



Communities and Equalities Scrutiny Committee

Date: Tuesday, 6 February 2024

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

9. **2024/25 Budget** 3 - 12
Report of the Deputy Chief Executive and City Treasurer.

This report sets out the latest forecast revenue budget position, and the next steps. Following the Provisional Finance Settlement announced 18 December 2023 the Council is forecasting an estimated budget shortfall of £38m in 2024/25, £79m in 2025/26, and £90m 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, the budget is balanced for 2024/25 and the remaining gap reduce to £29m in 2025/26 and £41m by 2026/27. This position assumes that savings of £21.4m are delivered next year.

This report provides a high-level overview of the updated budget position. Each scrutiny committee is invited to consider the current proposed changes which are within its remit and to make recommendations to the Executive before it agrees the final budget proposals on 14 February 2024.

- 9a. **Neighbourhoods Directorate Budget 2024/25** 13 - 34
Report of the Strategic Director (Neighbourhoods).

This report provides a further update to members on the priorities for the services in the remit of this committee and details the changes to the initial revenue budget options proposed by officers in November 2023. Each scrutiny committee is invited to consider the proposed budget changes that are within its remit and to make recommendations to the Executive before it agrees to the final budget proposals on 14 February 2024.

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, 2 February 2024** 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 - 6 February 2024
Communities and Equalities Scrutiny Committee - 6 February 2024
Health Scrutiny Committee - 7 February 2024
Children and Young People Scrutiny Committee - 7 February 2024
Environment and Climate Change Scrutiny Committee - 8 February 2024

Subject: Revenue Budget Update 2024/25

Report of: Deputy Chief Executive and City Treasurer

Summary

Local Government is under profound financial pressure, largely due to externally driven cost and demand pressures at a national level particularly affecting Adults Services, Children's Services and Homelessness. It is in this context that the Council must set a balanced budget.

This report sets out the latest forecast revenue budget position, and the next steps. Following the Provisional Finance Settlement announced 18 December 2023 the Council is forecasting an estimated budget shortfall of £38m in 2024/25, £79m in 2025/26, and £90m 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, the budget is balanced for 2024/25 and the remaining gap reduce to £29m in 2025/26 and £41m by 2026/27. This position assumes that savings of £21.4m are delivered next year.

This report provides a high-level overview of the updated budget position. Each scrutiny committee is invited to consider the current proposed changes which are within its remit and to make recommendations to the Executive before it agrees the final budget proposals on 14 February 2024.

Recommendations

The Committee is recommended to:

- (1) 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

Environmental Impact Assessment - the impact of the issues addressed in this report on achieving the zero-carbon target for the city	The budget reflects the fact that the Council has declared a climate emergency by making carbon reduction a key consideration in the Council's planning and budget proposals.
Equality, Diversity and Inclusion - the impact of the issues addressed in this report in meeting our Public Sector Equality Duty and broader equality commitments	Consideration has been given to how the proposed savings could impact on different protected or disadvantaged groups. Where applicable proposals will be subject to completion of an Equality Impact Assessment (EqIA) and an Anti-Poverty Assessment.

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

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

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

Financial Consequences – Revenue

The changes included within this report will, subject to Member comments and consultation, be included in the final 2024/25 revenue budget set by Council on 1 March 2024.

Financial Consequences – Capital

None directly arising from this report.

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Background documents (available for public inspection):

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

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

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

[Revenue Budget Update and Corporate Core Budget Proposals 2024/25 - Resources and Governance Committee 9 November 2023](#)

[Provisional Local Government Finance Settlement 2024/25 and Budget - Resources and Governance Scrutiny Committee 11 January 2024](#)

1. Introduction and Background

- 1.1. An indicative balanced 2024/25 budget was set out in the February 2023 MTFS, including the planned use of reserves. In common with the rest of the sector the Council's finances continue to be under intense pressure. The high levels of inflation and rising demand for services continues to outstrip the level of resources available. As reported to Resources and Governance committee in September and November the current year's pressures and updated forecasts meant that the budget position had to be reviewed. This report updates on the refreshed position including progress in reaching a balanced budget, reflecting proposed savings and investment options.

