



Resources and Governance Scrutiny Committee

Date: Thursday, 7 March 2019

Time: 2.00 pm

Venue: Council Antechamber, Level 2, Town Hall Extension

Everyone is welcome to attend this committee meeting.

There will be a private meeting for Members only at 1.30pm in Committee Room 6 (Room 2006), 2nd Floor of Town Hall Extension

Access to the Council Antechamber

Public access to the Council Antechamber is on Level 2 of the Town Hall Extension, using the lift or stairs in the lobby of the Mount Street entrance to the Extension. That lobby can also be reached from the St. Peter's Square entrance and from Library Walk. **There is no public access from the Lloyd Street entrances of the Extension.**

Filming and broadcast of the meeting

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Membership of the Resources and Governance Scrutiny Committee

Councillors - Russell (Chair), Ahmed Ali, Andrews, Barrett, Clay, Davies, Lanchbury, Kilpatrick, Moore, B Priest, Rowles, A Simcock, Watson and Wheeler

Agenda

1. Urgent Business

To consider any items which the Chair has agreed to have submitted as urgent.

2. Appeals

To consider any appeals from the public against refusal to allow inspection of background documents and/or the inclusion of items in the confidential part of the agenda.

3. Interests

To allow Members an opportunity to [a] declare any personal, prejudicial or disclosable pecuniary interests they might have in any items which appear on this agenda; and [b] record any items from which they are precluded from voting as a result of Council Tax/Council rent arrears; [c] the existence and nature of party whipping arrangements in respect of any item to be considered at this meeting. Members with a personal interest should declare that at the start of the item under consideration. If Members also have a prejudicial or disclosable pecuniary interest they must withdraw from the meeting during the consideration of the item.

4. Minutes

5 - 16

To approve as a correct record the minutes of the meeting held on 7 February 2019

5. Our Manchester - financial impact on decision making and business planning

17 - 72

Presentation by the City Treasurer

This presentation provides an of the Our Manchester Strategy and how this is helping to deliver the required Council savings targets and the effect that it will have on the Council's future budget process

6. Responses to Government Consultations on the Fairer Funding Review and Business Rates proposals

73 - 122

Report of the City Treasurer attached

This report provides an overview of the proposed reforms to Local Government Financing and the Council's response to the two most recent government consultations which are Business Rates Retention Reform and a review of local authorities' relative needs and resources.

7. Overview Report

123 - 150

Report of the Governance and Scrutiny Support Unit.

This report provides the Committee with details of key decisions that fall within the Committee's remit and an update on actions resulting from the Committee's recommendations. The report also includes the Committee's work programme, which the Committee is asked to amend as appropriate and agree.

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 Resources and Governance Scrutiny Committee areas of interest include finances, Council buildings, staffing, corporate and partnership governance as well as Council tax and benefits administration. .

The Council wants to consult people as fully as possible before making decisions that affect them. Members of the public do not have a right to speak at meetings but may do so if invited by the Chair. If you have a special interest in an item on the agenda and want to speak, tell the Committee Officer, who will pass on your request to the Chair. Groups of people will usually be asked to nominate a spokesperson. The Council wants its meetings to be as open as possible but occasionally there will be some confidential business. Brief reasons for confidentiality will be shown on the agenda sheet.

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Smoking is not allowed in Council buildings.

Joanne Roney OBE
Chief Executive
Level 3, Town Hall Extension,
Albert Square,
Manchester, M60 2LA

Further Information

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

Michael Williamson
Tel: 0161 2343071
Email: m.williamson@manchester.gov.uk

This agenda was issued on **Wednesday, 27 February 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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Resources and Governance Scrutiny Committee

Minutes of the meeting held on Thursday, 7 February 2019

Present:

Councillor Russell (Chair) – in the Chair
Councillors Ahmed Ali, Andrews, Barrett, Clay, Davies, Lanchbury, Kilpatrick, Moore, B Priest, A Simcock, Watson and Wheeler

Also present:

Councillor Leese - Leader
Councillor N Murphy - Deputy Leader
Councillor Ollerhead - Executive Member for Finance and Human Resources

Apologies: Councillor Rowles

RGSC/19/8 Minutes

Decision

To approve the minutes of the meeting held on 10 January 2019 as a correct record.

RGSC/19/9 Updated Financial Strategy and Directorate Business Plans 2019-20

Further to Minute RGSC/18/66, the Committee considered a report of the Chief Executive and the City Treasurer which provided a further update on the Council's financial position and set out the next steps in the budget process.

The Committee was invited to consider and make recommendations on the budget proposals which were within the remit of the Committee and to comment on the Directorate Business Plans, prior to their submission to the Executive on 13 February 2019.

The Executive Member for Finance and Human Resources outlined the context of the reports, in particular the challenges presented by funding reductions from the national government. The Leader commented that the cuts made to the Council's budget were now £10million more than when the three year budget was first set in 2017/18, and what was clearly evident was that the impact of austerity was becoming ever more visible, particular in those areas of high deprivation.

In relation to the Corporate Core Business plan, some of the key points that arose from the Committees discussions were:-

- With the uncertainty of Brexit, what would be the impact of the withdrawal of European Regional Development fund to the Council and what were the €3 million of approved grants that the Council currently had access to;
- Further clarification was requested on the leadership role of the Core in influencing outside of the organisation to reduce greenhouse gas emissions and improve air quality and improve public transport and highways and make them more sustainable;
- Why had staff absence levels increased within the Core;
- There was concern that Council average days absence was 12.1 days when compared to the private sector absence average of 6.1 days;
- Had the Age Friendly Board been involved in the arrangements to ensure residents were supported to live at home for as long as possible;
- Was there a correlation between staff absence levels and efficiency savings;
- Was the annual leave purchase scheme working well and if so was there any scope to achieve further savings than the identified £150,000;
- Was it anticipated that the level of savings through ICT would be achievable; and
- Reassurance was sought that the savings identified through the deletion of vacant posts was achievable and that these posts were not definitely not required.

The City Treasure advised that there had been a lot of work undertaken at a GM level on the impact assessment on the risk of withdrawal of European funding as a result of Brexit. The removal of this funding would not impact directly on the Council's core services, however, it would have some impact on programmes of work such as work with other European cities and climate change, were we would have reduced access to funding. The Leader added that the removal of this funding was a bigger risk at a Greater Manchester than it was to just the Council. The City Treasurer also agreed to provide a breakdown to Members of the €3million approved grants that was currently received.

In terms of the leadership role of the Core, the City Treasurer explained that this referred to work undertaken by the Council's Policy Unit which provided information and support to these areas both in terms of bringing together the support from within the Council and links to where this work was carried out at a GM level.

The City Treasurer advised that sickness absence levels had remained at a similar level over the past one to two years, which reflected a considerable amount of work that had been undertaken to reduce this level and improve performance.

The Leader advised that in terms of enabling the MLCO to proactively triage, monitor and respond to residents' circumstances in order to ensure they were supported to live at home for as long as possible, this was restating what was existing and long term policy, which the Age Friendly Board had been consulted on many times over a long period of time.

The Committee was advised that there was no direct correlation between staff absence levels and efficiency savings. The Leader acknowledged that there would be some impact on the delivery of savings as there had been a 40% reduction in the

workforce over the last nine years and Elected Members needed to be conscious of this.

The Executive Member for Finance and Human Resources confirmed that the annual leave purchase scheme was working well and had been well received by staff. He hoped that the policy could be enhanced further in the future. He also commented the Council had a comprehensive ICT strategy that would help to achieve the identified savings. In terms of staff vacancies, the Council's Senior Management Team had reviewed all current vacant posts to identify whether these were still required.

In relation to the Strategic Development Business Plan, some of the key points that arose from the Committees discussions were:-

- It was requested that the word 'solutions', in reference to delivering housing for residents with additional needs, was removed from the Business Plan;
- More information was needed on how many income generating interests were run by volunteers as part of the Investment Estate and would the strengthening of this performance impact on these organisations;
- Why had there been a delay in the retendering of the repairs and maintenance contract and had this had any financial impact on the Council;
- How much funding was contained within the regeneration reserve;
- Could more be done in terms of the offer to apprentices from within the directorate; and
- Why was the Adult Education Budget (AEB) being devolved to the GMCA in the 2019/20 financial year.

