carbon standards*

Planning, Building Control & Licensing

- 2.9 Planning, Building Control and Licensing service works within an everchanging environment of national policy documents, regulations, and legal

considerations which has seen additional demands placed on the service where the scale of development and the pressure on supporting compliance is already significant. This now includes the new Building and Fire Safety regime under the Building Safety Regulator.

- 2.10 Crucially, the service plays a central role in delivering the Council's sustainable growth agenda, promoting positive outcomes for the city, and helping to de-risk investment decisions into the city. This is about securing new development that strengthens the platform for attracting investment to deliver economic growth, the aims of the residential growth strategy and supporting an uplift in the environment that is safe, inclusive and responds to climate change. The remit of the service includes delivering all the statutory functions of the city council as local planning authority – over 4,000 planning applications per annum, appeals, heritage matters and compliance, the local authority building control function, including building and fire safety, dangerous buildings and safety at sports grounds and the licensing function, both premises and taxis.
- 2.11 The Service is also responsible for the review and adoption of citywide policy. The local plan - Places for Everyone and the Core Strategy will provide long term policies aimed to deliver the Council's ambitions through the spatial planning framework. The Licensing Policy will also set out how the Council will support the night-time economy whilst protecting the amenity of our residents.
- 2.12 Each part of the service is required to develop strong networks internally and externally along with the ability to forge effective partnerships with external Agencies and to influence the private sector and other key stakeholders to deliver key council objectives through major projects and policy development.

Investment Estate

- 2.13 The Investment Estate, which is managed by the Development Team, covers all aspects of the Council's non-operational property estate. This includes property and land held for investment purposes, surplus land, and development assets, along with land and development opportunities held within Joint Venture arrangements.
- 2.14 The estate is extremely varied and covers assets such as the Council's freehold estate at Manchester Airport, Manchester Arndale Centre, Heron House, Wythenshawe Town Centre to over 2,500 freehold reversionary interests of residential properties across the City. The rent roll from assets held for investment purposes is over £22m p.a. and contributes to the running of wider council services. The majority of this rent roll is stable, but there are areas of pressure from the directly managed commercial and retail estates (eg, Heron House, Royal Mills and Wythenshawe Civic Centre) which are more susceptible to market conditions, including the ongoing cost of living crisis.
- 2.15 The estate is currently managed on a day to day basis through an outsourced contract by the Council's property managers, Jacobs. This contract is due to

end in May 2024 and the Council is working through the process to insource these arrangements. This will provide the Council with a greater level of control and oversight into the performance and management of the estate, and the use of the Council's assets to support wider corporate objectives.

- 2.16 Over the last 6 months significant work has been instigated to enhance the level of information and validation of that information across the investment estate, as well as putting in place new protocols in relation to the use of the Council's property management systems. This is an ongoing exercise, but with an ambition to roll it out fully prior to the insourcing.
- 2.17 The service is responsible for dealing with the Council's surplus land, development, and regeneration assets. This includes generation of capital receipts of land to support the Council's growth ambitions and budget, which involves identifying, preparing, consulting on and undertaking the disposal of assets. The use of the Council's residential development land resource is key to delivering on the updated Housing Strategy, ensuring affordable housing targets are achieved. The volatility in global and national markets has impacted on the progress of several significant asset disposals planned for this financial year. The current in year programme of receipts will not be achieved. There are several reasons for disposals not progressing, however fundamentally the Council will not dispose of land at a sub-optimal price. Where land is not sold it will remain an asset on the Council's balance sheet. The service is working with capital finance team to reprofile the programme for the remainder of this year and future years to take account of the slippage or, where relevant, a change in strategy. It is important to state that this has not resulted in a diminution in value of the assets the Council is disposing of, and in general the in-year disposals are at, or ahead of, the projected receipts.
- 2.18 The service also oversees the delivery of strategic land and property acquisitions through the Strategic Acquisitions budget. Again, a rolling programme of priority site acquisitions to support the wider regeneration initiatives, such as in Holt Town and the Strangeways area.
- 2.19 The Strategic Asset Management Plan (SAMP) is now being delivered and the service, alongside colleagues in the Corporate Estates, are implementing the new asset-led approach to the strategic management of the Council's land and property portfolio. The asset review module of SAMP provides transparent governance for decisions relating to the future use of the Council's land and property assets, with a member and officer board set up to oversee decisions in this field. The asset review process has made decisions relating to:-
- Over 40 acres of Council owned land to be brought forward for development.
 - Over 750 new homes, of which over 600 will be affordable homes
 - Projected capital receipts in excess of £16m for the Council.
- 2.20 New homes and the capital receipts will be secured over the coming years as the development process does take some time.