2. Changes to the Budget Position

- 2.1. The November scrutiny committees were presented with additional cuts and efficiencies totalling £2.5m for consideration, in addition to the savings agreed in last year's MTFP of £36m (of which £10.2m related to 2024/25) and the use of c£17m a year of smoothing reserves. It was anticipated that further cuts and savings may be required depending on the outcome of the provisional settlement.
- 2.2. The government announced the Autumn Statement on 22 November 2023 followed by the provisional finance settlement on 18 December 2023. This was in the context of another very difficult year for Local Government. In 2023, inflation averaged 8%, which together with unrelenting demand pressures has compounded challenges, especially in social care and homelessness, when there is limited financial resilience following the cumulative impact of the prior decade's austerity measures. A survey conducted by the LGA found that one in five councils believe they are fairly or very likely to issue a Section 114 notice this year or next. Several Councils have now applied to the Government for 'exceptional financial support'. Typically, this consists of a capitalisation directive allowing them to fund day to day spending from capital resources.
- 2.3. Despite this context, there was no new funding announced in the provisional settlement. Disappointingly the Services Grant was cut by 84.1% nationally. For Manchester this is a reduction of £6.1m, from £7.2m to just £1.1m. Whilst some redistribution of services grant had been anticipated, it was not expected at this scale. This cut was partly offset by an increase in forecast business rates income of £3.1m (one off) linked to another year of Retail, Hospitality and Leisure Relief. This scheme gives 75% relief for this sector up to a cap of £110k per business. This has a positive impact on the level of bad debt and appeals to be provided for, as these are now based on a reduced level of income. Other settlement changes to Revenue Support Grant and New Homes Bonus net to £0.6m. Therefore, the budget impact of the settlement is a £2.4m worsening of the position rising to £5.3m in 2025/26 as set out to Resources and Governance committee 11 Jan 2024.
- 2.4. In addition to the settlement announcements Manchester continues to face growing pressures in social care and homelessness. In the last two months

there has been an increase in children's placement numbers and costs, further significant pressures across adult social care (ASC) budgets and some worrying trends in asylum seekers, the migrant policy and homelessness. This is in line with national trends and Core Cities and other GM authorities are all reporting similar issues. Work throughout January quantified the full year effect of the increased numbers of residents requiring care and support this year at £10m. Whilst extremely challenging it is important that a realistic and deliverable budget is set which recognises these additional pressures.

2.5. The changes in the Provisional Finance Settlement and increased pressures in social care and homelessness meant further work was required to ensure a balanced budget for 2024/25 and be put forward for consideration by the Executive. Actions to balance the budget, totaling £15m, have been identified from the following areas:

- £3.4m - Council Tax and Business Rates – improvements in collection and 100% premium on empty unfurnished properties after one year
- £6.1m - GMCA Waste Rebates and Levies
- £1.5m - Additional Investment Estate and Enforcement Income
- £1m - Rephasing of ICT and G&D investments
- £1.2m - Airport Interest & Car Park Investment dividend
- £0.302m – Efficiencies on minor back-office budgets etc
- £1m - Gas energy savings (wholesale price reduction)

2.6. This has enabled a balanced budget in 2024/25 to be proposed as summarised in table one.

Table One: Summary of Budget changes

	2024 / 25 £'000	2025 / 26 £'000	2026 / 27 £'000
Position reported to Resources and Governance 9 Nov 2023	1,655	29,845	48,990
Increase General Fund to reflect worsening overspend	1,000		
Settlement changes	2,374	6,403	6,394
Revised Shortfall / (surplus) after settlement reported to Resources and Governance 11 Jan 2024	5,029	36,248	55,384
Net Additional Pressures	10,000	10,000	10,000
Actions to balance the budget	(15,029)	(17,448)	(24,619)
Revised Shortfall / (surplus)	(0)	28,800	40,765

2.7. Whilst not complacent, the Council is in a better position than many and is able to propose a balanced budget for 2024/25. This is due to the careful long-term financial planning which has involved making some difficult decisions around cost reduction and doing things differently. Despite this, a significant and growing budget gap remains from 2025/26, and urgent action will be required to address this.

- 2.8. The Final Settlement is due to be announced in early February 2024. This does not usually vary significantly from the Provisional Settlement. However, on 24 January 2024 additional funding was announced in a written statement in advance of the final settlement. The announcement included a further £500m for social care, £15m increase in the Rural Services Delivery Grant (RSDG), and that the funding guarantee would be increased from 3% to 4% (estimate £60m extra). If the funding is allocated in line with the existing Social Care Grant formula, Manchester would receive around £5.5m. Recommendations on how to achieve maximum value from the funding are being developed and will be finalised once the Final Finance Settlement has been published and final amounts are known. These will be presented to the Executive on 14 February and Budget Scrutiny on 26 February.