The Deputy Leader agreed to provide Members with more information on the number of income generating interests that were run by volunteers and advised that the Council was looking to increase its income from its commercial arm as opposed to its voluntary arm. The Leader added that as part of the Council's Estates rationalisation, where properties had no operational use to the Council, community asset transfers would be supported where possible.

The Committee was advised that the delay in retendering of the repairs and maintenance contracts had occurred due to an effort to try and synchronise the renewal of these contracts in order to gain the most efficiency from the contracts and to also see what other organisations could provide. Existing contracts would continue until the bids for the new contracts had been received and evaluated. The Leader advised that the extension of existing contracts and the delay in the retendering of these contracts had not incurred any additional costs to the council.

The Leader advised that it was national government who was devolving the funding from the Adult Skills Board to a Greater Manchester level and not Manchester's Adult Education budget that was being passed up to the GMCA. He advised that there was approximately £15m in the regeneration reserve, a third of which would be used for revenue purposes, with the remainder to be used for investment in housing purposes.

The Executive Member for Finance and Human Resources advised that excluding schools, the Council was exceeding its targets apprenticeship levy targets. It was acknowledged that more needed to be done with the schools element of the levy and the Council's social value policy aimed to provide more opportunities for apprentices.

Decision

The Committee

- (1) Notes that this is the final year of a three year budget;
- (2) Requests that the Executive take into account the comments made by the Committee;
- (3) Requests the City Treasurer to provide a briefing note on the €3million European approved grants that the Council currently had access to;
- (4) Agrees that a report is submitted to a future meeting of the HR Sub Group on the management of absence across the Council; and
- (5) Requests that the word 'solutions', in reference to delivering housing for residents with additional needs, is removed from the Strategic Development Business Plan

RGSC/19/10 The impact of welfare reform agenda on the Council's finances and its ability to provide support to residents of Manchester

The Committee considered a report of the City Treasurer, which detailed the impact of the welfare reform agenda on the Council's finances and its ability to provide support to residents of Manchester.

The main points and themes within the report included:-

- Budget implications, including the funding for temporary accommodation in connection to the rise in homelessness;
- The status of Universal Credit in Manchester, including details of the claim volumes of households;
- Details of Discretionary Housing Payment spend against agreed budget and associated budget pressures;
- The purpose and objectives of the Council's Welfare Provision Scheme;
- The impact of Universal Credit on the Council's Council Tax Support Scheme for 2019/20;
- The impact of Universal Credit on the Council's collection of Council Tax and rent collection;
- Detailed area analysis of the impact of Universal Credit on housing provider tenants, including feedback from Northwards, Grove Village and S4B; and
- The burden to the Council's Revenue and Benefits service to provide support for Universal Credit.

Some of the key points that arose from the Committee's discussions were:-

- The Committee was disheartened to see the compound effect that the removal of government funding to families, Schools and the Council itself was having on

- the city, and felt that the Government was in denial of the true impact austerity measures were having on Manchester's most vulnerable residents;
- The work of the staff in the Revenue and Benefits team was commended and it was asked whether staff within these teams were offered any form of support due to the distressing nature of some of cases they had to deal with;
 - To what level was the Council relaying to Government the serious challenges it was now having to face due to the continued cuts in funding;
 - It was suggested that the issue of rental arrears of tenants of Manchester's six housing providers, who were subject to Universal Credit, was referred to a future meeting of the most appropriate Scrutiny Committee for consideration; and
 - There was concern as to whether there would be enough funding in future years to support the level of demand

The Director of Customer Services and Transactions shared the Committee's concerns about the reduction in funding from Government and its impact on Manchester residents. She advised that staff within the Revenue and Benefits Team received comprehensive training prior to starting their roles. Staff had flexible working arrangements and were able to ask for support at any time. It was also reported that the ratio of Team Leaders to staff was 1:12 in order to ensure appropriate line management support and foster close working relationships.

The Executive Member for Finance and Human Resources echoed the Committee's praise of staff and commented that the work and support of the Director of Customer Services and Transactions and her managers had resulted in an improvement in the B'Heard 2018 survey results. He also suggested that Committee Members might benefit from undertaking a site visit to the Revenue and Benefits Team to get a true appreciation of the work undertaken by staff.

The City Treasurer advised that the Council had relayed its concerns as to the challenges Manchester faced in the responses to the consultations to the Fairer Funding Review and Business Rates. She confirmed that these responses would be submitted to the next meeting of the Committee for consideration.

Decision

The Committee:-

- (1) Notes the report
- (2) Request that the Scrutiny Team Leader liaises with the Director of Customer Services and Transactions to arrange a site visit to the Revenue and Benefits department at a suitable time; and
- (3) Agrees to refer to the appropriate scrutiny committee consideration of rental arrears of tenants of Manchester's six housing providers, who were subject to Universal Credit

RGSC/19/11 Changes to the Council Tax charges levied for tax on empty properties

The Committee considered a report of the City Treasurer, which detailed the final proposals, following a consultation exercise, about whether to adopt these new discretionary powers, and whether to retain or remove the discounts relating to properties empty for one month or undergoing major works.

The Director of Customer Services and Transactions referred to the main points and themes within the report which included:-

- Background as to how the Council currently applied council tax charges to long term empty (LTE) properties;
- Government proposals for changing how Council could apply council tax charges to LTE properties;
- The financial impact of these proposed changes, including how it affected the New Homes Bonus;
- The impact of removing the current 100% discount (for up to one month) when a property became empty and unfurnished and the 50% discount (for up to one year) when a property was undergoing major repairs or structural alterations;
- The outcome of the consultation and engagement plan with Manchester residents; and
- Key policies and consideration in relation to risk management and legal considerations.

The Committee had been invited to comment on the report prior to its submission to the Executive on 13 February 2019.

The Committee unanimously supported the proposed changes to increase Council Tax charges relating to empty domestic properties, as this would have a positive impact for the Council by offering a financial incentive to avoid properties being empty and unoccupied and would increase revenue to the Council.

Decision

The Committee endorses the recommendations contained within the report that the Executive:-

- Note the outcomes of the consultation exercise and the Equality Relevance Assessment, both of which have informed the final recommendations;
- Adopt the discretionary powers to charge higher levels of Council Tax on properties that have been unoccupied and unfurnished for two, five and ten years;
- Remove the 100% discount currently available for up to one month when a property first becomes unoccupied and unfurnished; and
- Remove the 50% discount available for up to one year when a property is unoccupied due to major works or structural alterations.

RGSC/19/12 Changes to the Council's Council Tax Support Scheme - results of consultation and final proposals

The Committee considered a report of the City Treasurer, which detailed the final proposals for the Council's Council Tax Support Scheme (CTSS) from April 2019. The report proposed changes to ensure that the scheme remained fit for purpose as working age residents in receipt of welfare benefits were moved onto Universal Credit.

The Director of Customer Services and Transactions referred to the main points and themes within the report which included:-

- The background to the current local Council Tax Support Scheme for the Council;
- The impact of Universal Credit on Manchester residents and its impact on Council Tax Support;
- What impact the proposed changes would have on Manchester residents;
- The cost of the proposed changes;
- Financial modelling and impact of a banded scheme;
- The outcome of the consultation exercise with Manchester residents; and
- Key policies and considerations, including any legal considerations in relation to the proposed changes.

The Committee had been invited to comment on the report prior to its submission to the Executive on 13 February 2019.

