



Economy Scrutiny Committee

Date: Wednesday, 6 February 2019

Time: 2.00 pm

Venue: Council Ante Chamber, Level 2, Town Hall Extension

This is a **Revised and Supplementary Agenda** containing additional information about the business of the meeting that was not available when the agenda was published. Please also note that Item 9b that was listed on the original agenda has been withdrawn.

Access to the Council Antechamber

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Membership of the Economy Scrutiny Committee

Councillors - H Priest (Chair), Connolly, Davies, Douglas, Green, Hacking, Johns, Newman, Noor, Paul, Raikes, Razaq, Shilton Godwin, A Simcock and K Simcock

Revised and Supplementary Agenda

9. Updated Financial Strategy and Directorate Business Plans 2019-20 5 - 12

Report of the Chief Executive and City Treasurer

This report provides an update on the Council's financial position and sets out next steps in the budget process, including scrutiny of the draft budget proposals and Directorate Business Plan reports by this Committee.

9A Strategic Development Budget and Business Plan 2019-20 13 - 58
Report of the Strategic Director (Development)

This report sets out in broad terms the directorate's key priorities, key activities and revenue and capital strategy for 2019-20. In the Business Plan for the period 2017-2020, directorates set out their proposed savings in the context of their objectives. This report sets out both the progress made to date in delivering these savings and the directorate's focus over the final year of the three year plan. This report is a refresh of the directorate's Business Plan for 2018-20 in the context of changing resources, challenges and opportunities.

Information about the Committee

Scrutiny Committees represent the interests of local people about important issues that affect them. They look at how the decisions, policies and services of the Council and other key public agencies impact on the city and its residents. Scrutiny Committees do not take decisions but can make recommendations to decision-makers about how they are delivering the Manchester Strategy, an agreed vision for a better Manchester that is shared by public agencies across the city.

The Economy Scrutiny Committee has responsibility for looking at how the city's economy is growing and how Manchester people are benefiting from the growth.

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Further Information

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This revised agenda was issued on **Thursday 31 January 2019** by the Governance and Scrutiny Support Unit, Manchester City Council, Level 3, Town Hall Extension (Mount Street Elevation), Manchester M60 2LA

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**Manchester City Council
Report for Resolution**

Report to: Health Scrutiny Committee – 5 February 2019
Children and Young People Scrutiny Committee – 5 February 2019
Neighbourhoods and Environment Scrutiny Committee – 6 February 2019
Economy Scrutiny Committee – 6 February 2019
Communities and Equalities Scrutiny Committee – 7 February 2019
Resources and Governance Scrutiny Committee – 7 February 2019

Subject: Updated Financial Strategy and Directorate Business Plans
2019-20

Report of: The Chief Executive and City Treasurer

Summary

This report provides an update on the Council's financial position and sets out next steps in the budget process, including scrutiny of the draft budget proposals and Directorate Business Plan reports by this Committee.

Recommendations

The Committee is asked to consider and make recommendations to the Executive on the budget proposals which are within the remit of this Committee and to comment on the Directorate Business Plans which have been designed to ensure the Council invests in the services that are valued by its residents, achieving both high quality services and outcomes for residents as well as a balanced budget.

Wards Affected: All

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Appendix:

Directorate Business Plan 2019/20

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.

Updated Financial Strategy 2019/20 report to Executive 16 January 2019
<https://democracy.manchester.gov.uk/ieListDocuments.aspx?CId=147&MId=291&Ver=4>

Update on Revenue Financial Strategy and Business Plan Process 2019/20 to Resources and Governance Scrutiny Committee Thursday, 6 December
<https://democracy.manchester.gov.uk/ieListDocuments.aspx?CId=137&MId=121&Ver=4>

Provisional local government finance settlement: England, 2019 to 2020
https://www.gov.uk/government/collections/provisional-local-government-finance-settlement-england-2019-to-2020?utm_source=89354b3a-3865-4051-9175-8247e58aeba8&utm_medium=email&utm_campaign=govuk-notifications&utm_content=immediate

Autumn Budget 2018, 29 October 2018
2018 Autumn Budget document is available on the Government's website
<https://www.gov.uk/government/publications/budget-2018-documents>

Medium Term Financial Plan to Executive 7 February 2018
<https://secure.manchester.gov.uk/meetings/meeting/2997/executive>

1 Overview

1.1 The original three-year budget strategy 2017-20 was underpinned by Our Manchester, seeking to promote self-determination; greater resilience in individuals, families and communities with a focus on early help and prevention; improve health outcomes, and enhance the opportunities for residents. Its priorities followed consultation with Manchester people on what they valued most, which was:

- care and support for vulnerable people including older people and those with learning disabilities and mental health needs;
- taking action on family poverty and giving young people the best start in life;
- tackling homelessness;
- supporting people into jobs and training;
- keeping roads and neighbourhoods in good shape; and
- parks and leisure to keep people active and happy.

1.2 2019/20 completes the three-year budget commitment and despite funding pressures the strategy remains consistent with the original plans set in 2017.

1.3 The financial position has been updated to reflect the pressures being faced by services, particularly those provided for the City's most vulnerable. It also includes changes to funding and other income including the most recent information for Council Tax and Business Rates; the proposal for return of retained business rates and transport reserves totalling c£7m, from the GMCA (subject to the approval of the Combined Authority when it meets in February); and additional Government funding of over £12m announced following the Autumn Budget and the Provisional Finance Settlement. The latter has not been confirmed beyond 2019/20 which inhibits effective longer term planning.

1.4 In line with trends being experienced nationally Manchester is facing significant pressures on its budgets for social care. These have been seen in the 2018/19 Global Monitoring and the associated Recovery Plan. Whilst welcome, the additional government funding announcements are not sufficient to meet those pressures and the City Council is having to make savings elsewhere in the budget and use its reserves to support the required investment and to mitigate against the future uncertainty. Use of these reserves will be over a three-year period; a position that is not sustainable in the long-term. The budget includes the identification of further savings of £6m, in addition to the £9m already budgeted for in 2019/20.

1.5 This report will provide an update on:

- the position reported to January Executive
- changes to business rates and council tax forecasts
- use of reserves/provisions
- the budget setting process and timeline
- next steps

2 The Financial Position 2019/20

Update on the Position Reported to January Executive

- 2.1 The original budget for 2019/20 as reported to February 2018 Executive identified a funding gap of £8.967m. It noted that this would need to be met from a combination of changes to business rates and commercial income, commissioning decisions, efficiencies and a further review of budget requirements.
- 2.2 In December, it was reported that there was a significant risk to the budget position for 2019/20 due to the additional needs arising from services such as Social Care, both Adults and Children's, and Homelessness, together with the non-achievement of planned savings. This increased the original budget gap of £8.967m to £21.653m. Officer proposals and a review of resources reduced the gap to £1.215m which was reported through the December Scrutiny process and formed the basis of the Revenue Budget Report to January Executive. The January report also updated for the Provisional Local Government Finance Settlement received in December 2018. Aside from some minor changes to the new care models for Adult Social Care as set out in the business plan for the MHCC Pooled Budget the savings options remain unchanged.

3 Additional Funding Announcements

- 3.1 The report to January Executive noted that a number of additional, mainly one-off, funding streams had been made available. These include:
- The additional grant funding for Social Care agreed as part of the Autumn Budget and confirmed in the Finance Settlement - £2.67m to support winter pressures and £4.55m for children's and adults social care.
 - The proposed return of funds from Greater Manchester Combined Authority (GMCA) - GMCA will propose the return of c£6m of retained business rates and c£1m of transport resources to the City Council and this will formally be considered at the meeting of the Combined Authority on 15 February.
 - The return of £2.7m in 2018/19 from the unused central business rates levy surplus held by Government. This is not included within the budget assumptions for 2018/19.

Changes to Council Tax and Business Rates

- 3.2 The key decisions to set the Council Tax and Business Rates Base and Collection Fund surpluses have been taken in January. This included the Council Tax surplus which has improved by £0.904m since the production of the January Executive report and will be applied to support the budget requirements from 2019/20. Full details of the council tax and business rates

position will be reported in the Medium Term Financial Plan which will go to Budget Executive.

- 3.3 Government are to release further funding following a correction to the calculation of grant for Small Business Rates Relief dating back to 2017/18. This will provide additional resources of £1.840m in 2018/19 and £0.920m from 2019/20.

Use of Reserves/Provisions

- 3.4 Finally, there is a provision of £2.1m held for the potential costs of Sleeping-In allowances which is no longer required and £5.095m from Adult Social Care related reserves which are available to support social care budgets.

4 Proposed Investment Priorities

- 4.1 January Executive agreed that one-off money should be used to further support resident priorities and front line services in a sustainable way over the coming three-year period, and that the following areas are prioritised:

- Care and support for vulnerable people by ensuring there is a sustainable amount of funding for Adult Social Care that enables the move to a more permanent structure, despite the volume of one-off funding;
- Giving young people the best start in life through investment in Youth Services plus a need to invest greater amounts into Children's services;
- Taking action on family poverty and taking enhanced enforcement action in the private rented sector;
- Tackling homelessness; and
- Further action to tackle littering, fly tipping and poor business waste management.