- 2.21 Alongside this will be real savings crystallised through the redevelopment and repurposing of surplus property with reduced operational property costs, and other revenue savings associated with, for example, homelessness. This process also allows timely and robust decisions to be made about our property to support short term opportunities, such as capital funding for refugee accommodation and age-friendly housing.
- 2.22 The team is also responsible for the undertaking of statutory functions including asset valuations for accounting purposes. These are carried out on an annual rolling programme by officers, outsourced partners and specialists procured through the Council's framework as appropriate. Other statutory advice includes undertaking planning viability assessment reviews, both when applications are received and through the reconciliation reviews contained within the s106 agreements. The service continues to work closely with colleagues in planning to ensure that new developments are seen to contribute appropriately through the statutory framework in line with national and local policy.

Manchester Adult Education Service (MAES)

- 2.23 MAES provides adult education, learning and skills from 8 adult education centres across the city. Its primary focus is on providing opportunities for residents with lower levels of skills & qualifications, with on average over 70% of learners on working age benefits and 80% from the City's most disadvantaged areas. Much of the skills curriculum offer is focused on English for Speakers of Other Languages (ESOL), Maths and English & Digital from entry level to GCSE with a vocational offer at Level 3 in Adult Care, Counselling, Supporting Teaching & Learning in Schools, Teaching, Leadership, Digital Marketing, Maths and English. There are good progression routes to employment and progression to further learning. The MAES core offer is complemented by enhanced employability support available to all learners through its Make It Happen programme.
- 2.24 MAES generates all its funding externally, mostly through the Greater Manchester Combined Authority (GMCA) commissioned Adult Education Budget. In addition, it receives Education and Skills Funding Agency) funding for 16- to 24-year-old Special Education Needs and Disabilities pupils, the cessation of the DLUHC funding for the Talk English programme and other inflationary pressures has meant that MAES continue to diversify its income sources to maintain the provision.

Work & Skills

- 2.25 The Work & Skills team is responsible for the delivery of the Work & Skills Strategy for the City. It provides a coordinated approach to the post-16 & adult skills and employment support offer across the city, to ensure that the offer is as coherent as possible for young people, adults and businesses and meets the city's labour market requirements. The team engages with local businesses on business growth, skills & employment opportunities, promoting good employment practices such as the Real Living Wage and supports

business networks across the city. The labour market continues to be volatile with large numbers of vacancies and skills gaps across both frontier and foundational sectors. The team works closely with other stakeholders and employers to maximise the most of these opportunities for Manchester residents. The team also works closely with GMCA to ensure that the city's priorities are reflected in commissioning of work and skills, which they control.

Digital Strategy

- 2.26 Following the launch of Manchester's Digital Strategy in 2022, a small team has been recruited to help drive its delivery. Building on the city's digital strengths & working with internal and external stakeholders, the team is working to ensure that Manchester is a highly connected topflight digital city. The key priorities of the Strategy include ensuring that all the city's residents can be digitally included, connecting more & more diverse Manchester residents to the career opportunities in the sector; having highly connected neighbourhoods; continuing to support the breadth & depth of the digital sector in Manchester and using tech to contribute to the city's net zero ambitions.