Some of the key points that arose from the Committees discussions were:-

- Members unanimously supported the proposed changes to the Council's CTSS in order to continue to deliver a scheme that was cost effective and provided optimum support to low income households within the available budget;
- How much additional funding would be required to deliver the proposed changes to the Discretionary Council Tax Payment Scheme in order to support those families where the government changes have had the most significant impact;
- How would these additional families who required support be identified;
- How will the Council standardise this support and incorporate it into Council policy;
- What opportunity was there to present a case to the DWP to change their ICT system to flag those individuals and or families that were entitled to Council Tax Support;
- Was there a trend of larger families moving into Manchester;
- It was pleasing to see that the number of Band H properties in the city had doubled in number and only eight of these were empty, which would result in more Council Tax income for the Council; and
- Was it possible for the Council to ask the DWP to advise claimants to always claim Council Tax support.

The Director of Customer Services and Transactions advised that an additional £150,000 was being invested into Discretionary Council Tax Payment Scheme to provide support to those additional families where the government changes had had the most significant impact and that this funding would be requested to be maintained in future budgets. The Council will identify those households affected by the Government's two child limit legislation and the impact of moving to a banded scheme. It was estimated that the cost to provide this additional support would be £125,000 and a further £25,000 had been set aside to deal with any other cases that occurred which would be considered on their own merits. Everything that had been mapped had been based on the affordability of the scheme and the support available. Officers would identify cases from their systems and where households were identified as losing a set weekly amount, an adjustment would be made to make up their Council Tax Support. Residents would not be expected to apply for this support. Eligibility for the funding would be for those families that had a weekly loss of £1 or more in the new banded scheme and anyone who lost £2 or more in the two child limit. An initial number of families would be identified for receipt of this support from April 2019 and then officers would run regular reports throughout the year to identify other families who would be affected by the two child limit. It was also reported that the Council had updated its policy document relating to the Discretionary Council Tax Payment Scheme so that it specifically referenced these groups of people.

Officers advised that at a local level, there was a Universal Credit Partnership Manager who the Council was able to raise its preferences through. The Council had regular communication with the DWP, however, getting views considered by the DWP at a national level was challenging and there was also an issue of data sharing and data protection limiting the personal information of claimants the DWP can share.

It was reported that the Council's Revenues and Benefits team did not monitor where families moved into Manchester from and just dealt with families that they were presented with.

The Committee was advised that the Council could ask the DWP to advise claimants to always claim Council Tax Support but there was no guarantee that they would deliver this on a consistent basis.

Decision

The Committee endorses the recommendations contained within the report that the Executive:-

- Note the outcomes of the consultation process and the Equality Impact Assessment (EIA) both of which have supported and informed the final recommendations.
- Agrees to make the following changes to the Council Tax Support Scheme from 1 April 2019 in respect of people entitled to Universal Credit.
- A person for whom the Council receives both an electronic notification of a new claim for, and subsequently a related first payment of, Universal Credit from the

Department for Work and Pensions shall be deemed to have made a claim for a reduction under this scheme on the first day of entitlement to Universal Credit to which that notification of first payment refers.

- The amount of an award in respect of a day under this scheme for a person entitled to Universal Credit shall be a percentage of the amount set by the authority as the Council Tax for the relevant financial year in respect of the dwelling in which he is a resident and for which he is liable. This is subject to any discount which may be appropriate to that dwelling under the 1992 Act, divided the number of days in that financial year, less the daily rate of any deductions in respect of non-dependants which fall to be made. That percentage shall be the percentage specified in the following table according to the band in which their excess income falls.

Excess weekly income greater than	Excess weekly income no more than	% reduction of Council Tax liability
£80.01	-	Nil
£75.01	£80.00	12%
£50.01	£75.00	30%
£25.01	£50.00	45%
£0.01	£25.00	70%
-	£0.00	82.5%

- People who have a temporary break in their Council Tax Support (up to six months) because an associated award of Universal Credit has ended or the amount of Universal Credit in payment rises to a level that ends entitlement to Council Tax Support and that award of Universal Credit is subsequently reinstated (whether at the same rate or at a different rate) or drops to a level that triggers eligibility for Council Tax Support, are required to make a new claim for Council Tax Support. A new claim in these circumstances shall be treated as made on the date on which entitlement to Universal Credit resumed / reduced or six months before the day on which the claim is actually received, whichever is the later.
- The Council will monitor and review the Council Tax Support Scheme to ensure that it continues to support the Council's policies. The Council Tax Support Scheme may be amended for subsequent years, but should this happen there will be further consultation. If no revised scheme is published, this scheme will continue to apply to subsequent years. However, the figures set out in the scheme in respect of applicable amounts, income and capital disregards and non-dependants deductions may still be uprated to allow for inflation. Any such uprating will take effect on 1 April each year. If the figures provided in the prescribed requirements change, the Council reserves the right to amend the figures quoted in the scheme without further consultation.
- Where the Council receives notification from the Department for Work and Pensions of a change to Universal Credit and the changed assessment does not result in an alteration to the amount of a reduction under this scheme, the Council is not required to notify the claimant of its recording of that change.

- Agree that the Council's Discretionary Council Tax Payment Scheme is used to support households during the transitional period of moving to the banded scheme and Universal Credit. The scheme would cover the current anomalous and exceptional circumstances as well as supporting those households disproportionately impacted by Universal Credit transfer including families with children.

RGSC/19/13 Overview Report

The report of the Governance and Scrutiny Support Unit which contained key decisions within the Committee's remit and responses to previous recommendations was submitted for comment. Members were also invited to agree the Committee's future work programme.

The Chair noted that the section of the report relating to Key Decisions included decisions that had already been taken. The City Solicitor advised the Committee that work was currently underway to review how these decisions were recorded and reported to the Committee. The Chair welcomed this development and requested that additional detail was incorporated within the Register of Key Decisions to make the nature of the decisions more apparent.

Decision

The Committee notes the report and approve the work programme.

RGSC/19/14 Exclusion of Press and Public

A Member moved a motion that agenda item 12 (Management of staff performance and misconduct) be taken as an open item. The motion did not receive a seconder.

A motion was then moved and seconded that the public be excluded during consideration of the next items of business.

Decision

To exclude the public during consideration of the following items which involved consideration of exempt information relating to the financial or business affairs of particular persons and public interest in maintaining the exemption outweighs the public interest in disclosing the information

RGSC/19/15 Call In: The appointment of a Provider to deliver City Wide Advice Services (Public Excluded)

The Committee considered a call in of the decision taken by the Acting Executive Director Strategic Commissioning (with DASS responsibilities) relating to the appointment of a provider to deliver city wide advice services. The call in had been proposed by Councillor Clay and supported by Councillors Azra Ali Curley, Hughes, Reid and Wheeler.

Councillor Clay outlined to the Committee the reasons as to why he had called the decision in and the concerns he had, which centred around the contracting process and whether when only one bidder submits a tender, how could the process be seen as a robust test of efficiency and value.

The Acting Executive Director Strategic Commissioning (with DASS responsibilities) responded to comments and questions raised by the Committee.

After all questions were asked, the Chair invited Councillor Clay and the Acting Executive Director Strategic Commissioning (with DASS responsibilities) to add anything further to their presentations. No further information was added from either party.

The Committee then considered all the relevant matters.

Decision

The Committee:-

- (1) Supports the decision taken by the Acting Executive Director Strategic Commissioning (with DASS responsibilities).
- (2) Recommends that the Communities and Equalities Scrutiny Committee establishes a Task and Finish Group to consider the availability of advice services across the City as soon as possible, with a view to producing recommendations to be considered in the budget in the next financial year.

RGSC/19/16 Management of staff performance and misconduct (Public Excluded)

The Committee considered the report of the Director of HROD, which provided Members with an overview of the Council's approach to managing staff performance and misconduct in line with the organisation's agreed policies. The report further provided case numbers, key issues and trends in relation to the Council's Disciplinary and Capability policies as well as broader information on the work of HROD to strengthen the organisation's approach to people management.

The Director of HROD referred to the main points and themes within the report and responded to questions from the Committee.

The Committee had considerable concerns about the amount of time it is taking to go through misconduct processes, and the relatively low numbers that are resulting in formal action of any type. They were also worried by the apparently very low numbers of active capability management processes.