3. Summary Budget Position

- 3.1. The final budget position for 2024/25 and future years will be confirmed at February 2024 Executive. This will be after the key decisions confirming the Council Tax and Business Rates tax base to be used to determine the collection fund position have been made in January and the Final Finance Settlement is received.
- 3.2. The indicative medium-term position is shown in the table below, showing the planned use of reserves and the level of savings proposals identified as part of last years budget setting process (£10.2m for 2024/25) and additional savings for consideration (£11.2m in 2024/25).
- 3.3. Further details on the overall financial position are provided in the budget update report to Resources and Governance Scrutiny Committee on 8 February 2024. The full budget will be set out in the Medium-Term Financial Budget going to Executive on 14 February 2024.

Table Two: Summary Budget position

	2024 / 25	2025 / 26	2026 / 27
	£'000	£'000	£'000
Resources Available			
Business Rates / Settlement Related Funding	406,378	417,785	424,393
Council Tax	230,872	248,888	266,205
Grants and other External Funding	137,242	104,614	104,614
Dividends	195	390	390
Use of Reserves	11,522	13,003	8,222
Total Resources Available	786,209	784,680	803,824
Resources Required			
Corporate Costs	120,478	123,321	123,125
Directorate Costs	703,963	739,985	771,198
Total Resources Required	824,441	863,306	894,323
Budget Gap	38,232	78,626	90,499
Savings approved in Feb 22 MTFP	(10,172)	(20,774)	(20,774)
Additional Savings	(11,202)	(11,202)	(11,202)
Use of Smoothing Reserves	(16,858)	(17,850)	(17,758)
Gap after use of Smoothing Reserves and savings	0	28,800	40,765

3.4. The accompanying report sets out the priorities and officer proposals for the services within the remit of this committee. This includes a reminder of the savings proposals identified as part of last years budget setting process (£36.2m across three years) and additional savings for consideration (£11.2m from 2024/25). As far as possible these are aimed at protecting the delivery of council priorities and represent the least detrimental options.

4. Budget Consultation

4.1. There is a statutory requirement to consult with business rates payers. Public consultation on proposed Council Tax levels and the savings and cuts measures put forward by officers opened on 31 October and ran until 27 December 2023. The provisional results from the consultation will be reported to Executive in February. The full analysis and results, alongside comments from scrutiny committees, will be reported to the Budget Scrutiny meeting on 26 February to ensure they are fully considered before the final budget is set.

4.2. None of the budget options set out to date require formal statutory consultation.

5. Equalities Impact and Anti-Poverty Assessments

5.1. Each saving option that was approved last year was supported by a robust business case where consideration was given to how the savings could impact

on different protected or disadvantaged groups. Where applicable proposals were 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.

6. Scrutiny of the draft proposals and the budget reports

- 6.1. The reports have been tailored to the remit of each scrutiny as shown in the table below. Each Committee is invited to consider the proposed changes which are within its remit and to make recommendations to the Executive before it agrees to the final budget proposals in February 2024.

Table Three: Scrutiny Committee Remits

Date	Meeting	Services Included
6 Feb 24	Communities and Equalities Scrutiny Committee	Sport, Leisure, Events Libraries Galleries and Culture Community Safety Housing Operations including Homelessness Neighbourhood teams
6 Feb 24	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
7 Feb 24	Health Scrutiny Committee	Adult Social Care Public Health
7 Feb 24	Children and Young People Scrutiny Committee	Children and Education Services
8 Feb 24	Resources and Governance Scrutiny Committee	Chief Exec Corporate Services Revenue and Benefits / Customer and Welfare Support Business Units
8 Feb 24	Environment and Climate Change Scrutiny Committee	Waste and Recycling Parks Grounds maintenance Compliance

7. Next Steps

The proposed next steps are as follows:

- 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

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Manchester City Council Report for Information

Report to: Communities and Equalities Scrutiny Committee – 6 February 2024

Subject: Neighbourhoods Directorate Budget 2024/25

Report of: Strategic Director - Neighbourhood Services

Summary

Local Government is under profound financial pressure, largely due to externally driven cost and demand pressures at a national level particularly affecting Adults Services, Children’s Services and Homelessness. It is in this context that the Council must set a balanced budget.