- 4.2 Following detailed work with partners and stakeholders and consultation with Executive Members the following proposals have been identified and are included in the Medium Term Financial Plan, with the detail included in the relevant Directorate Business Plan reports.

- £4.6m additional investment into Children's Services to address budget pressures due to the increased number of placements for looked after children as well as seeking to release resource for early help and prevention and a further £150k for Youth Services. This is in addition to the £6m agreed in the January Executive Report and £2.8m agreed as part of the original budget set last year for 2019/20, bringing the total investment for 2019/20 to £13.6m.
- £7.6m rising to £8.0m for years 2 and 3 into adult social care to ensure service stability and that residents can access services on a timely basis. This includes the £2.8m included in the January Executive report and is in addition to the £3.8m agreed as part of the original budget for 2019/20, bringing the total investment for 2019/20 to £11.4m.
- £500k to support further action to tackle littering, fly-tipping and poor business waste management

- £255k to support food inspections
- £500k for enhanced enforcement activity in the private rented sector, as part of the homelessness budget. This is in addition to the £3.8m agreed for homelessness in the January Executive Report and £250k agreed as part of the original budget for 2019/20 set last year, bringing the total additional investment for 2019/20 to c£4.6m.
- £1.1m for welfare related support funded from additional council tax revenues in 2019/20. In future it proposed these costs will be met from additional Council Tax income relating to the proposed changes to empty property reliefs, if approved and subject to the outcomes of the consultation.

4.3 The changes outlined above would enable a balanced budget to be achieved for 2019/20, with a contribution to the General Fund reserve of £0.04m. The table below details the updated position.

Table 1 – Revised budget position

	2018/19 £000	2019/20 £000
Resources Available		
Business Rates related funding	324,753	314,653
Council Tax	154,070	166,507
Other non-ringfenced Grants/Contributions	38,735	54,426
Dividends and Use of Airport Reserve	53,342	62,390
Use of other Reserves to support the budget	8,743	12,439
Total Resources Available	579,643	610,415
Resources Required		
<i>Corporate Costs:</i>		
Levies/Charges	68,655	70,115
Contingency	3,103	1,600
Capital Financing	44,507	44,507
Transfer to Reserves	7,286	6,902
<i>Sub Total Corporate Costs</i>	<i>123,551</i>	<i>123,124</i>
<i>Directorate Costs:</i>		
Additional Allowances and other pension costs	10,030	10,030
Insurance Costs	2,004	2,004
Directorate Budgets	439,919	465,272
Inflationary Pressures and budgets to be allocated	4,139	9,945
<i>Total Directorate Costs</i>	<i>456,092</i>	<i>487,251</i>
Total Resources Required	579,643	610,375
Transfer (to)/from General Fund Reserve	0	(40)

5 Risks and Mitigation

- 5.1 All savings proposals have been risk rated and each Directorate will maintain their own monitoring arrangements alongside the corporate assurance process. The detailed savings tracker is sent to Senior Management Team on a monthly basis and reported to Executive Members.
- 5.2 The Council needs to be satisfied that it can continue to meet its statutory duties and meet the needs of vulnerable young people and adults. Proposals have been drawn up on the basis that Strategic Directors are satisfied that this requirement will be met.

6 Scrutiny of the Draft Budget Proposals and Directorate Business Plans

- 6.1 The Directorate Business Plans are attached for the Committee's consideration. These reports contain details of the Directorate's draft investment and budget delivery plan proposals and how the Directorate will support the delivery of the Council's priorities as set out in the Our Manchester Strategy.
- 6.2 The Committee is invited to consider the proposals which are within its remit within Directorate business plans and to make recommendations to the Executive before it agrees the final budget proposals on 13 February.

7 Next Steps

- 7.1 The Executive will agree its final budget recommendations on 13 February taking into account the feedback from the six scrutiny committees on the proposals.
- 7.2 These recommendations will be considered by the Resources and Governance Scrutiny Committee at its special budget meeting on 25 February. Chairs of the other five Scrutiny Committees will be invited to attend this meeting to articulate the views of their Committee regarding the proposals. The Council will then make its final decisions and will set the budget on 8 March.

8 Recommendations

- 8.1 The recommendations appear at the front of this report.

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**Manchester City Council
Report for Resolution**

Report to: Neighbourhoods and Environment Scrutiny Committee - 6 February 2019
Economy Scrutiny Committee - 6 February 2019
Resources and Governance Scrutiny Committee - 7 February 2019
Executive - 13 February 2019

Subject: Strategic Development Business Planning: 2019-2020

Report of: Strategic Director (Development)

Summary

This report sets out in broad terms the directorate's key priorities, key activities and revenue and capital strategy for 2019-20. In the Business Plan for the period 2017-2020, directorates set out their proposed savings in the context of their objectives. This report sets out both the progress made to date in delivering these savings and the directorate's focus over the final year of the three year plan. This report is a refresh of the directorate's Business Plan for 2018-20 in the context of changing resources, challenges and opportunities.

The draft business plan which was considered by the committee in December 2018 has been further developed into this report based on the comments received from the committee and the outcome of the local government finance settlement. Sections on the directorate's impact of proposed changes on residents, communities, customers and the workforce have been added in addition to a summary of the technological support to deliver change. A full suite of delivery plans can also be found as an appendix including the Finance, Performance, Workforce and Equality Plans and the Risk Register.

Taken together, the directorate business plans show how the directorates will work together and with partners to deliver our Corporate Plan and progress towards the vision set out in the Our Manchester Strategy.

Recommendations

The Committee is invited to review and comment on this directorate Business Plan.

Wards Affected: All

Manchester Strategy Outcomes	Summary of the Contribution to the Strategy
A thriving and sustainable City: supporting a diverse and distinctive economy that creates jobs and opportunities	Providing leadership to support, promote and drive the role and continuing growth of the City centre as a major regional, national and international economic driver; as the main focus for employment growth through a strengthening and diversification of its economic base and through the efficient use of land.
A highly skilled City: world class and home grown talent sustaining the City's economic success	Supporting the delivery of a Schools Capital Programme which will provide new and expanded high quality primary and secondary school facilities for a growing population through the identification of suitable sites which can support our wider transformation proposals for neighbourhoods in the City. Work and Skills are supporting the Manchester College to develop a City Centre campus to deliver higher level skills required by the City's growth sectors. Manchester Adult Education are raising skill levels of Manchester residents and ensuring they are connected to education and employment opportunities across the City.
A progressive and equitable City: making a positive contribution by unlocking the potential of our communities	Creating places where residents and partners actively demonstrate the principles of Our Manchester. Providing opportunities for our residents furthest from the labour market to access work, skills & progression opportunities.
A liveable and low carbon City: a destination of choice to live, visit, work	Actively manage the impact of a growing population and economy to minimise the City's carbon emissions through planning and working with partners across the City to move towards becoming a zero carbon City by 2038.
A connected City: world class infrastructure and connectivity to drive growth	Contribution to population and economic growth by providing an expanded, diverse, high quality housing offer that is attractive, affordable and helps retain residents in the City, ensuring that the growth is in sustainable locations supported by local services, an attractive neighbourhood and the provision of new and enhanced physical and digital infrastructure.

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

- Equal Opportunities
- Risk Management
- Legal Considerations

Financial Consequences for the Capital and Revenue Budgets

The proposals set out in this report will be considered in preparation for the draft revenue budget submitted to the Executive on 13 February 2019.

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Background documents (available for public inspection):

- Strategic Development Budget and Business Plan: 2017/18 -2019/20 - Executive – 8th February 2017
- Strategic Development Budget and Business Planning: 2018-2020 - Executive - 7th February 2018

1. The Directorate Business Plan

- 1.1. The Directorate Business Plan is set out from section two below and includes:
- A description of the contribution that the directorate makes to delivery of our Corporate Plan priorities;
 - The directorate's vision and objectives;
 - A self-assessment of the directorate's key challenges for 2019/20;
 - The revenue strategy;
 - The capital strategy/programme;
 - Impact on Residents Communities and Customers;
 - Impact on the Workforce;
 - Technological Support;
 - An appendix containing the directorate's delivery plans (Finance Plan, Performance Plan, Workforce Plan, Equality Plan, and the Strategic Risk Assessment and Register).