The Committee had considerable concerns about the amount of time it was taking to go through misconduct processes, and the relatively low numbers that were resulting in formal action of any type. They were also worried by the apparently very low numbers of active capability management processes.

The Committee was very worried by the apparent disproportionate representation of the BAME population in the misconduct figures, although were reassured that further analysis was being done on these figures to understand them more fully. The Executive Member for Finance and Human Resources confirmed that there was going to be an independent review of the number of BAME staff who were subject to misconduct processes which would be carried out by the Head of Equalities at Manchester Foundation Trust.

Decision

The Committee: -

- (1) Notes the report; and
- (2) Places on record its thanks and appreciation to the Director of HROD for all her dedication and hard work over the years and wished her every success in her new role.

Our Manchester - Understanding the Impact

Resources and Governance Scrutiny Committee
7 March 2019

Structure of this pack

This presentation aims to address the Committee's request for a report on the evaluation of Our Manchester and how this is helping to deliver the required Council savings targets and the effect that it will have on the Council's future budget process. The slides start off setting out the Our Manchester approach, then show how the Monitoring and Evaluation framework operates and finally cover how this relates to savings delivery and budget strategy. The structure of the presentation is as follows:

- Section 1: Overview of Our Manchester: including an explanation of the different roles of the Our Manchester Strategy and Approach, including the role of Bringing Services Together.
- Section 2: Monitoring and Evaluation Framework: outlining the approach to monitoring and evaluating Our Manchester.
- Section 3: Our Manchester in Action: a summary of how Our Manchester is being put into practise as evidenced through Our Manchester updates to scrutiny committees and case studies.
- Section 4: The Our Manchester Strategy, how Our Manchester has fed into our allocation of resources through the business planning process.
- Section 5: Our Manchester Strategy: Monitoring and Budget Strategy Impact, including how we monitor progress towards the vision for the city through the State of the City Report and how this impacts on our budget position.

Executive Summary (1)

1

Overview of Our Manchester

- The Our Manchester Strategy sets the vision for Manchester to be in the top-flight of world cities by 2025
- The Our Manchester Approach is a long-term set of changes to behaviours and ways of working to achieve the vision
- Our Manchester will involve a three-way push to keep the basics on track, prevent future problems, and tackle complex problems together
- Our Manchester is now in the third year of operation with activities set out in a delivery plan

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Framework for monitoring and evaluating Our Manchester

- The framework captures the whole-city changes that Our Manchester contributes to, specific activities and programmes of work
- Logic models have been developed to show how activities (e.g. Our Manchester funding, e.g. staff attending the OM Experience) lead to outputs, outcomes and ultimately impacts (e.g. such as reductions in demand)
- Evaluation questions initially focus on activation, and over time will look at outcomes and impacts, leading to a final evaluation in 2025 - what difference has Our Manchester made, and what can be said about causation

3

Our Manchester in action

- Activity to deliver the Our Manchester strategy is happening in a wide variety of ways
- Executive Members have each set out to Scrutiny Committees their priorities for achieving the Our Manchester Strategy. A commentary is included on how these align with the Our Manchester approach
- Case studies illustrate specific examples of what Our Manchester means for residents (e.g. support from a Home-Start volunteer) and for workforces (e.g. 600 adult social care staff becoming 'activators' to lead change themselves)

Item 5

Executive Summary (2)

4

Impact and Budget Strategy

- Our Manchester underpins the whole Budget Strategy including savings proposals related to reducing demand, areas for investment aligned to the Our Manchester Strategy, growing the city and our revenue position through achieving the ambitions for the city set out in the Strategy
- Business Plans for each Directorate support the Council's Corporate Plan, which sets out the roles the Council will play in delivering the Our Manchester Strategy

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State of the City

- State of the City charts progress towards the vision for the city for 2025 in the Our Manchester Strategy
- The annual report brings together data relating to the key indicators for the city and a description of key developments
- The findings from State of the City inform the Council's budget strategy and articulate the city-wide changes that the Our Manchester approach is focused on
- This includes the growing population, increased the range of businesses in the city, more job opportunities, increased business rate revenue, and the pipeline of residential housing which increases the amount of council tax due
- A challenge remains to connect people to the benefit of the city's growth, including improving skill levels and educational attainment. One issue highlighted is the cohort of over 50s who experience lower skill levels and high level of welfare benefits
- It also describes the changes in demand for public services, for example increasing referrals for children's services, challenges around healthy life expectancy and high levels of premature deaths, lifestyle indicators that affect demand for health and social care, e.g. smoking prevalence, alcohol and air quality

Item 5

Next steps include option of bringing an annual progress report to relevant Scrutiny Committees

Section 1 - Overview of Our Manchester

Our Manchester Strategy

- The Our Manchester Strategy sets out the vision for Manchester to be in the top flight of world-class cities by 2025.
- The Our Manchester approach has been co-designed with a wide range of stakeholders as a radically different approach to delivering public services, to deliver this vision.
- The Our Manchester approach is a long-term set of changes that will take at least ten years to achieve. It involves changing behaviours and ways of working across the whole city, including all parts of the Council. The end of the 2018 calendar year represents the first two years of this ten year journey.
- Given the extensive and radical nature of the changes involved, it is not yet possible to produce robust evidence of the total impact Our Manchester has made on outcomes, demand, or financial savings. The complexity also makes it difficult to evaluate and monitor Our Manchester using traditional approaches.
- Logic models and case studies have been used to demonstrate the impact of specific programmes
- The total impact will ultimately be shown on the city-wide State of the City indicators
- An Our Manchester monitoring and evaluation framework was developed during 2018 and taken to the Our Manchester Investment Board (OMIB) in September 2018. Key public service and voluntary, community and social enterprise (VCSE) organisations at the OMIB welcomed the approach, provided very positive feedback, and are contributing to the development of the framework.

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Item 5

Our Manchester is leading a three-way push to deliver the vision for the city

1 Keep the basics on track

For our part, we've listened to people's priorities so we focus on keeping public spaces clean, fixing roads, collecting bins and recycling. We support people into apprenticeships, work experience and good jobs. We work on the basics that make a place great to live in – good quality affordable homes, transport, parks and waterways, culture, broadband and digital services. We can reduce the load by working together, for example:

- If we work with residents to increase recycling by 1% we can save half a million pounds
- Volunteers can keep our libraries open and offer more activities and opportunities for local people
- Shopping for vulnerable neighbours frees care staff and budgets
- Walking to school soothes traffic, cuts pollution and gets kids active

2 Prevent problems down the line

Prevention costs just a fraction of the public resources needed to fix complex problems. By quickly identifying people who are vulnerable, or whose problems could get worse, we can support them to build their own solutions from what's already going well. Support will be tailored by the right people in health, care and housing services. But cutting the causes of future problems like ill health, poor school results, loneliness and antisocial behaviour isn't just public service work. Alongside us is an army of carers, support groups and the larger voluntary and community organisations. Together we can provide, for example:

- Extra help for children struggling in the early years or at school, and their families.
- Advice on coping with bills, with support for landlords to stop tenants losing their home.
- Help for older people to stay in their homes and remain active - keeping them out of hospital or residential care

3 Tackle complex problems together

By reducing demand and working together to deliver the basics we should free up money and time to help us focus on dealing with the big things.