Highways

- 2.27 The Highways Service works to improve the city's road networks and public spaces, delivering a range of work that keeps traffic flowing, maintains the public realm and designs major new highway schemes to benefit residents and visitors in Manchester. The Highways Service is made up of several teams:
- Network Management - keeping the city moving, managing parking, and other aspects of road safety.
 - Design, Commissioning and Project Management Team (PMO) - managing and developing our highways.
 - Public Realm - maintaining monuments, water features and keeping users safe.
 - Reducing congestion and supporting business and economic recovery.
 - Supporting active travel options of walking and cycling.
 - Delivering a programme of highway improvements
- 2.28 Parking Services directly supports the transport strategy for the city and our operational highway activities with the aim to keep the city's roads moving. Work is ongoing to update the Parking Strategy and undertake a review of parking pricing and of the City's strategic approach to parking in light of the emerging City Centre Movement Strategy.

3. Service budget and proposed changes

- 3.1 Growth and Development Directorate has a gross budget of c.£35m and a net income budget of £11.9m. The Directorate employs 439fte. The 2023/24 base budget and fte numbers are shown broken down by service area in the table below.

Table One: Base budget 2023/24

	2023/24 Gross budget £'000	2023/24 Net Budget £'000	2023/24 Budgeted posts (FTE)
City Centre Growth and Infrastructure	2,361	1,950	28
Strategic Development	360	360	1
Strategic Housing	2,503	927	46
Major Regeneration	1,353	543	15
Planning, Building Control and Licensing	9,199	(632)	137
Investment Estate	7,681	(15,781)	38
MCDA	362	(1,247)	0
Work and Skills and MAES	11,273	1,932	174
Sub Total Growth & Development	35,092	(11,948)	439
Parking Services and CCTV	7,944	(7,074)	0
Highways	26,540	18,613	240
Total	69,576	(11,707)	679

- 3.2 As part of the 2023/24 process there are savings of £1.020m already agreed for 2024/25 and 2025/26. These savings are to be delivered through increased annual rental income of £0.985m from Manchester Airport Group as well as £35k increased Development fee income for Highways. The increases are based on estimates provided by the Airport and achievement of this income is dependent on performance being in line with or better than the forecasts provided. The saving is phased £170k 2024/25 and £0.815m 2025/26. £35k to be achieved in 2024/25 through increased development fee income for Highways.

Cross Cutting Staff Savings

- 3.3 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 Growth and Development Directorate proportion of this is £24k with a further £25k to be identified in Highways. Given the relatively small value of required budget reduction this is likely to be achieved through reviewing and increasing the vacancy factor across services. Notwithstanding this, work is ongoing with HR to review all long-standing vacancies and to ensure there is an ongoing need for the post or can it be deleted.

Growth and Pressures 2024-27

- 3.4 The directorate is pivotal in driving Sustainable Economic Growth of the city to benefit everyone. In order to continue delivering in these key areas there will be a need for increased capacity and the service are currently reviewing all

existing resources in order to understand where we can reallocate existing resources to manage on this agenda, the key areas include: -

- Major Regeneration – Ongoing major regeneration through Victoria North, Ancoats and New Islington
- Development – To support the ongoing development of growth and regeneration through management of City Council assets across the City.
- Planning – to continue to support the growth agenda and fulfil statutory functions
- Work and Skills – To support the 5 year delivery of Manchester Digital strategy, ensure increased social value from ongoing development and provide for succession planning.

3.5 It is estimated that this targeted additional capacity requirements would cost c£0.745m, but in light of the overall Council budget position it is not possible to provide additional resources, and the service are looking at how the capacity required can be identified and reprioritised from within existing approved budgets. This involves reviewing all existing resources from both a staffing and budget perspective in order to try and realign across the developing areas of activity.

3.6 In addition, there are posts that are funded from reserves or one-off funding where longer term funding solutions need to be identified. It is also proposed that this will need to be funded from within the Directorate, in particular the projected increases in rental income from the investment estate and the level of planning income, more detailed work is being carried out to provide a costed plan that will need to be approved as part of the budget process.

3.7 Reviewing our existing resources will include a focus on how we retain staff, particularly in specialist roles where we face competition with the private sector, and looking forward we need to develop skills for the workforce of tomorrow and invest more in the development of our staff from within. We need an approach to talent management / succession that can be easily progressed and help to cover impending gaps we may have from a number of senior staff that may be looking to retire in the short to medium term. At each opportunity we need to review our structures to ensure efficiency and that they are right for delivering our future plans. We need to build a diverse, healthy & happy workforce who are engaged in the work they do and see their future with Manchester.