2. Delivering Our Plan

- 2.1. The Directorate has a pivotal role in driving the **sustainable economic growth of the City** by securing new commercial development, attracting inward investment and generating employment growth across the City. Along with providing leadership to the Council's Housing function, Strategic Development is delivering the City Council's Residential Growth Strategy which underpins the City's economic growth trajectory. The management of the City Council's land and property assets to promote growth is closely aligned with the management of the City Council's operational and investment estates. In July 2018 the Directorate expanded to include the planning, building control and licensing functions to enhance the strategic planning and place shaping function. Additionally, Work and Skills and Adult Education services joined the directorate to ensure that **Manchester residents directly benefit from the economic growth and development of the City and associated jobs creation.**
- 2.2. The Directorate also works with a range of stakeholders to enable people to better support their **children's learning, fulfilling their potential** and to be active citizens contributing in their communities. For an increasing number of residents, this means support to manage the impact of welfare reform and transition to universal credit.
- 2.3. Strategic Development has the central role in **ensuring the delivery of the right mix of good quality and affordable housing for Manchester residents to have a good choice of quality homes. We will accelerate and sustain the delivery of more housing, including enough which is affordable for our residents on low and average incomes** and will intervene, where necessary, to speed up the delivery of housing across the City, including developing homes ourselves.
- 2.4. The directorate recognises that we have a responsibility to support some of our most vulnerable residents, those at risk of, or **experiencing**

homelessness, and we are dedicated to enabling better housing options and better outcomes. The review of the Housing Allocations Scheme is to ensure that the correct level of rehousing priority is given to vulnerable people.

- 2.5. The Directorate also works directly with colleagues in the Neighbourhoods Directorate in the planning and delivery of new **neighbourhoods** making sure these meet the needs of our diverse and complex communities. As the Directorate with the key role for creating places where people will live or work our developments must consider the impact on **highways, connectivity,** and neighbourhoods management services (such as waste collections). We work proactively in partnership with businesses, residents and partners to make sure our developments meet local needs to deliver neighbourhoods people want to live in.
- 2.6. The directorate strives to be **well managed, to balance our budgets** and to provide additional efficiencies and **increase income** from the council's property portfolio to help underpin the council's budget.
- 2.7. The Directorate also actively progresses the Our Ways of Working through the ongoing review and rationalisation of our operational estate, which the council uses to deliver all of its services from, to provide a more efficient asset base with a reduced carbon footprint. We constantly review our operational estate to ensure the Directorates have the right building assets to deliver quality services and deliver the Corporate Plan. We also actively encourage our teams to work differently, and in an agile and flexible way as part of demonstrating our commitment to Our Ways of Working.
- 2.8. The **Our Manchester approach** is at the heart of how we work. As a directorate we are committed to put people at the centre of everything we do, recognising that people are more important than processes, procedures or organisational boundaries. We are committed to listening, then learning, then responding to the needs of our residents and creating the capacity, interest, enthusiasm and expertise for individuals and communities to do things for themselves. We are committed to working together more, by building long term relationships and having honest conversations which provides a say and role to both those who need services and those who provide them.

3. Vision and Objectives: Building Manchester's Future

- 3.1. The Strategic Development Directorate seeks to drive effective place making and facilitating the economic growth of the City by creating the necessary conditions needed to promote strong growth in commercial, residential, retail and leisure related development in the City, stimulating new employment, new homes and broadening the City Council's tax base. To ensure that all Manchester residents benefit from this growth by providing good quality training and job creation and developing effective pathways for residents into these jobs.
- 3.2. Together with the other Directorates of the Council, Strategic Development will deliver the shared vision and objectives set out in the Our Manchester

Strategy and the Corporate Plan. The specific objectives for Strategic Development are:

Growth that Benefits Everyone: Facilitating the Economic Growth of the City

- The continuing sustainable growth of the City centre as a major regional, national and international economic driver; ensuring growth through efficient use of land for commercial led development opportunities, such as: the Airport City Enterprise Zone; the Didsbury Technology Park; the Eastern Gateway and the Etihad Campus; St John's Quarter, Mayfield, Manchester Science Park and the Corridor Enterprise Zone;
- Uphold Manchester's attractiveness as an investment opportunity for new commercial, residential and other development opportunities;
- Maintain and build confidence in Manchester's reputation as a destination City through the growth and improvement of its retail provision, the opportunities presented by its diverse cultural, sporting and leisure offer, together with its civic functions as a focus for residents and visitors;
- Ensuring residents, neighbourhoods, businesses and goods can connect to local, national and international markets. Through working with partners both internally and externally maximise the impact of the provision of new and enhanced physical and digital infrastructure such as good local transport connections to high employment/enterprise zones, High Speed Rail (HS2, Northern Powerhouse Rail and Northern Hub), bus reform, and new walking and cycling infrastructure;
- Utilise the City centre developments, coupled with strengthening and diversifying the City's economic base, to drive new employment growth. Provide businesses with the opportunities to grow and re-invest in Manchester as their City of choice through the provision of new workspace across the City; and
- Support businesses to grow and re-invest in Manchester as their City of choice through a quality business support offer, investment in skills, local recruitment and contributing to social and environmental outcomes.

Growth that Benefits Everyone: Pathways to Good Quality Job Creation for Residents

- Maximise employment opportunities for Manchester residents, leveraging, in particular, where the City Council has a partnering, land ownership, investment, procurement or commissioning role;
- Ensure that business start-up and growth services deliver a quality offer for the City's businesses and facilitate more of the City's residents to start a business or pursue self-employment;

- To improve the skills and qualifications of adults in Manchester, working with partners to commission and deliver integrated services that support residents into employment;
- Simplify the skills offer and pathways for residents from all backgrounds to lead to sustainable jobs and careers progression, working with colleges and training providers to provide quality post-16 education and training with an accessible learning offer for all and clear routes to centres of excellence providing higher level and technical skills linked to the City's growth sectors;
- Improved careers advice based on real labour market information and continued work with schools and colleges to ensure that there are a range of positive pathways that provide young people with the skills and attributes needed to successfully compete in the labour market; and
- Embed work as an outcome across the City's reform programmes and continue to work with Working Well and the health system more broadly to support more people with underlying health conditions into sustainable and quality work.

Housing: The right mix of good quality affordable Housing

- Create places where people want to live in good quality affordable housing with diverse tenures; inclusive neighbourhoods with a good social, economic, cultural offer and visitor offer;
- Promote new developments that support our environmental objectives associated with a zero carbon City;
- Contribute to population and economic growth by providing an expanded, diverse, high quality housing offer that is attractive, affordable and helps attract and retain residents in the City, ensuring that the growth is in sustainable locations supported by local services, an attractive neighbourhood and the public transport infrastructure;
- Explore and exploit the opportunities of new technologies including offsite construction to accelerate and sustain the delivery of more high quality and affordable housing; and
- Work with colleagues in Adult and Children's Services to deliver housing solutions for residents with additional needs in the City, including people and families who are homeless; people with a learning disability; Our Children (who have been in the care of the Local Authority); and, providing Age Friendly housing solutions for older people.

Young People: Supporting children to have the best possible start in life

- Support the implementation of the City's Family Poverty Strategy, using an "Our Manchester" approach to engage with families and neighbourhoods,

where a disproportionate number of our children and young people grow up in poverty.

Healthy Cared for People

- Utilising our operational estate to enable integrated neighbourhood working by connecting teams to other services and assets locally.

Neighbourhoods: Reduce greenhouse gas emissions

- Supporting Manchester's commitment to be a zero carbon City by 2038 by reducing the Councils direct CO2 emissions through continued rationalisation of the operational building estate and improving energy efficiency in council owned buildings; and
- Leading and influencing others to reduce CO2 emissions in industry, commercial and residential sectors through developing planning policy and influencing contractors through procurement and commissioning.

4. Self-Assessment/Key Challenges

- 4.1. In order to facilitate and support the delivery of these priorities for the City and its residents, the Directorates will also need to address some key challenges.

The Investment Estate

- 4.2. The Directorate continues to generate income from the investment estate despite the challenges faced in respect of increased competition for office accommodation across the City, changing behaviour in respect of retail activity and during 2018/19 the overall income has increased from the investment property estate and this is being used to support the overall council budget position. The task of delivering both the budget requirements for 2019/20 and securing additional income from our property estate will continue to remain a key challenge for the Directorate. In order to achieve this, work will be ongoing to continue to strengthen the performance of the council property estate. The estate comprises around 4,300 separate income generating interests. New opportunities to generate long term income will continue to be explored and evaluated along with ongoing reviews to ensure costs against the estate are controlled.

The Operational Estate

- 4.3. The Council's land and property estate that is used to deliver Council services is managed by the Estates team and they will continue to make best use of the total collective public and community assets (Council and other publically owned assets) to support estates transformation and deliver modern efficient services to our residents and businesses. Where the Council holds space which is surplus to operational requirements opportunities for Community use are being implemented including community asset transfers. The Operational Estate Strategy and its associated capital investment will also support key

Council priorities such as the ambition of a zero carbon City. The Operational Estate accounts for 3% of the City's CO2 emissions; the latest data for 2017/18 showed that the Council's total direct CO2 emissions had reduced by 33.8% since 2009/10, putting the Council on target for a 41% reduction by 2020.