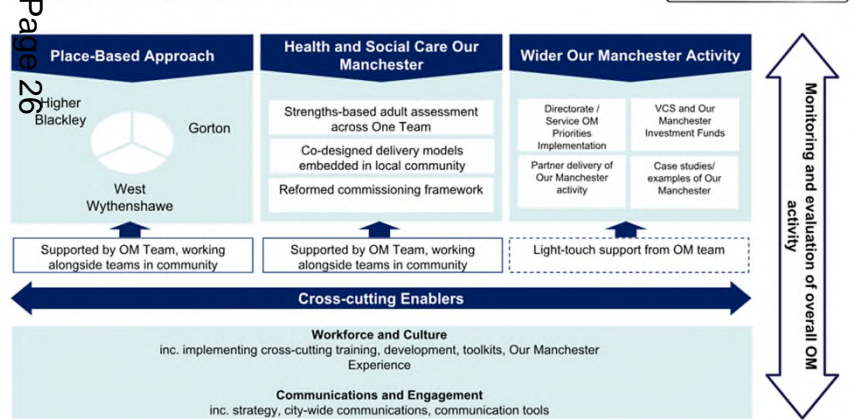
We know there are still too many people in the city facing poverty or hardship. We know that too many people are in poor health. Together we can make a difference but it means bringing together all of the services that support people - the council, health, housing, emergency services and schools and working with businesses and voluntary organisations

Alongside that we need deep change to housing, social care, health and emergency services, schools, training, employment, and the courts. Strong local economies are vital too. We can't do this without businesses creating good, well paid jobs. And together we can help Mancunians access the work experience, apprenticeships and skills get them.

Our Manchester Delivery Plan Refresh 2019-20

The Our Manchester Delivery Plan is currently being refreshed to reflect the progress so far and the direction for the next 12-15 months. Detail of the developments and changes follow within the subsections throughout this slide pack.

Original Delivery Plan Overview 2017/18



DRAFT: Delivery Plan 2019-20



Overview of Our Manchester

The programme for the Our Manchester approach is now in its third year. The focus on activity in each year is detailed as below:

- Year 1 (2016/17): Design and Development of the framework that underpins the Our Manchester approach- including Principles, behaviours and Delivery Plan for the approach. Intense stakeholder engagement of Our Manchester approach.
- Year 2 (2017/18): Enabling and Testing: Implementation of the Delivery Plan (2017/18) with focus on 3 key emblematic areas of Place, Health and Creating the Right Conditions. Further engagement of stakeholders. Internal focus on embedding OM approach through Our People Strategy.
- Year 3 (2018/19): Hardwiring of the Our Manchester approach. Establishing a baseline of where we are now on our 'journey' of embedding Our Manchester and understanding to a greater extent (than we currently do) what needs to change to help us in achieving our goals. Understanding the barriers and utilise joint leadership networks to unlock them. Develop understanding of where Our Manchester isn't happening and help to create those opportunities. Firmly establish the direct link between the strategy and the approach on outcomes and demand.

Bringing Services Together - rationale



Residents tell us that services can be **duplicated** and **confusing**

They have to tell their **story** multiple times, undergo multiple **assessments**, have multiple **workers** trying to help, without a single plan.

We have **strong examples** of reform and place based working but they aren't **system wide**

If services were developed around **real** people's lives and **joined up** from the start, then residents would have easier access to the **tools** they need to help themselves

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It's not about – changing **structures**, removing professional **specialisms**, just those people with the most **complex** needs, **co-location**, or creating public service **hubs**

It is about connecting **people** and **place** issues where a joint approach is needed – not everything

We can improve **outcomes** and reduce **demand** if we work on joint priorities

Taking an **Our Manchester** approach means making **connections** between our people and strengthening their **relationships** with our **residents**

This is about driving from the **frontline** and engaging **communities** to find the right solutions for them

Bringing Services Together - workstreams

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1. Workforce relationships

- 'Huddles' where workforces come together to discuss key issues for people/places
- Networking and relationship building
- Shared learning and development about place
- Social value and inclusion

2. Partnerships, footprints and plans

- 1:3:12:32 geography across the city
- Clear service footprints to join up services around residents
- Aligned plans for each place



3. Understanding People and Places

- Join up resident engagement with partners
- Share knowledge about places e.g. insight packs
- Develop tools to predict future risk and target support
- Strengthen capacity of community assets and VCSE

Item 5

Section 2 - Our Manchester Monitoring and Evaluation Framework

How we will understand Impact

- Our Manchester is a fundamental and complex set of changes to everything we do across the city, which makes it challenging to monitor and evaluate
- We need to look at what is being achieved, across the city e.g. reduced demand, improved outcomes, savings. How does Our Manchester impact on this
- How is Our Manchester changing how we do things, and what is delivered:
 - Look at both specific schemes and key indicators of whole-system change across the city
 - At this stage of our journey, start with how processes and ways of working are changing, implementing and embedding the approach
 - Build Our Manchester elements into other evaluations – how has OM changed the way we do things, and what is delivered?
 - Track progress on a key set of indicators
- The mechanics of how this will be monitored and understood are set out in the Monitoring and Evaluation Framework.

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What is it we are looking to achieve?

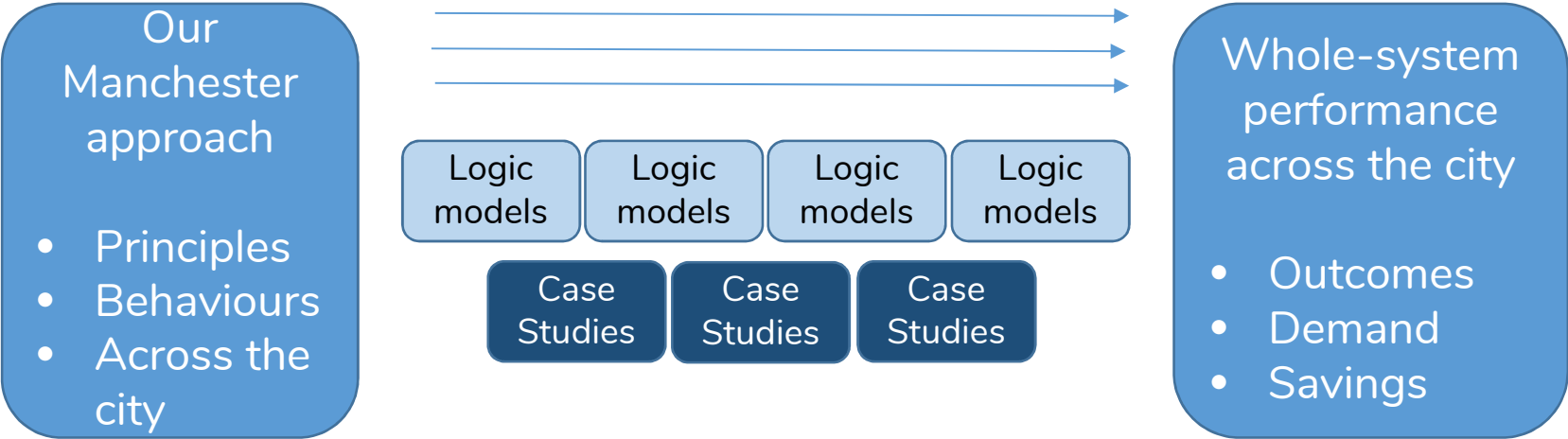


	QUANTITY	QUALITY
EFFORT	<i>What did we deliver?</i>	<i>How well did we deliver it?</i>
EFFECT	<i>What was the impact? How much change did we deliver?</i>	<i>What quality of change did we deliver and sustain?</i>

Item 5

Monitoring and Evaluation Framework

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Define the Our Manchester approach	<ul style="list-style-type: none">• Examples of the difference Our Manchester makes in specific examples of our work• For each: how do different inputs lead to different outputs, outcomes, and impacts?• How does Our Manchester contribute to improved outcomes and reduced demand?	<ul style="list-style-type: none">• What is being achieved?• How are key indicators changing across the city?
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Monitoring and Evaluation Framework

This monitoring and evaluation framework involves developing:

- Headline indicators of change across the city, aligned with the State of the City report
- The contribution that the Our Manchester approach is making to the changes in these indicators
- At this stage of the journey, monitoring and evaluation of the activities that are changing ways of working to implement the Our Manchester approach
- Over time, move from activities to monitoring and evaluation of the outputs, outcomes and impacts that these activities will achieve
- A mixed-methods approach including case studies and qualitative data

Logic Models

Logic models are being developed for the work-streams in the Our Manchester Delivery Plan. A logic model is a way of showing how the inputs and activities in a programme lead to outputs, desired outcomes and ultimately impact, such as reductions in demand. This is shown through a logical chain including:

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- Inputs – for example, investment in additional resources
- Activities – for example, a new way of delivering a service
- Outputs – the physical products resulting from the input, e.g. numbers of attendees at an event, or numbers of people receiving a service
- Outcomes – the benefit achieved from the outputs, e.g. reduced referrals, closer partnership working or better care
- Impacts – for example, reduced demand, better quality of life for residents

These models define the indicators that will be monitored as well as the evaluation questions, which will examine whether the workstream is working as intended, and eventually is it leading to (and causing) the desired outputs and impact.