Following the provisional finance settlement announced 18 December the Council is forecasting an estimated budget shortfall of £38m in 2024/25, £79m in 2025/26, and £90m 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, the budget is balanced for 2024/25 and the remaining gap reduces to £29m in 2025/26 and £41m by 2026/27. This position assumes that savings of £21.4m will be delivered next year.

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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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Environmental Impact Assessment - the impact of the issues addressed in this report on achieving the zero-carbon target for the city	The budget reflects the fact that the Council has declared a climate emergency by making carbon reduction a key consideration in the Council's planning and budget proposals.
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issues addressed in this report in meeting our Public Sector Equality Duty and broader equality commitments	disadvantaged groups. Where applicable proposals will be subject to completion of an Equality Impact Assessment (EqIA) and an Anti-Poverty Assessment.
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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.
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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 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 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 within the Neighbourhood Services Directorate.

2. Service overview and priorities

- 2.1 Neighbourhood Service Directorate has a wide range of services and employs over 1,916 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 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. This 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 ringfenced to the Housing Revenue Account (HRA) and are therefore not a cost to the Neighbourhoods mainstream budgets. There is a separate HRA budget report be taken to Resources and Governance Scrutiny Committee 8th February.
- 2.15 Neighbourhood Services Directorate has a gross budget of £262m and a net budget of £139.225m. The Directorate employs 1,916 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 £127.352m and a net budget of £59.371m with 1,144 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	4,817	2,836	50
Leisure, Youth and Events	20,471	7,069	29
Libraries, Galleries and Culture	14,841	10,565	279
Neighbourhood Teams	5,102	4,703	79

Management and Directorate Support	1,340	1,271	27
Other Neighbourhoods	1,469	1,066	3
Homelessness and Asylum	77,183	31,861	422
Housing Services	2,129	0	255
Total	127,352	59,371	1,144

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 budget position to offset £1m of this risk. 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. The original plan to deliver the Homelessness savings was based on a reduction in Temporary Accommodation numbers, although significant reductions have been made for the number of families supported in B&B the pressures faced remain significant. Agreement has been reached with DLUHC to review longer term leasing options for Temporary Accommodation units which would allow full housing benefit recovery and ease a significant proportion of the Housing Subsidy loss faced by the service. The first phase of this relates to converting existing tenancies for the 800 temporary accommodation units in Manchester.
- 3.3 It is a key priority for the Homeless service to minimise out of area temporary accommodation placements given the impact on children's education, health and wider welfare. It is estimated that it will take a number of years to replace properties outside of Manchester with properties in the city. The intention is that the Homeless Service can deliver a better spread of properties across the city.
- 3.4 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.
- 3.5 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.

- 3.6 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.
- 3.7 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

- 3.8 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 contribution to this is £198k of which £147k fall within the remit of this Scrutiny Committee. This will be achieved by deleting long term vacant posts.

Community Safety

- 3.9 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. An action from November scrutiny was that the Neighbourhoods directorate 2024/25 budget report in February 2024 provides further breakdown of the budget allocated to tackle crime and disorder, this is included in Appendix 5.

Libraries and Galleries

- 3.10 As part of the original budget proposals reviewed by this Committee In November, Members provided a clear indication that they were not supportive of the the book fund budget reduction of £30k to £0.65m per annum. Following this feedback from Members this saving has been removed.

Events Commissioning

- 3.11 The Manchester Events Strategy was adopted in 2019, this strategy set out a vision 'To Be an Eventful City' with a focus on developing a diverse, balanced and benefits driven events portfolio driven by partnerships. The Events Strategy identified how we would re-purpose our funding to support Events and Festivals, differentiating our investment between events that are aimed principally at supporting community cohesion and animating the city and events aimed at generating significant economic value and profile for the City.
- 3.12 The Executive considered in October 2023 a report of the Strategic Director (Neighbourhoods), which sought approval for the formation of an Event Commission. The Executive endorsed the intent to form an Event Commission for the City in order to secure major events in Manchester and to bring in

contributions from key partners and supported the proposed budget allocation as part of the 2024/25 budget options.

- 3.13 In line with the recommendations from the Executive, budget approval 2024/25 is to be sought for an annual £2m contribution from the Capital Fund to support the events commission, this will be funded through the growth in retained business rates. The proposed City Council resources will be supplemented by other city partnership funding that will be part of the whole events commission budget and managed by the City Council.
- 3.14 The proposed annual contribution will provide an ongoing budget for commissioning events and will reduce the need for any in year approvals for one off budget requests when opportunities have arisen. The Council's funding will be alongside funding contributions from other partners which are currently being negotiated. The setting up of the events commission budget will enable
- Provision of event pump-prime funding which will attract wider public and private sector partnership funding – and facilitate access to wider funding sources - leveraging a minimum external investment of £4 for every £1 of funding.
 - Opportunities to generate net additional spend/Economic impact benefits through major events - £10 for every £1 invested as a minimum.
 - Achieving National and International media reach and profile.
 - Generating significant social impact for residents beyond the delivery of the event itself.