Commercial and Housing Development

- 4.4. In addition to the very direct contributions to supporting the Council's wider budget position the Directorate has a central role in facilitating the growth of the Council's business rate and council tax base, which is used to support the wider Council's budget. Looking forwards the uncertainty arising out of the June 2016 referendum decision to leave the European Union, and the current lack of clarity as to the precise detail on what BREXIT will be, has the potential to slow down investment decisions in new development.
- 4.5. Any slowdown will manifest itself within the Council through a reduction in the number of planning applications made with a consequent impact on planning fee income. The Planning Service is predominantly funded through the planning fees and this income is volatile. Although in recent years planning fee income has exceeded target, this cannot be guaranteed going forward. In 2016/17 a planning fee smoothing reserve was approved, this was set up using planning fee income and will be used to smooth any reduction in planning fee income; the reserve balance currently stands at £1.561m. Planning fee rates are set nationally, and in January 2018 a 20% increase was applied on condition that this is re-invested into improving planning services. In order to ensure that the increase is applied in line with the conditions there will be a review of all Planning services to ensure that appropriate services are being funded through the planning fee income. In respect of sustaining the delivery of new housing in the City and the expansion of new affordable housing across the City there will be a requirement to address the organisational capacity issues needed to ensure the housing pipeline in the City is sustained. In light of both the uncertainties that may arise from BREXIT and the need to actively drive forward new affordable homes programmes in the City proposals for additional staffing capacity in Strategic Development, Legal Services and Planning are being developed. It is assumed that the Regeneration reserve will be used to fund the costs of the additional capacity, and this is reflected within the reserves schedule.

Work & Skills

- 4.6. In terms of connecting our residents to the job opportunities being created in the City and the rest of the conurbation the Work & Skills and MAES teams play a key role in ensuring that these outcomes are secured. The 2018 State of the City Report highlighted that one of the key challenges is ensuring that Manchester residents directly benefit from the economic growth of the City. In particular, the report has shown that 1 in 4 people aged 50-64 are accessing out of work benefits with poor health as a major challenge. The Over 50s are a priority for the work of the Work and Skills and MAES teams and there will be some joint work with Public Health to address the health challenges.

Directorate Wide

- 4.7. The Directorate will continue to review the approach to commissioning and contracts supporting our partners and the broader supply chain, delivering services on our behalf, to ensure that social value is embedded in all contracts, building on existing good practice.
- 4.8. The directorate needs to ensure it has the capacity to deliver the Council's affordable housing strategy, other strategic development opportunities and the Local Plan. A review of resources will be completed with a view to increasing the available capacity and advice required. The additional requirements are currently being scoped and will be funded from the Regeneration Reserve. A provisional amount of £1.2m has been included on the reserves schedule.
- 4.9. The Directorate has been committed to enabling the workforce to be more resilient, effective, creative, ambitious and innovative through embedding Our Manchester. In order to achieve this developing a culture of trust, honesty and empowerment is critical and we are committed to achieving this. There is a commitment to ensure staff are equipped with the skills and knowledge needed to be able to work in an Our Manchester way. To date, 287 staff have attended the Listening in Action events, and 110 have attended the Our Manchester experience. The directorate has already exceeded apprenticeship commitments for the year.
- 4.10. We are supporting our managers through Our Manchester Leadership and Raising the Bar training, of whom 32 and 77 staff have completed respectively. Strategic Development now has the lowest absence levels in the Council and its use of agency staff is comparatively low - at P8 from April to November 2018, the Directorate had spent £172,779 which was only 1% of the total agency spend across the Council.
- 4.11. It is essential that we continue to embed the Our Manchester approach and behaviours throughout the workforce and in the services approach to delivery. The Directorate continues to deliver a programme of engagement activities including large scale staff conferences, service specific away days and team huddles. The most recent staff conference, delivered jointly with Neighbourhoods, focused on 'Our Manchester in Action' was well received by staff with 73% of attendees providing feedback, 97% were satisfied with the event and 88% said it was relevant and helpful for their job. The staff engagement survey results from 2018/19 placed the Directorate in the 'One to Watch Category' and revealed that employees wanted greater opportunity for development opportunities which is being addressed through the Workforce Development Group with a focus on 'skills for growth' and 'innovation' to support the development of the key priorities.
- 4.12. A challenge for the directorate is communicating and engaging with front line staff employed within Facilities Management Services that have limited or no access to work emails, computers, e-learning and difficulties being released from frontline duties to attend training sessions. Plans are currently being

developed within the service to establish a bespoke solution to meet this challenge.

- 4.13. Supporting our ways of working also remains a priority, we intend to increase productivity amongst staff within the directorate through adopting leaner support systems and processes (working with the Corporate Core including ICT, HROD, and Finance) which enable efficient working, whilst also ensuring we have appropriate oversight and governance arrangements in place.

5. Revenue Strategy

- 5.1. The Strategic Development Directorate has a gross budget of £53.751m and a net budget of £7.235m, with 668 FTE posts. The breakdown of both budget and FTEs by service area is set out in the table below:

Table 1: 2018/19 Base budget

Service Area	2018/19 Gross Budget	2018/19 Net Budget	2018/19 Budgeted Posts (FTE)
	£'000	£'000	
Operational Property	7,981	7,052	33
Facilities Management	10,715	9,025	183
Investment Estate	7,042	(12,290)	27
Strategic Development	690	324	4
City Centre Regeneration	1,311	425	10
Housing & Residential Growth	2,983	1,577	34
Planning, Building Control & Licensing	6,742	(601)	128
Work & Skills	1,761	1,723	24
MAES	10,308	0	219
Our Town Hall Project	4,218	0	6
Total	53,751	7,235	668

- 5.2. Although there were no additional savings approved as part of the 2018/19 budget process, there are ongoing risks of £250k in respect of delays in delivering part of the £433k 2017/18 savings. The outstanding savings to be achieved are through forecast price reductions on both the security, and repairs and maintenance contracts following conclusion of the procurement exercise. The new repairs and maintenance contract is expected to commence in May 2019, with the new security contract expected in the autumn of 2019. The savings are expected to be achieved in 2019/20 following completion of the procurement exercises.

- 5.3. 2019/20 is the third year of the original three year budget strategy, and the 2019/20 budget proposals support the Directorates contribution towards the Corporate Plan. Progress towards the original priorities that were agreed as part of the strategy is set out below:
- 5.3.1. There continues to be a large number of complex commercial and residential led mixed use developments being delivered within the City Centre, these include: St Johns with Factory Arts Centre; NOMA; First Street; Oxford Road; Mayfield and Piccadilly. Looking forward the continuation of the current scale of development is more uncertain due to the ongoing issues around Brexit and the impacts this has on investor confidence. If development levels are reduced this may have an adverse impact on the level of planning fee income achieved, but also reduce the positive benefits of increased business rates income that also supports the overall Council budgets.
- 5.3.2. Work continues on the delivery of the City Council's Residential Growth Strategy and the Housing Affordability Policy. A revised Residential Growth target of 32,000 homes has been set between April 2015 and March 2025. An update was provided to Economy Scrutiny in January 2019. This revised target includes 6,400 affordable homes (20%) and a paper from Cllr Richards to Executive in December 2018 sets out a range of policy ideas. Officers will take back to Executive a response to these and related delivery proposals in early 2019.
- 5.3.3. The Planning service has continued to see a large number of planning applications and the strong relationships with partners and colleagues across the Council contributes to the continued large scale developments that will help contribute to delivering key outcomes of quality, new jobs and homes that people want.
- 5.3.4. The Work and Skills and MAES teams delivered their service priorities in 2018/19, with MAES over-achieving on some of its targets. The Adult Education Budget is being devolved to the GMCA in the 2019/20 financial year and it is critical that both teams ensure that they are well prepared to maximise the opportunity to deliver the work & skills priorities for the City, particularly to residents with none or low levels of skills and qualifications. Work will also continue to maximise the employment, training and work experience from major projects such as the Town Hall and the Factory, as well as work with partners to meet existing skills gaps.

Savings Proposals

- 5.4. As part of the work undertaken to support the wider Council budgets, a review has been undertaken of all existing budgets, and income opportunities in order to identify further savings opportunities. This has resulted in further savings proposals of £1.02m being identified for 2019/20, of which £1m is in respect of additional lease income for land used for car parking, this is an ongoing saving. A further £20k has been identified through increased building control fee income for building advice provided to housing services, this saving is time limited and is forecast to be available in 2019/20 and 2020/21 only.

Strategic Development Proposed Savings 2019/20	19/20 £000's
Building Control - Increase recharge income	20
Investment Estate - Additional lease income for car parking land	1,000
Total	1,020

Key Changes and Risks

- 5.5. The Strategic Development budget is forecast to underspend in 2018/19, and this is largely due to additional lease income for car parking land. There continues to be a number of risks around the investment estate, but these are being mitigated by other over performing sites. As referenced earlier in the report there have been delays in the retendering of both the security and the repairs and maintenance contracts. The repairs and maintenance contract has now been retendered, and the new contract commences in May 2019, the main risk is around whether because of the time that has elapsed the new prices are sufficiently low enough to realise the approved savings.
- 5.6. The security contract tender process has now commenced, and is expected to conclude around October 2019, it is only once the process has finished will the ability to deliver the savings be known. In order to mitigate the risks around delivery of the savings, the facilities management team will continue to carefully manage the ongoing expenditure in 2019/20.
- 5.7. In order to ensure that the City Council's advertising portfolio is managed effectively, and any opportunities for improved co-ordination of advertising across the City are maximised all the advertising contracts will be consolidated and managed within the Investment estate. In doing this the already approved £0.7m saving to be achieved from the re procurement of the on street advertising sites has transferred from Highways to Strategic Development. The new contract will commence in September 2019, and the risk of delivering the savings in year will become clearer once the procurement exercise is complete.
- 5.8. Given that the contract start date is likely to be September 2019 it is anticipated that the best case scenario is that only half year savings will be achieved in 2019/20, with this possibly reducing further if the successful tenderer requires a period of time to install new advertising infrastructure. In order to provide mitigation for this risk it is recommended that a smoothing reserve as part of the Council's reserves held on the balance sheet and funded from a historic reserve that is no longer required.
- 5.9. There remains an ongoing risk in relation to the operational and investment estate budgets, and the Strategic Development service continually look at ways to effectively manage the estate through regular reviews of rents, leases and service charges whilst maximising occupancy.
- 5.10. In light of the ongoing uncertainty around BREXIT, and the potential implications on the economy during 2019/20 and beyond there is still a significant risk around adverse implications on the budget, and these will have

to be retained under review pending the final outcome of the BREXIT negotiations.