Manchester Adult Education service (MAES)

3.8 MAES is 100% externally grant funded and whilst some of the funding is linked to outcomes, the majority of the grants are either fixed or have reduced over recent years. Due to the current inflationary pressures on the MAES this includes pay awards and other non pay costs including utilities the fact that funding is not increasing year on year it does create a funding gap, and currently the gap is being met from drawing down from reserves, The MAES reserve is currently forecast to be exhausted in 2026/27 so mitigating action is

required and officers are looking at options for consideration as part of the 2025/26 budget process.

Off Street Parking

- 3.9 Whilst the number of off-street car park users has increased post pandemic, it has not returned to pre covid levels and this is largely due to changes in peoples working arrangements and the move to hybrid working. As part of the 2023/24 budget temporary support of £2.1m per annum was approved using reserves. The use of reserves is only temporary for two years and a longer-term parking strategy is being developed that will seek to better align both on street and off-street parking in order to ensure income is maximised.

Government Grants 2024/27

- 3.10 The majority of Government Grants received within Growth and Development relate to MAES activities. MAES is 100% grant funded and grant income is often based on outcomes. In recent years grant levels have not increased in line with inflation, and this has brought about pressures in respect of pay awards and other inflationary increases that have to be funded, without a corresponding uplift in grant funding.

Growth & Development

Grant	2023/2024 Budget	2024/2025 Indicative Budget	2025/2026 Indicative Budget	2026/2027 Indicative Budget
	£'000	£'000	£'000	£'000
MAES Grants	8,961	8,961	8,961	8,961
ESOL	128	128	128	128
Talk English	100	100	100	100
DEFRA Biodiversity				
Net Gain	87	87	87	87
Total	9,276	9,276	9,276	9,276

Highways

Grant	2023/2024 Budget	2024/2025 Indicative Budget	2025/2026 Indicative Budget	2026/2027 Indicative Budget
	£'000	£'000	£'000	£'000
PFI Grant (street lighting)	2,917	2,917	2,917	2,917
Bike ability Grant	126	126	126	126
Total	3,043	3,043	3,043	3,043

The PFI grant contributes towards the costs of the street lighting PFI that runs up until 2029, and the bikeability grant is given to Highway authorities to provide bikeability training.

Customer and Client Income 2024-27

- 3.11 The table below provides a high-level summary of the current budgets for sales, fees and charges across Growth and Development Directorate. Work is ongoing to review the investment estate income, particularly forward looking to ensure rent reviews and lease renewals are reflected in the budgets.

	2023/24 Budget £000's	2024/25 Budget £000's	2025/26 Budget £000's	2026/27 Budget £000's	Comments
Investment Estate	22,531	22,701	23,516	23,516	Rent and service charge income
Strategic Housing	1,277	1,277	1,277	1,277	Fees from other RP's for Manchester Move and feed in tariffs from solar panels.
Planning	3,073	3,073	3,073	3,073	Planning application fees – set by Government
Building Control	1,162	1,162	1,162	1,162	Building control fees
Land Charges	274	274	274	274	
Premises Licensing	1,174	1,174	1,174	1,174	Premise license fees
Taxi Licensing	2,074	2,074	2,074	2,074	Taxi License fees operate on a 3 year license cycle – fees are ringfenced
MAES	2	2	2	2	
Grand Total	31,567	31,737	32,552	32,552	

- 3.12 **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.

4.4 There are a number of large-scale procurement exercises scheduled for 2024/25, they include;

- Wythenshawe TownCentre Partner
- Ancoats Mobility Hub.

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.

5.2 As part of the increased growth agenda and the increased asks across the directorate there has been a need for additional resources identified, and work is ongoing to look at opportunities for funding the additional posts.

6. Equality and Anti-Poverty Impact

6.1 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.

6.1 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.

6.3 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.

7. Future opportunities, Risks and policy considerations

7.1 Current economic climate and cost of living crisis, particularly implications on development and investment in the city and particularly cost of living impact on residents.

7.2. Legislative changes in building safety requirements and change in requirements and increased demands on Planning and Building control.