Growth and Pressures 2024-27

- 3.15 £1m of budget has been set aside to support pressures to the Homelessness budget. In the last two months there has been a worrying trend in asylum seekers, the migrant policy and homelessness. This is in line with national trends and Core Cities and other GM authorities are all reporting similar issues. Whilst extremely challenging it is important that a realistic and deliverable budget is set which recognises these additional pressures.

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	1,896	1,270	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
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 Regional Dovetail	395	95	95	95
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	15,562	11,247	10,621	9,351

- 3.16 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. In November Scrutiny concerns were raised regarding the reduction in funding, however, with the closure of the Bridging Hotels the level of expenditure incurred to support these families will reduce in line with the funding reduction and will not create a pressure on Council budgets.
- 3.17 **Appendix 2** provides an overview of the forecast medium-term budgets by service. **Appendix 3** 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 4**.

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	
Total				2,257	1,332	0	3,589	0

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Appendix 2: Indicative Medium-term budgets by service

Service Area	2023/24 Budget £'000	2024/25 Proposed Budget £'000	2025/26 Indicative Budget £'000	2026/27 Indicative Budget £'000
Community Safety	2,836	2,796	2,796	2,796
Leisure, Youth and Events	7,069	7,069	7,069	7,069
Libraries, Galleries and Culture	10,565	10,565	10,565	10,565
Neighbourhood Teams	4,703	4,703	4,703	4,703
Management and Directorate Support	1,271	1,171	1,171	1,171
Other Neighbourhoods	1,066	1,066	1,066	1,066
Homelessness and Asylum	31,861	30,744	29,412	29,412
Housing Services	0	0	0	0
Total	59,371	58,114	56,782	56,782

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

	2023/2024 Budget £'000	2024/2025 Proposed Budget £'000	2025/2026 Indicative Budget £'000	2026/2027 Indicative Budget £'000
Expenditure:				
Employees	48,605	48,388	48,388	48,388
Running Expenses	106,014	102,659	100,701	99,341
Capital Financing Costs	2	2	2	2
Contribution to reserves	5,137	5,137	5,137	5,137
Sub Total Subjective Expenditure	159,758	156,186	154,228	152,958
Less:				
Other Internal sales	(32,406)	(32,406)	(32,406)	(32,406)
Gross Expenditure	127,352	123,780	121,822	120,552
Income:				
Government Grants	(15,562)	(11,247)	(10,621)	(9,351)
Contributions from Reserves	(8,873)	(10,873)	(10,873)	(10,873)
Other Grants Reimbursements and Contributions	(8,142)	(8,142)	(8,142)	(8,142)
Customer and Client Receipts	(35,062)	(35,062)	(35,062)	(35,062)
Other Income	(342)	(342)	(342)	(342)
Gross Income	(67,981)	(65,666)	(65,040)	(63,770)
Total Net Budget	59,371	58,114	56,782	56,782

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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	1,896	1,270	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 Regional Dovetail	333	90	90	90
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	11,247	10,621	9,351

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Appendix 5: Breakdown of Community Safety Budgets as requested at November Scrutiny

Community Safety Budget	2023/24	2024/25	2025/26	2026/27
Expenditure	£,000	£,000	£,000	£,000
Prevent Grant	881	576	576	576
GMCA Comm Safety Partnership	1,100	1,100	1,100	1,100
Violence Against Women & Girls	202	202	202	202
Asbat	1,615	1,615	1,615	1,615
DV&A	330	330	330	330
Comm safety Staffing	496	496	496	496
<i>Pay Award</i>	98	98	98	98
Other Expenditure	95	55	55	55
Total Expenditure	4,817	4,472	4,472	4,472
<i>Income</i>				
GMCA Funding	(1,100)	(1,100)	(1,100)	(1,100)
Home Office Prevent Grant	(881)	(576)	(576)	(576)
Total Income	(1,981)	(1,676)	(1,676)	(1,676)
Community Safety Budget	2,836	2,796	2,796	2,796

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