Table 2: 2019/20 Proposed Changes and Revised Budget

Service Area	Approved MTFP				2019/20 Identified pressures	2019/20 Recovery proposals	Proposed 2019/20 Net Budget
	2018/19 Net Budget	Approved savings	Investment and other changes	2019/20 Net Budget			
	£'000	£'000	£'000	£'000			
Operational Property	7,052	0	0	7,052	0	0	7,052
Facilities Management	9,025	0	0	9,025	0	0	9,025
Property Rationalisation	0	0	0	0	0	0	0
Investment Estate	(12,290)	(700)	0	(12,990)	0	(1,000)	(13,990)
Strategic Development	324	0	0	324	0	0	324
City Centre Regeneration	425	0	0	425	0	0	425
Housing & Residential Growth	1,577	0	0	1,577	0	0	1,577
Planning, Building Control & Licensing	(601)	0	0	(601)	0	(20)	(621)
Work & Skills	1,723	0	0	1,723	0	0	1,723
MAES	0	0	0	0	0	0	0
Our Town Hall Project	0	0	0	0	0	0	0
Total Strategic Development	7,235	(700)	0	6,535	0	(1,020)	5,515

6. Capital Strategy / Programme

- 6.1. The capital programme for Strategic Development totals £773.5m over the period 2018/19 -2023/24, this includes the Cultural programme, the Town Hall refurbishment, funding to support the Council's corporate estate, regeneration funding, and private sector housing. A summary of the current capital budget is shown in the table below, and details of the individual projects can be found in the Capital Strategy and Budget report for Executive in February:

Programme	2018/19 £m's	2019/20 £m's	2020/21 £m's	2021/22 £m's	Future £m's	Total £m's
Culture	26.7	55.2	40.2	4.7		126.8
Our Town Hall	11.1	24.4	67.7	103.3	94.9	301.4
Corporate Estates	49.2	50.7	29.8	15.6		145.3
Development	47.1	21.2	11.7	15.9	4.9	100.8
Private Sector Housing	27.8	24.7	30.5	8.7	7.5	99.2
Total	161.9	176.2	179.9	148.2	107.3	773.5

- 6.2. During 2018/19 work has progressed on the Factory cultural venue, particularly in regard to design and acquisition of land, and this will continue prior to the build programme commencing. The design team for the Town Hall project have been appointed, and the management contractor has also been appointed. Work is being undertaken on the delivery and cost plans.
- 6.3. The rolling Asset Management Plan has been ongoing providing works to the Council's corporate estate. The Council has acquired a number of strategic sites across the City, including the Spire hospital site. The refurbishment of Heron House is well underway and tenants are expected to move in during 2019/20, and the wider Estates Transformation plan has progressed with proposals brought forward for the refurbishment of Hulme District Office and Alexandra House, to support the corporate estate.
- 6.4. Design works for the Civic Quarter Heat Network, including resolution of legal issues regarding the structure of the finance model, have progressed and it is expected that construction will commence in 2019/20. The expansion of the City's digital base at One Central Park is ongoing.
- 6.5. Within Private Sector Housing, work on the Extra Care programme has continued, as has the regeneration project at Ben Street. Providing adaptations work through the Disabled Facilities Grant has also been ongoing. Proposals to bring into use empty houses and to provide accommodation for homeless families are being developed. The Manchester Life Development Company continues to successfully deliver the redevelopment of Ancoats and New Islington; works are beginning at Central Retail Park and the council intend to explore a viable meanwhile use to ensure we maximise the potential of the development.

- 6.6. The Capital Strategy and Budget represents a continuation of the existing approved capital budget. The report to Executive does provide information on the expected future investment requirements for the Council, including investment in the Manchester Aquatic Centre and National Cycling Centre, New Smithfield Market, key regeneration projects such as Wythenshawe Town Centre, and the investment required in Housing to increase the number of affordable homes.

7. Impact on Residents, Communities and Customers

- 7.1. Manchester has a diverse and rapidly changing population and it is important that the Council is able to manage its business priorities with due regard for the wide-ranging and complex priorities and needs of the City's residents. The business planning process helps the directorate to consider and communicate how it will fulfil the requirements of the Public Sector Equality Duty in the development of its business priorities. The Directorate will continue to use its Equality Impact Assessment framework as an integral tool to ensure that all relevant services have due regard of the effect that their business change proposals will have on protected groups within the City.
- 7.2. The Directorate is proud of its contribution to the Council's re-accreditation as an excellent authority against the Equality Framework for Local Government and is committed to maintaining this standard. Ensuring that Directorate's equality considerations and priorities are clearly articulated through the business planning process is a crucial part of achieving this commitment. In 2017 the Directorate established an Equalities Working Group which is responsible for ensuring progress against the Directorate delivery plan and corporate priorities. The Group has met regularly and developed a new model of working to ensure consistent delivery against these priorities. This work is set out in detail in the Equalities Delivery Plan, attached.
- 7.3. The directorate is committed to securing social value through its commissioning and procurement processes. Working with the corporate Social Value Working Group the directorate will continue to refine the definition of social value, clarifying this for partners, actively monitor and learn from the initial projects, and develop a framework for assessing the collective additionality generated through social value. The Directorate also uses its asset base to support young people to gain employment. The Sharp Project (creative and digital office and production space) has established a social enterprise, Sharp Futures, to support diverse young people into employment in the creative, digital and technology sectors. By offering a range of interventions including apprenticeships, paid work experience and volunteering, Sharp Futures support the transition into work whilst responding to the fluctuating needs of the creative and digital sector.

8. Impact on the Workforce

- 8.1. There are no workforce reductions proposed in savings for 2019/20

- 8.2. To meet the challenge of affordable housing in the City, the Housing and Residential Growth service will increase its staffing establishment and further details will be shared in due course.
- 8.3. Key priorities for 2019/20 will include:
- The B-Heard survey results 2019/20 revealed a positive increase for scores relating to 'My Manager' factor. The Directorate is keen to ensure it builds on the strong and positive relationship between staff and managers and will continue to ensure all managers attend the Our Manchester Leadership and Raising the Bar programmes.
 - The B-Heard survey also highlighted challenges with team work in some service areas, therefore the workforce development group will look to ensure all teams have tailored activities available to improve teamwork and cross service collaboration.
 - The Directorate will continue to offer apprenticeship opportunities to internal staff and external applicants wherever suitable in order to facilitate skills development, succession planning and to maximise spend of the apprenticeship levy. Apprenticeships also creates great accessibility to many local residents who may otherwise have barriers to accessing the employment market.

9. Technological Support

- 9.1. The importance of technology, systems and data should not be underestimated if the City Council is to achieve the aspirations of growth, reform and health and social care integration from both a Council and GM perspective. Additional ICT investment has been agreed as part of the three year budget strategy and a five year capital plan with 2019/20 being the third year of this investment programme.
- 9.2. During 2018/19 ICT investment has been made in the areas listed below. The initiatives are a mixture of systems to underpin departmental transformational agendas, the implementation of fit for purpose systems or to establish compliance in line with the ICT strategy.
- Universal Housing;
 - Uniform Upgrade;
 - Selective Licensing;
 - Houses of Multiple Occupation Licensing;
 - Universal Access phase 1.
- 9.3. Key priorities for 2019/20 will include:
- Completion of the NSC Rent accounting system with a modern supported fit for purpose alternative system significantly reducing the current risk to the Council (of continuing to use an old, unsupported, legacy platform) to deliver this service.
 - Planning, designing and delivering the new Digital Experience Programme (which includes a new CRM) which will provide a CRM capability to enable

- a more coordinated and joined up approach to communicating with, managing and targeting businesses across a wide range of services.
- Completion of the rent accounting element of the QL application which will allow the rent accounting team to be able to utilise the QL application to deliver their service.
 - Review of FM from an ICT perspective with a view to developing a stable and supported platforms for CCTV, access control and Building Management Systems.
 - Procure, design, deliver and test a replacement to the Uniform planning, building control and licensing application. This is the largest application in terms of users in the directorate and reflects a significant piece of work.