Appendix 1 - Savings Schedule

Service Area	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								
Investment Estate	Recognise annual agreed increase in Manchester Airport Group Rents	Income Generation		170	815	0	985	0
Highways	Increased Development Fee Income	Income Generation		35	0	0	35	0
New 2024/25 Savings								
Service Wide G&D	Share of £1m workforce savings	Efficiency		24	0	0	24	0
Neighbourhoods	Share of £1m workforce savings	Efficiency		25	0	0	0	0
Total				254	815	0	1,069	

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Appendix 2 – Growth and Pressures Schedule

Service	Description of Pressure	Pressure / Growth Amount			
		2024/25	2025/26	2026/27	Total
		£'000	£'000	£'000	£'000
Parking Services and CCTV	Car parking income has reduced post Covid due to lower usage, particularly season ticket sales – The £2.1m is covered through use of reserve for 2023/24 and 2024/25.	0	2,100	0	2,100
Total Forecast Pressures		0	2,100	0	2,100

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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
City Centre Growth and Infrastructure	1,950	1,950	1,950	1,950
Strategic Development	360	360	360	360
Strategic Housing	927	927	927	927
Major Regeneration	543	543	543	543
Planning, Building Control and Licensing	(632)	(632)	(632)	(632)
Investment Estate	(15,781)	(15,975)	(16,790)	(16,790)
MCDA	(1,247)	(1,247)	(1,247)	(1,247)
Work and Skills and MAES	1,932	1,932	1,932	1,932
Grand Total Growth & Development	(11,948)	(12,142)	(12,957)	(12,957)
Parking Services and CCTV	(7,074)	(7,074)	(4,974)	(4,974)
Highways	18,613	18,553	18,553	18,553
Total	(409)	(663)	622	622

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

Growth & Development	2023/2024 Budget £'000	2024/2025 Indicative Budget £'000	2025/2026 Indicative Budget £'000	2026/2027 Indicative Budget £'000
Expenditure:				
Employees	20,862	20,838	20,838	20,838
Running Expenses	15,146	15,146	15,146	15,146
Capital Financing Costs	272	272	272	272
Contribution to reserves	0	0	0	0
Sub Total Subjective	36,280	36,256	36,256	36,256
Expenditure				
Less:				
Other Internal sales	1,028	1,028	1,028	1,028
Gross Expenditure	37,308	37,284	37,284	37,284
Income:				
Government Grants	(9,276)	(9,276)	(9,276)	(9,276)
Contributions from Reserves	(7,007)	(7,007)	(7,007)	(7,007)
Other Grants Reimbursements and Contributions	(243)	(243)	(243)	(243)
Customer and Client Receipts	(31,567)	(31,737)	(32,552)	(32,552)
Other Income	(1,163)	(1,163)	(1,163)	(1,163)
Gross Income	(49,256)	(49,426)	(50,241)	(50,241)
Total Growth & Development Net Budget	(11,948)	(12,142)	(12,957)	(12,957)

Highways	2023/2024 Budget £'000	2024/2025 Indicative Budget £'000	2025/2026 Indicative Budget £'000	2026/2027 Indicative Budget £'000
Expenditure:				
Employees	11,550	11,525	11,525	11,525
Running Expenses	33,611	33,576	33,576	33,576
Capital Financing Costs	0	0	0	0
Contribution to reserves	0	0	0	0
Sub Total Subjective Expenditure	45,161	45,101	45,101	45,101
Less:				
Other Internal sales	(10,935)	(10,935)	(10,935)	(10,935)
Gross Expenditure	34,226	34,166	34,166	34,166
Income:				
Government Grants	(3,043)	(3,043)	(3,043)	(3,043)
Contributions from Reserves	(3,218)	(3,218)	(3,218)	(3,218)
Other Grants Reimbursements and Contributions	0	0	0	0
Customer and Client Receipts	(16,426)	(16,426)	(14,326)	(14,326)
Other Income	0	0	0	0
Gross Income	(22,687)	(22,687)	(20,587)	(20,587)
Total Net Budget Highways	11,539	11,479	13,579	13,579