Item 5

Logic Models

- The monitoring and evaluation framework is underpinned by a series of logic models.
- These have been co-designed with stakeholders to set out the rationale for how elements of the Our Manchester delivery plan will embody Our Manchester principles to lead to reduced demand and the desired outcomes and impact.
- The monitoring and evaluation framework will report against these models to the Our Manchester Investment Board to provide regular information setting out the extent to which the desired outcomes and impact are being achieved.



Logic Models

- Logic models are being prepared in two phases
- Phase 1 includes areas of the OM Delivery Plan where the goals and rationale are established, these models have been completed and examples are included in this slide pack.
- Phase 2 relates to those areas of the delivery plan where further codesign will take place to set out goals and rationale. The logic model codesign process will be used to bring stakeholders together to define this

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	Phase One	Phase Two
Place Based Approaches	Gorton, Higher Blackley	West Wythenshawe
Health and Social Care	Bringing Services Together for People in Places	Commissioning Priorities, Single Trusted Assessments Workforce
Wider Our Manchester Activity	Our Manchester Investment Fund, Our Manchester VCS Fund,	Our Manchester Priority Implementation across services
Cross Cutting Enablers	Workforce and Culture	Communication and Engagement

Item 5

The Gorton place based approach is designed to deliver an integrated response across partners to address the challenges in the area relating to health, housing and employment. Its impact will be understood by examining whether the approach has brought partners together to work more effectively, whether there is more effective engagement between residents and services and whether this has supported demand reduction.

Logic Model - Gorton Place Based Approach (Updated Draft - Jan 2019)

Contextual conditions

17% OOW Benefits - 32% Low income households? - 41.3% older people living alone
21.6% with long term health conditions; % of elderly patients; 1.5 more likely to have A&E attendances, 3x more likely to attend A&E with COPD. Shortage of primary care and recruitment/retention issues
Poor condition of private rented housing stock
An opportunity has arisen to develop a building to co-locate public services delivering in Gorton as it was recognised that the library requires investment while the social landlord, One Manchester, are looking to rationalise their office accommodation.
Gorton has a district centre with x no. of businesses etc.
Gorton has a particularly active voluntary community sector
The diversity of the population is changing

Key policy conditions

Our Manchester (OM) - key priority is radically improving health and care outcomes through key partners coming together to transform and integrate services, putting people at the heart of these new ways of working.
As part of the devolution of health and social care - Manchester's locality plan 'A Healthier Manchester' commits to strengthened early intervention and prevention, pro-active targeting of services to residents with rising risk and high needs.
One Manchester- Gorton Place Plan
- £x H&SC funding devolved to GM - opportunity to deliver services differently
- neighbourhood strategy / INM strategy - Work and Skills Strategy - Age Friendly Manchester
Family Poverty Strategy

Programme Objectives

To develop and deliver an integrated service model in Gorton which focuses on collaboration across a range of partners and the local community. To improve individuals health and wellbeing, work and skills outcomes, and overall quality of life; making Gorton a more attractive place.

Rationale

Gorton has been identified as an area of the city that faces numerous challenges in terms of high demands on services and high levels of dependency. This is across a range of areas including health and wellbeing, housing and employment. By delivering services in an integrated and collaborative way, this will improve outcomes for residents and promote increased resilience and independence in residents. Bringing services together in one location in a hub will create the environment to promote increased integrated working across partner agencies.

Inputs

Neighbourhood leadership and Governance
Partners inc. MCC, One Manchester, GMP, DWP, MLCO, GMFRS, VCSE + more
Residents and Businesses
Budgets -
Staff time
Volunteers
Community assets
Buildings and Estate
Improved community centre
Gorton Hub
LCO Neighbourhood Management
GM Leadership Project team working in Gorton

Activities

Wellbeing, Neighbourhoods and Housing Workstreams
Community engagement
Numerous activities at Gorton Community Centre, including work and skills
Targeted approach on certain cohorts/issues (e.g. landlord targeting)
Delivery of the Gorton Hub project
Collaboration between services and organisations inc. Workforce Development
Development of Local Care Organisation
'Be Well' social prescribing (NHS)
Improve stock/properties
Create shared goals between services
Improve comms & info sharing
Developing community assets
Early Help

Outputs

No. of residents accessing relevant services, leisure, training, help and support.
Increased participation & engagement
New jobs created
No. cohorts engaged (e.g. landlords, etc.)
No. of staff/vols attending Our Manchester training (workforce development)
% increase in residents registered with a GP
% increase in referrals and people connected through 'Be Well'
Increased screening for LT conditions
Comprehensive asset map of Gorton
Residents skilled up to participate in partnership meetings
Proactive housing inspections
New affordable homes delivered
Services moved from hospital to community setting

Intended Impacts

- Improved health & wellbeing and quality of life of the local population
- Increase in employment
- Reduced dependency on statutory services
- Raise household income and address family poverty
- Regenerative impact on Gorton and the local economy
- Improved environment
- Gorton will be a more attractive place to live and visit, with an improved reputation: people will choose to live there
- Increased stability and community pride
- Improved housing offer
- More self-supporting, resilient residents
- Reduction in spending and resources used
- Reduction in crime, increased community safety
- Boost to local economy
- Increased footfall in Gorton District Centre

Intended Outcomes

Services collaborating & sharing in ways which improve outcomes for Gorton people.
No. of residents entering employment and/or improved skills levels
% Reduction FSM/NEET/Out of Work
% reduction in residents presenting with LT Health conditions
% Reduction in A&E visits
% Reduction in unplanned hospital admissions
Increase capacity in primary care
% Reduction in number of patients in high risk and high needs
Improve mental health outcomes
Increase in skills (inc. digital) to reduce dependency
Improved visual amenity and perceptions of the area
Improved housing conditions (Before/After)
Stable tenancies and reduced transience in private rented sector (% reduction in housing turnover)
% Increased customer satisfaction (across all services)
Improved connections to community assets and information
Increase in residents represented on partnership
% reduction in complaints and requests for service

Bringing Services Together for People in Places: Impact and Evaluation

Context - Collaboration of place based working has been successful in key areas across Manchester. It's time to build on this by bringing people together in a three way push to **keep the basics on track, prevent more problems down the line and tackle deep-set deprivation together**. 'It's about better lives through relationships, networks and trying new things.'

Governance, Footprints and Plans

Workforce Relationships & Place-Based Working

Understanding People in Places

Bringing Services Together Steering Group - Formed to bring people together and drive the three priority areas.

Workforce Time and Capacity - Organisations to change the way they work, in line with Our Manchester, to allow them to develop new ways of working



Collective Inputs



Digital Resource - Using technology where it makes sense, in the place, to equip families and practitioners with the tools they need.

Pilot Test Sites - Committed test-bed locations, with specific attached resource, that are working towards developing a template of place-based working in a new way.

Act.

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→ Agreement between the partners on consistent 1:3:12:32 geographical footprints.



→ 12x 'names and faces' contact directories produced.

→ Place-based 'BST Teams'; people in post.



→ Insight packs produced to agreed geography.

→ Risk stratification approach agreed.

Outp.



→ Agreed, consistent map of 1:3:12:32 geography.
→ Shared narrative to describe footprints.
→ Single neighbourhood plans.



→ Place-based huddles set up.
→ Relevant people attending the huddles.
→ Networking through Basecamp tool.
→ Strengths-based development training.
→ Place-based induction between 'BST Teams'.



→ Risk stratification work delivered (INTs using Radar, Radar+, Radar++, Early Years etc.).
→ Better, joined up resident engagement work.
→ 'Eyes and Ears' tools.