9.4. The above projects are prioritised against directorate and corporate objectives. ICT will continue to work closely with the Directorate in order to identify solutions that comply with the information and ICT design principles and to develop robust business cases to support their development.

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Appendix 1 - Delivery Plans**1. Revenue Financial Plan**

Subjective Heading	2018-2019 Budget	2019-2020 Indicative Budget
	£'000	£'000
Expenditure:		
Employees	22,233	22,233
Running Expenses	38,380	38,380
Capital Financing Costs	237	237
Contribution to reserves	62	62
Total Subjective Expenditure	60,912	60,912
Less:		
Other Internal sales	(7,164)	(7,184)
Gross Expenditure	53,748	53,728
Income:		
Government Grants	(10,328)	(10,328)
Contributions from Reserves	(6,383)	(6,383)
Other Grants Reimbursements and Contributions	(152)	(152)
Customer and Client Receipts	(29,651)	(31,351)
Other Income	1	1
Total Net Budget	7,235	5,515

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2. Performance Plan

Our Plan Priority	Objective	Indicator	2017/18 result	2018/19 target	2019/20 target
Housing	Accelerate and sustain delivery of more housing, with enough affordable housing for those on low and average incomes, and improved quality of housing	Projected year end new homes built (excluding small developments) (MCC Policy)	2,869 (Q4 1718)	32,000 new homes 2015-2025	
		% of properties empty long-term (Council tax)	0.61%	Trends monitored	
		Number of sales to owner occupiers at or below average Manchester household income (MCC policy)	1,863	Trends monitored	
		All affordable homes delivered according to the government definition (incl. Affordable Homes Programme, PFIs and sites delivered through planning) (MCC Policy)	155 (15/16)	20% of the total units delivered 2015 - 2025 affordable	
		% of affordable owner occupier sales within 1 mile of a point in the City centre	28%	Trends monitored	
Growth that benefits everyone	Facilitating the Economic Growth of the City	Number of active enterprises (ONS Business Demography)	25,780 (2016)	Trends monitored	
		% of business surviving 3 years (ONS Business Demography) (Businesses born in 2013)	54.7% (2016)	Trends monitored	
		Number in employment (BRES)	392,000 (2017)	Trends monitored	

		Number of Planning Applications with fees of £50k + (MCC)	9	Income targets are set
		Office take up (million sq ft)	1.2m (2017)	Trends monitored
		Net annual Business Rate charges payable snapshot at date (MCC Business Rates)	£351.25m (Jan-17)	Trends monitored
		Businesses assisted to improve (minimum 12hrs support provided) (MCC Work & Skills)	190	Trends monitored
		Forecast number of hotel rooms in pipeline by end of year (MCC Policy)	866 (2018)	Trends monitored
		Total Rateable Value of all business properties in Manchester	£906,280,409	The council aims to grow the Business Rates base.
		Council Tax Base (number of Band D equivalents, without allowing for Council Tax Support)	151,652	The council aims to grow the Council Tax base.
	Facilitate the development of the City's digital infrastructure, to enable delivery of transformed public services and support a thriving digital economy	% of residents with access to high-speed broadband (Ofcom)	92%	Trends monitored
		Superfast/ultrafast broadband take-up by residential and SME premises (Ofcom)	46%	Trends monitored
	Support good-quality job creation for residents, and effective pathways into those jobs	Resident working age population qualified to NVQ level (ONS) NVQ 4+ NVQ 3+ NVQ 2+	(2017) 39.9% 58.5% 72.7%	The Council works with partners to support residents to grow their skills

	No qualification	11.1%		
	All ages apprenticeship starts (Manchester residents) (Skills Funding Agency)	3,720	Trends monitored	
	All ages apprenticeship achievements (SFA)	2,300	Trends monitored	
	Number of Secondary Schools in Manchester accredited with 'Inspiring Information, Advice & Guidance Award' at level 1 or above	18 (Q4 17/18)	Trends monitored	
	Enrolment on foundation courses incl. Literacy/Numeracy/ESOL (MAES)	3,151 (August 17 to July 18)	3,000 (18/19)	3,000 (19/20)
	% of employee jobs paid less than the living wage (ASHE)	15.2% (2017)	Trends monitored	
	% of Manchester residents paid less than the living wage (ASHE)	27.2% (2017)	Trends monitored	
	% of 50-64 year olds claiming an OOWB (JSA/UC/ESA)	24.3% (Feb-18)	Trends monitored	
	% of MCC spend from top 300 suppliers with organisations located in Manchester (CLES)	71.7% (16/17)	Trends monitored	
	Number of jobs created through the Council's procurement spend (CLES - based on a sample of 62 organisations from a total of 300)	1,160 (16/17)	Trends monitored	

Well managed council	Enable our workforce to be the best they can be through the Our People Strategy and Our Manchester behaviours	Average days lost due to sickness per employee over a 12 month period	7.88	The Council aims to maximise staff attendance levels and move towards relevant sector benchmarks	
		Year to date agency spend (£'000s)	99	Downward direction of travel	
		Year to date % of apprenticeship starts against agreed commitment	85.7%	10	tbc
		YTD % stage 1 corporate complaints responded to within 10 working days	66.67%	96%	96%
		Year to date % of Ombudsman complaints upheld	No cases in 17/18	10%	10%
		Year to date % of FOI requests responded to by day 20	73.61%	90%	90%
		Year to date % of DSARs responded to by day 40	No cases in 17/18	90%	90%

3. Equality Overview and Action Plan

The City Council has adopted Inclusive Growth as a very explicit goal to help ensure that all residents can benefit from the considerable economic growth of the last twenty years. Ensuring that every resident benefits from the growth of a City remains a core priority for the Directorate and is fully embedded within the ongoing work to review the City's social housing allocation policy and the approach to affordable housing. Throughout the planning process the equalities impacts of this work has been firmly embedded and changes to some aspects of service provision have been implemented, for example the marketing and advertising company for affordable housing has been asked to use media channels to reach more diverse communities.

The directorate also ensures that it clearly demonstrated how equalities impacts are considered during the planning and delivery of any new developments ensuring compliance with national guideline and legislation.

Manchester's Extra Care development programme, giving greater housing choice for older people, is well underway. In total, 7 schemes are in development which will deliver nearly 500 apartments by 2022. This will take the total extra care apartments in the City to well over 800. Extra care for Lesbian, Gay, Bi-Sexual and Transgender (LGBT) elder residents which is part of an effort to improve residential care delivery for this protected characteristic group has been further developed during the year, a site has now been confirmed and the provision is being designed with input from an LGBT elder reference group. Similarly, the proposals for the major development Northern Gateway is currently exploring the potential for collaboration and co-design with age-friendly Manchester. The Directorate is also committed to promoting the diversity of the City; to commemorate the centenary year of women's right to vote, one of the new roads in Brunswick was unveiled as "Sylvia Pankhurst Way".

Work is continuing on four new supported accommodation schemes for citizens with learning disabilities. A ten apartment scheme in Harpurhey will be complete in December 2019; Northfields in Moston is progressing with an expected completion date of May 2019 and twenty units at Scout Drive in Wythenshawe are also expected to be complete in May 2019. Work is ongoing with Commissioners from Adult Social Care to choose the floor coverings, tiles and confirming assistive technology infrastructure to support residents in living independent lives.

In 2018/19 the Work and Skills team joined the directorate to further strengthen the links between residents and the opportunities provided through the growth of the City. The team also works with diverse communities to ensure all residents have equal opportunity to access training, develop skills and secure sustainable employment. The implementation of the Our Manchester Disability Plan has been strongly supported by the Work and Skills Team who have coordinated the work and skills workstream plan. This has involved securing commitment from a number of anchor institutions to achieving Disability Confident Leader status which requires employers to ensure that their recruitment and staff development processes are inclusive. The team has led on a number of positive action activities to prepare disabled people for work via work tasters sessions and visits to the council. A case study on this work which involved the co-design of the plan, changes to service provision and a real life example of an individual securing employment has been

developed and shared to promote good practice. Based on feedback from disabled people, the team is coordinating a targeted recruitment event for disabled people in March. The Work and Skills Team has also been supporting a piece of work with GMCA to increase the number of BAME apprentices, sharing the personal and powerful insight of a higher level apprentice within the team around her experience of finding and progressing within work.

The management of our Operational Estate also ensures that when moving teams, all staff with additional needs are supported with a personal relocation plan and all refurbished offices are designed to attain the DFA2 standards within DDA legislation. Additional interventions in 2018/19 include EIAs for the refurbished Hulme District Office and on the lease of City Road East; within the Town Hall Extension a new dedicated expressing pod for mothers returning from maternity leave and the development of a new well-being space.

Review of Proposed Changes and Activities

Proposal	Proposed EIA Completion Date	Decision Date	Senior Management Lead	Comments on initial potential impacts
Factory	March 2020	2021	Head of City Centre Regeneration	World class cultural centre accessible by all residents.
Review of the Housing allocation scheme	June 2019	Sept 2019	Director, Housing and Residential Growth	Ensuring all Manchester Residents have equal access to social housing
Affordable Housing Policy	TBC	TBC	Director, Housing and Residential Growth	Ensuring all Manchester Residents have equal access to affordable
Housing solutions for residents	various	various	Director, Housing and Residential Growth	Ensure additional provision meets the needs of our diverse communities
All major residential and commercial developments	various	various	Strategic Director, Development	Ensuring residents benefit from residential and economic

				growth of City including employment opportunities
Refurbishment of Alexander House	March 2020	2021	Head of Estates	Changes to estate meets the needs of diverse staff and residents
Resident employer programme	various	various	Head of Work and Skills	To ensure residents benefit from employment opportunities
Skills Strategy implementation	March 2019	April 2019	Head of Work and Skills	To ensure all residents have equal access to sustainable employment

Monitoring of the Delivery Plan

The Directorate's Equality Champion will update this delivery plan and provide quarterly progress reports to both the Directorate Management Teams and the Corporate Equalities Champions Group. Progress on the delivery of this plans is also reported to the Communities & Equalities Scrutiny Committee. A directorate equalities working group which has been meeting for over 2 years with membership from each service area. The group manages the delivery plan, embeds equalities within ongoing service planning /delivery and also manages delivery against the corporate priorities. A new model has been developed which demonstrates the cyclical relationship between understanding our communities and customers, using this to inform our planning, implementing service delivery, and therefore engaging our diverse communities. An area on the intranet has been established to explain this model and provide a central place to share data, planning and guidance, and good practice case studies. These are all designed to deliver against the corporate priorities of: Knowing Manchester Better: Take the time to listen and understand; Improving Life Chances: We own it and are not afraid to try new things; and Celebrating Diversity: Proud and Passionate about Manchester's communities.

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4. Workforce Plan

This section sets out the workforce plan for Strategic Development; a small but important directorate which is made up of employees engaged in professional roles to colleagues undertaking manual work, therefore development activity needs to be appropriately managed to meet workforce needs.

Communication and engagement can be a challenging issue as not all employees in Facilities Management have access to work ICT systems including email addresses, however in the past year, these employees were trained and given access to the Council's intranet site.

Workforce Strategy

In order to deliver the Directorate's contribution to the Corporate Plan along with the 'Our Manchester' approach, the priorities will focus on building key skills which are listed below:

- Leadership and Management Capability
- Strengths based conversations
- Strategic Thinking
- Project Management
- Matrix Management and Partnership Working
- Commercial Skills
- Client and Contract Management
- Political Awareness

The Directorate will continue to promote About You discussions to ensure that workforce development needs are identified and align with the service plans.

Our Manchester Approach

The 'Our Manchester' approach provides collaborative and innovative approach to resident engagement. The Directorate's aim is to develop a resident focused workforce including working with partner organisations, who understand and are accountable for the impact of their decisions and actions on the lives of residents using a 'strengths based' approach. The Listening in Action and Our Manchester Experience sessions will help build employees' understanding of the approach.

Embedding Our Ways of Working (OWOW) in light of recent Timewise Accreditation

The Directorate will maximise flexible working practices in all service areas where possible to ensure it can attract a wide and diverse pool of talent allowing employees to balance their work life balance and taking into account personal needs (such as caring responsibilities).

Recruiting and attracting talent from Manchester residents (including apprenticeship opportunities)

The Directorate will identify positions to offer Manchester residents including apprenticeship roles and Intermediate Labour Market (ILM) opportunities from

Manchester College. The introduction of the Apprenticeship Levy has provided opportunities for the Council to deliver apprenticeships in a totally different way. The Directorate has ambitious targets to improve the skills and employment of young people in Manchester as well as increasing technical, management and higher level skills of its own workforce. The Directorate will offer roles for all levels including those coming in at an entry level for unemployed Manchester residents through to higher and degree level apprenticeships for upskilling existing employees where there are skills shortages in the Directorate.

The Directorate has identified that there are roles in service areas that are difficult to recruit to and in to attract a wider pool of high quality candidates, the Directorate will review job design, explore different recruitment & assessment methods and review job evaluation to ensure the role is graded correctly to attract the best applicants.

Leadership and Management Development

The need to build management capability (and capacity) in areas such as conflict management, handling difficult conversations, improving motivation in the team and absence management are pivotal in delivering business plans. The B-Heard survey revealed many comments from employees who believed their manager needed to take more robust action to tackle poor performance which was having a negative impact on the team.

Corporate leadership programmes such as 'Our Manchester Leadership' and 'Raising the Bar' will help facilitate management development. Coaching and mentoring opportunities will help managers to build skills on the knowledge learnt on the leadership programmes.

Workforce Development Plan

The Directorate has an active Workforce Development Group drawn from across its services. The Directorate will support encourage managers to ensure their team members have access to training, specifically mandatory and service specific development activity which allows services to develop commercial skills or provide new or improved services to residents and the community.

Team Development

The development of strong and high performing teams is a priority for Directorate and as such the Workforce Development Group will develop a suite of options to promote this including outdoor team building events, classroom style to competitive fun activities to suit different team learning styles.

Workforce Priorities

A summary of the Directorate's priorities is provided outlined below.

The Directorate will:

- Work to ensure the Our Manchester approach is further embraced and adopted by all employees.
- Continue to develop leadership and management capability.
- Review future staff resource meet the requirements of the Housing and Residential Growth service

- Enable succession planning and development for employees by maximising apprenticeship opportunities (for new and existing employees).
- Understand and respond to the outcomes of the BHeard survey with the aim of continually improving employee engagement and satisfaction levels.
- Identify and deliver skills and training for the Directorate through the creation of a Workforce Development Plan to be in place by 1 April 2019. This plan will provide added value/complement the corporate organisational development approach.
- Improve and strengthen team working (including across service areas) to ensure the best possible service is provided to residents.
- Continue engaging employees and ensure there is strong communication with the workforce via the delivery of staff conference(s) and weekly Directorate broadcasts.
- Improve the operation of an agile workforce by the promotion of 'Our Ways of Working' and flexible working practices.
- Work to reduce employee sickness absence.
- Continue to reduce reliance on agency and consultants and ensure that the Directorate develops the required talents in-house.

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5. Strategic Risk Assessment and Register

ID	Category	Risk Description	Existing Controls	L	I	Risk Score	Response Actions /Progress	Risk Owner
1	Workforce	Workforce development and apprenticeship offer does not progress at the required rate to ensure the Directorate has the skills and experience necessary to deliver against its objectives.	<p>Workforce Development Plan</p> <p>Regular scrutiny and discussion at Workforce Development Meetings and DMT</p> <p>Directorate quarterly HR dashboard tracks progress of apprenticeships and workforce development spend.</p> <p>Monitor workforce budget spend throughout year</p>	4	2	8: Medium	<p>Regular communication to employees and service.</p> <p>Ensure process to access training & development is easy, accessible and shared with service areas</p> <p>Maximise use of apprenticeship levy.</p> <p>The full workforce development budget was is on track to be spent by end March 2019.</p> <p>Exceeded apprenticeship target for 2018/19.</p>	HR Business Partner
2	Service Delivery (Corporate risk)	The operational estate does not meet the Council's needs in the context of required capacity and transformation and	The restructure of the Strategic Development Directorate has been successfully implemented this includes the full introduction of the Corporate	3	4	12: Medium	<p>Stock surveying that determines content, scope and condition have been undertaken.</p> <p>Deliver against clearly articulated 5 Year</p>	Director of Development and Corporate Estate

ID	Category	Risk Description	Existing Controls	L	I	Risk Score	Response Actions /Progress	Risk Owner
		opportunities for co-location with partners. The emerging nature of demands and requirements within existing resources could potentially mean that the service cannot meet the requirements as well as being safe, secure and effective within timescales, resulting in ongoing/planned work having to be deprioritised.	<p>Landlord, and moving Estates and Facilities into a single function, with appropriate resourcing to deliver estates rationalisation & transformation. Corporate estates have been focusing on utilising MCC assets to their optimum potential to accommodate staff during the Town Hall decant and mitigate external rental commitments.</p> <p>The establishment of strong governance arrangements through the Estates Board and Executive Member. Estates Board ensures corporate oversight and priority is given to this work.</p> <p>Planned programmes of security awareness training for all staff. High level governance ensures high prioritisation of maintenance of the operational estate, stock condition surveys</p>				<p>Estates strategy that reflects corporate priorities, which includes how we approach Integration and co-location. Plan for potential impacts of any required Town Hall decant (both Estates & FM impacts) to support renovation and change of use.</p> <p>Deliver planned refurbishment programmes necessary to prepare for releasing the poorer quality assets. Delivery of business continuity plan refresh, leading to the development of building continuity plan (Dec 18). Continue to identify refurbishment schemes that attract capital funding rather than delivery through</p>	