- Development of wraparound support offer in neighbourhoods.
- Huddles unblocking system barriers (survey / case studies).
- Reduction in multiple referrals / multiple demand.
- Improved support for cases (e.g. stuck / unsupported cases).
- More residents developing community assets / volunteering.



Collective Outcomes



- Better relationships at place level (staff survey).
- Reduced duplication of meetings (staff survey).
- Reduced duplication of plans/priorities (staff survey).
- Earlier identification of people (new cases / cases that would have come in earlier).

- Reduced demand on reactive services (e.g. referrals to social care, unemployment, health demand, police demand) - for i) specific cases that have come through huddles ii) overall neighbourhood (when identified as a priority in plan).
- Reduced reporting of issues with the place (e.g. CRM data about neighbourhoods).



Collective Impacts



- Improved resident satisfaction with the place they live (survey / neighbourhoods) - link with prevention work.
- Stronger communities measures - link with prevention and winning hearts and minds.
- Improved outcomes for residents based on priorities for that neighbourhood through BST (e.g. health and wellbeing).

The Our Manchester Investment Fund has been introduced to invest in new innovative ways of working across a range of agencies that embody the Our Manchester principles. Examples include the Bread and Butter thing and the Community Leaders programme explained later in the slide pack. The impact of this will be understood by looking at the learning from testing these ways of working, whether these ways of working can be sustained after the fund ends and the role of the fund in addressing inequalities across the city.

Our Manchester Investment Fund Logic Model (2017 - 2020)

Contextual conditions

The city has a growing population, and although many neighbourhoods in Manchester have witnessed significant improvements, Manchester remains one of the most deprived local authority areas in the country and experiences significant demand for services, particularly relating to health and social care. Meanwhile the local authority has seen its spending power decline by c30% since 2010. This climate has required radical new ideas and approaches to operate effectively. However it can be difficult to get new innovative ideas of the ground when budgets for public and VCS organisations have to be very tightly managed. The OMIF relates strongly to the Our Manchester behaviour of 'Owning It, and Not Being Afraid to Try New Things' by making resources available to fund innovative ideas that otherwise would never be tested and put into practice.

Key policy conditions

The Our Manchester Investment Fund has been introduced to support the delivery of new ways of working with the Our Manchester principles at their heart to grow the scale and impact of the Our Manchester across the city. The Our Manchester principles are Better Lives (it's about people), Listening (we listen, learn and respond), Recognising Strengths of Individuals and Communities (we start from strengths) and Working Together (we build relationships and create conversations). Through this programme we are aiming to better understand the impact of working in an Our Manchester way and demonstrate how working in this way progresses us towards achieving the Our Manchester priorities as articulated in the OM strategy.

Programme Objectives

The Our Manchester Investment Fund is about investing in innovative, sustainable ideas that will improve lives and communities in Manchester, address the aims of the Our Manchester strategy and approach, and reduce avoidable demand on public services. The OMIF should enable organisations to access funds quickly and simply to respond to opportunities to deliver innovative work, so that projects that support the Our Manchester principles can be put into practice quickly.

This is the first time an Our Manchester Investment Fund has been run, the Our Manchester Monitoring and Evaluation framework will deliver an understanding of the effectiveness of the approach and what has worked well and what the challenges have been. This can inform future approach to support innovation in this area.

Rationale

All projects must contribute to the delivery of the priorities set out in the Our Manchester Strategy, with a focus on demand reductions; Investment must deliver a direct, demonstrable and sustainable return, both to the community and the council; Funding is to be used to something different and not for business-as-usual; Funding must be used to develop sustainable approaches that can continue after the investment funding; Projects should capture data that sheds light on both whether desired outcomes have been achieved and also how the Our Manchester approach has been delivered.

Inputs

Resources to fund bids (£4m over 3 years).
Administration through the Programme Team (X FTE) MS to advise.
Staff time from organisations researching and producing bids.
Time of the officer and member panel, including support arrangements.
Communications to raise awareness to encourage bids.
Communications showcasing innovative ideas

Activities

Production of bids to the Fund.
Collaboration work with bid developers through the Programme Team.
'Organic' approach to encouraging applications
Working in an OM way
Assessment of bids through Officer and member panels.
Notification of outcomes.
Monitoring of funding and outputs / outcomes.
Delivery of activities detailed in Bids.

Outputs

Delivery of innovative services, not BAU.
Results of testing innovative new Ways of working
Tangible examples of good practice of applying OM principles that we can showcase to other stakeholders
Decisions on funding bids
Improved understanding, through bid collaboration, of Our Manchester ways of working.

Intended Impacts

Contribution to a reduction in demand on public (and VCS?) services
Contribution to reduction in inequalities of opportunity and quality of life across the city.
Contribution to improved resident wellbeing and satisfaction with the sense of community in their local area.
Contribution to improvement in the efficiency and effectiveness of service delivery based on learning from testing new ways of working.

Monitored through State of the City and Communities of Interest.

Intended Outcomes

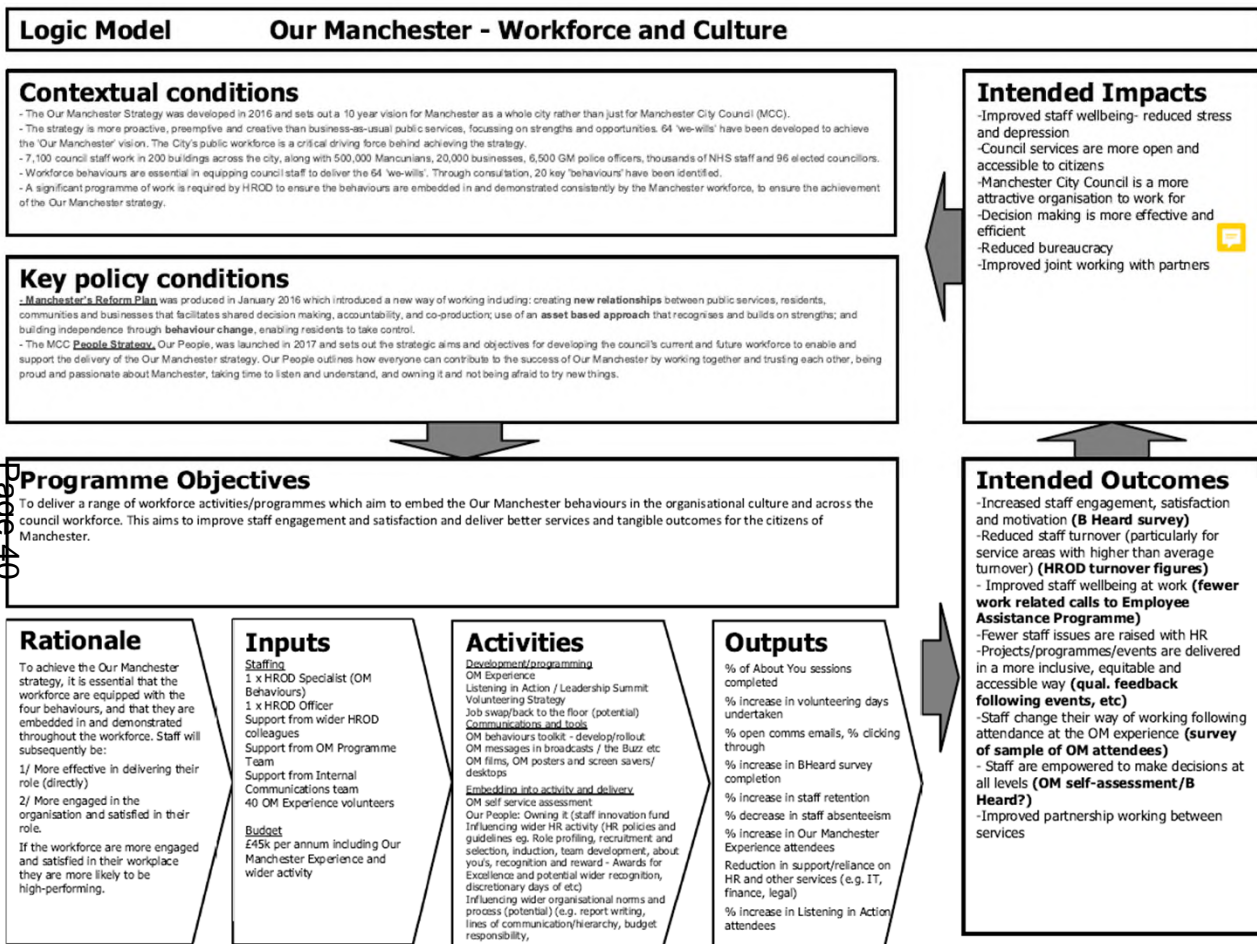
Learning from testing innovative new ways of working, that can be replicated or upscaled to reduce demand. (Monitoring forms)