ID	Category	Risk Description	Existing Controls	L	I	Risk Score	Response Actions /Progress	Risk Owner
			have significantly enhanced knowledge and are used to inform planned work programmes, enhanced business continuity delivery programme to support Property Rationalisation Strategy, Control processes agreed with Facilities management.				the Asset Management Plan.	
3	Service Delivery (Corporate Risk)	Failure to deliver the spatial framework, GM Strategy and Our Manchester targets for attractive and increased housing offer, infrastructure improvements attracting new businesses and improving skills impacts on pace of growth in the City and achievement of future financial assumptions over NNDR and council tax income.	Residential Growth Board, Joint ventures including Manchester Life (Eastern Gateway), Far Eastern Consortium (Northern Gateway), Spinningfield, Mayfield, St Johns, Eastlands Strategic Development Company. Review of the Manchester Local Plan and officer influence over the GM agenda	4	3	12 Medium	Continued emphasis on gathering sophisticated market intelligence re market conditions, enabling prediction of market changes and adaptation as a result. Influence the policy direction of the GM Spatial Framework for planning.	Strategic Director for Development

ID	Category	Risk Description	Existing Controls	L	I	Risk Score	Response Actions /Progress	Risk Owner
4	Service Delivery	Failure to put in place the necessary arrangements to enable our target of a minimum of 32,000 homes over 10 years (2025) and which will also meet the political priorities associated with the affordability of those homes.	<p>The Residential Growth Strategy is live and sets out how the residential pipeline necessary to maintain the City's economic growth will be met. Residential growth governance arrangements are in place to ensure a strong set of project boards that ensure delivery of residential growth are in place.</p> <p>A set of detailed policy proposals relating to Affordable Housing will be submitted to Executive in early 2019.</p> <p>A significant amount of development activity will be taken forward with JV partners (i.e. Northern and Eastern Gateways plus Matrix Homes). MCC will need to commit sufficient staff resource to service these JV arrangements and to oversee and maintain</p>	3	3	9: Medium	<p>Ensure that Strategic Development are resourced to take direct responsibility for delivering the key actions within the delivery plan that accompanies the Residential Growth Strategy.</p> <p>Develop strategy and priorities for further growth in the tax base to maximise income generation</p> <p>6,000 homes are completed with 14,000 in the pipeline for delivery by March 2021. This leaves 5,000 of the original target to identify and deliver in remaining 4 years.</p> <p>Focusing on delivery whilst market conditions are</p>	Director of Housing and Residential Growth

ID	Category	Risk Description	Existing Controls	L	I	Risk Score	Response Actions /Progress	Risk Owner
			robust joint Action Plans with JV partners.				<p>relatively strong and ahead of risks such as Brexit. Mitigation plans are being developed to manage the unknown impact of Brexit through using public land/funding stimulus.</p> <p>Due to good progress to date, proposals/agreed to increase the target to 32,000, still from April 2015 to March 2025.</p> <p>Staffing capacity is being reviewed to ensure the service is able to meet the demands.</p> <p>An Affordable Housing Action Plan (in response to the new policy proposals approved by the Executive in December 2019) will be taken</p>	

ID	Category	Risk Description	Existing Controls	L	I	Risk Score	Response Actions /Progress	Risk Owner
							back to the Executive in early 2019.	
5	Service Delivery (Corporate Priority)	Delivery of the City Centre Review fails to fully engage local businesses or businesses are not equipped to meet the emerging needs. Review of CityCo (City centre management company) is not successfully resolved.	City Centre Accountability Board and performance reporting framework.	2	4	8	Ongoing joint approach through the City centre Accountability Board, and robust performance management.	Head of City Centre Growth and Regeneration
6	Service Delivery	Requirements for registered housing providers to reduce rents over the four years commencing 2016 has led to a deficit emerging within the HRA.	A full review of the HRA will be undertaken over the next year which will not only look at how Northwards can be more sustainable in a climate of reduced rents but alternative arrangements to an ALMO managing council housing stock is considered.	4	3	12: Medium	A proposed HRA budget has been developed, and this will continue to be reviewed. The review will also include the costs associated with delivering the 3 Housing PFI contracts	Director of Housing and Residential Growth

ID	Category	Risk Description	Existing Controls	L	I	Risk Score	Response Actions /Progress	Risk Owner
							<p>The current HRA model will be reviewed to determine which resources could be released over a 30 year period for investment.</p> <p>The HRA Board has full oversight of all issues.</p>	
7	Service Delivery	The management of the investment property estate fails to achieve the income targets set within the 3 year budget strategy. Less profitable parts of the portfolio are not offset by opportunities to increase income elsewhere.	Work will continue to be undertaken to manage the risk associated with those parts of the investment estate. The re-tender of the Jacobs contract ensures a more robust management of the investment estate but a sharing of risk and reward.	2	3	6: Low	<p>Following a detailed business case reviewing the Asset a significant investment in Heron House commenced in Jan 18.and has secured an exceptional quality tenant on a full rent. Further work across the Investment Estate portfolio will ensure that opportunities to increase income are maximised.</p>	Director of Development and Corporate Estate

ID	Category	Risk Description	Existing Controls	L	I	Risk Score	Response Actions /Progress	Risk Owner
							<p>We closely monitor risks to the income arising from legacy leases on a small but financially sensitive number of assets.</p> <p>The new Jacobs management contract provides a better structure to manage the estate.</p> <p>New opportunities to generate long term income from the City Council's land and property asset base will continue to be explored and evaluated, along with ongoing reviews to ensure costs against the estate are controlled.</p>	
8	Service Delivery	Factory Manchester is not completed to time and to budget. This is	Board in place, with regular activity being reported back through DCMS.	2	4	8: Medium	Activity plan will be presented back to government at regular	Project SRO (City Treasurer)

ID	Category	Risk Description	Existing Controls	L	I	Risk Score	Response Actions /Progress	Risk Owner
		a highly complex capital scheme which will deliver a state of the art international arts venue. Inability to deliver will significant put the City's reputation as a cultural centre at risk.					points. Transition funding being sought to support the setup of the new organisation that will have responsibility for the building. Additional capital funding and revised timescales have been agreed.	
9	Financial	Financial pressures on the Facilities Management Budgets due to delay in re-contracting Security and Maintenance Contract are not met.	Regular oversight through the Estates Board and the Directorate Savings and Pressure Programme Board.	4	4	16:High	There has been a delay in the re-procurement of both the security and maintenance contract. As a consequence the council has had to secure a further extension for the contract. The emerging pressures are expected to be managed within the existing budget.	Director of Development and Corporate Estate.

ID	Category	Risk Description	Existing Controls	L	I	Risk Score	Response Actions /Progress	Risk Owner
							The Repairs contract is due to be awarded in May 2019 and the financial pressures will be assessed. The Security contract is due to be concluded in Autumn 2019.	
10	Service Delivery (Core Priority)	Inability to develop, design and deliver major infrastructure projects across highways linking with strategic development plans, to time, quality and on budget.	Arrangements to ensure senior officer and member engagement through project boards; major project governance structures include SMT level Senior Responsible Officers and project boards; Financial approval and reporting on budget and spend via revised / strengthened capital gateway processes, SMT leadership of Capital Investment Board; Reports to Executive and Scrutiny Committee	3	3	9 medium	Ongoing involvement in senior level boards	Strategic Director for Development
11	Service Delivery	Slowdown in economic growth/investment due	Planning fee income has exceeded target however	3	4	12: medium	A planned review of planning fee income,	Head of Planning,

ID	Category	Risk Description	Existing Controls	L	I	Risk Score	Response Actions /Progress	Risk Owner
		to exiting the European union will have a direct impact on Planning income, future development opportunities and economic growth of the City.	this is volatile and a smoothing reserve has been established in the event that planning fee income reduces.				potential increases in fees and potential to re-invest into improving planning services.	Licensing and Building Control
12	Service Delivery	Working Well expansion does not deliver the 20% job outcomes and 15% sustained job outcomes for residents at a distance from the labour market. There have been some performance issues with the Working Well pilot and expansion in the City.	Working Well Integration Board ensures Council and partners align priorities and services to support WW delivery. Performance is managed by the GMCA team and we are working closely with them to support the providers to link with job opportunities in the City and to address performance issues, as well as working directly with the providers ourselves.	3	3	9: Medium	Continue to work closely with both providers and with the GM team in terms of any mitigating or contractual actions that need to be taken and ensure that as the Work & Health programme moves to implementation it is well integrated and focused on delivery from the outset. Significant improvements to performance have been made in 2018/19 and the Manchester	Head of Work and Skills

ID	Category	Risk Description	Existing Controls	L	I	Risk Score	Response Actions /Progress	Risk Owner
							Growth Company is confident of achieving the target by the end of December 2018.	
13	Financial	Failure to agree funding for the Manchester College's estates strategy bid from the GM Skills Capital Fund	The Head of Work and Skills and Director of Strategic Development continue to work closely with the Manchester College /LTE group to develop options that are fundable and deliverable including a phased approach. There is also ongoing dialogue with the Combined Authority.	3	4	12: Medium	<p>GMCA has agreed in principle a GM Skills Capital grant of up to £25m to support the Manchester College's estates strategy, subject to due diligence.</p> <p>MCC's Executive approved loan funding to the LTE Group of £27.6m to support the College's, this was agreed by Council in Jan 2019. Final sign off of the GMCA Skills Capital bid will go to the GMCA at the end of January 2019.</p>	Head of Work and Skills