Partaking organisations feel that application process is simpler, that it makes it easier to get innovative ideas off the ground and that funds can be released faster. (Qual methods - survey / interview / focus groups)

Even geographic (N/C/S/Cw), thematic (5 themes) and organisational (MCC / partners / VCS) spread of funded bids (Bids).

Activities sustained after funding lifespan (ongoing engagement following end of funding.)

Partners develop similar fund or invest in the OMIF.



The Our Manchester Workforce and Culture approach aims to enable and support the workforce to demonstrate the four Our Manchester behaviours to support high performance and high engagement. Engagement will be monitored through the participation in and results of the B Heard survey, and further qualitative analysis methods will be used to understand progress including feedback from events such as Listening in Action or the Our Manchester Experience. This will be supplemented by quantitative indicators such as absence and turnover.

Monitoring and Evaluation

From each logic model a list of key indicators and evaluation questions has been derived. Examples are included in the next four slides. The monitoring indicators will be reported to Our Manchester Investment Board on a quarterly basis.

The evaluation questions will be considered through an annual interim evaluation and a final evaluation in 2025. Initially the focus of the evaluation reports will be on activation, ie is the OM approach being implemented as intended, focus in later years will move to outcomes and impact.

Although 2025 feels like a long time way for a final evaluation it reflects the complexity of delivering change of this scale. The purpose of the interim evaluations will be to help shape the ongoing delivery of Our Manchester, assessing what has gone well and what could be improved / changed and providing intelligence to support decisions.

The evaluation reports will focus on, what difference the application of the Our Manchester principles has had on this work and can causation between the outputs, outcomes and impact be evidenced.

Monitoring and Evaluation

There are a number of ways in which we can try to draw out the contribution that OM has had on outcomes. All of these approaches would use the Logic Models to set the exam question(s) to be answered. We are currently exploring the following as potential methods.

1. Quantitative 'Statistical' Approaches

- a. Change over time (looking at trends in Manchester before and after OM started)
- b. Change between areas (looking at trends between where OM has and hasn't been operating)
- c. Comparing against a statistical model (constructing a 'synthetic' statistical copy of Manchester, in which real changes in Manchester can be compared against to demonstrate added value)

1. Qualitative 'Observational' Approaches

- a. Discussion with those involved in OM projects to understand what has changed and its impact
- b. Ethnographic observations to understand how OM is operating in a day-to-day context
- c. Research Audits where a sample of approaches/cases are reviewed and challenged against intended outcomes (i.e. as captured in Logic Models)

In reality different stages of the evaluation will need to incorporate different approaches in order to attempt to answer the complex question of causality. We are currently looking for a Academic Research Partner to help us refine the appropriate methods and to ensure that anything that is produced is robust.

Gorton Place Based Approach

Monitoring Indicators	Evaluation Questions
Reduction in Emergency Hospital Admissions from Gorton residents (<i>NHS</i>)	Has the health, wellbeing and quality of life improved for the local population (<i>Outcome Indicators/Survey</i>)
Increase in residents registered with local primary health care (<i>CQC Register</i>)	Are local residents more resilient and self-supporting? (<i>tbc</i>)
Improved Housing Offer (Housing Inspections/Affordable homes delivered/Housing Turnover)	Has the Our Manchester place based approach and the delivery of the hub supported partners, VCSE and community groups to collaborate on shared goals toward improving life for people in Gorton? (<i>survey/focus groups</i>)
Improved Neighbourhood visual amenity (<i>CRM</i>)	Has Our Manchester had a regenerative impact on Gorton, increased stability and community pride? (<i>Outcome Indicators/Survey</i>)
Reduction in residents out of work (<i>DWP</i>)	
Delivery of the Gorton Hub Project (<i>Project Updates</i>)	
Increased community Participation and Engagement (<i>Case Studies</i>)	

Bringing Services Together

Monitoring Indicators	Evaluation Questions
(%) Increased use of community and universal assets (<i>Library usage, community asset register usage</i>)	Are more people developing community assets? Is there a rise in effective social prescribing? (<i>Survey / focus groups</i>)
Reduction in hospital admissions (<i>NHS</i>)	Has BST Improved relationships and joint working? (<i>New relationships and networks formed, indicated from Basecamp, Partners engaged in huddles , Reduction in multiple referrals - joined up offer</i>)
Reduction in preventable deaths (<i>NHS</i>)	Has BST led to a clearer shared 'place' narrative? (<i>Survey / focus groups</i>)
Improved school readiness (<i>GLD</i>)	Has BST supported a reduction in bureaucracy in working together and reduced duplication of meetings? (<i>Survey / focus groups</i>)
Reduction in ASB and criminal offences (<i>OPUS / IOPS</i>)	Has BST supported greater involvement from local residents in local plans? (<i>Survey / focus groups</i>)
Other broad service demand indicators to be scoped (<i>tbc</i>)	

Our Manchester Investment Fund

Monitoring Indicators	Evaluation Questions
Geographic and thematic spread (according to the five Our Manchester Strategy themes) of funded bids across the city. <i>(Bid forms.)</i>	What learning has there been from testing innovative new ways of working, regarding what could be replicated or up-scaled to reduce demand and what approaches should not be taken further? <i>(Info from participating organisations.)</i>
Spread of bid submitters (public organisations / VCS organisations / other organisations). <i>(Bid forms.)</i>	Do partaking organisations feel that the application process is simpler, more collaborative, that it makes it easier to get innovative ideas off the ground, that funds can be released faster, that it supports risk-taking, what this risk-taking leads to and that the fund supports working in an Our Manchester way and spreading this way of working beyond the confines of the project to other parts of the organisation? <i>(Survey / focus groups.)</i>
	Has the impact of projects been sustained after the funding has ended? <i>(Info from participating organisations.)</i>
	Has the fund contributed to a reduction in demand on public services? <i>(State of the City / local demand indicators)</i>
	Has the fund contributed to reduction in inequalities of opportunity and quality of life across the city? <i>(Communities of Identity Report).</i>
	Has the fund contributed to improved resident wellbeing and satisfaction with the sense of community in their local area? <i>(Our Manchester Residents Survey).</i>

Workforce and Culture

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Monitoring Indicators	Evaluation Questions
% increase in volunteering days undertaken (MCC HR/OD)	Are employees being more proactive with their own wellbeing? (<i>calls to Employee Assistance Programme / Employee led groups</i>)
% open comms emails, % clicking through (MCC Comms)	Are Projects/programmes/events delivered in a more inclusive, equitable and accessible way? (<i>Event feedback</i>)
% increase in Bheard survey completion (<i>B Heard</i>)	Are staff changing their way of working following attendance at the OM experience? (<i>Survey of sample of OM attendees</i>)
Reduction in average days lost due to sickness absence (SAP)	Are staff empowered to make decisions at all levels? (<i>Our Manchester self-assessment / B Heard</i>)
% increase in Our Manchester Experience attendees (MCC HR/OD)	
% increase in Listening in Action attendees (<i>tbc</i>)	
Increased staff engagement, satisfaction and motivation (<i>B Heard</i>)	
Reduced staff turnover (MCC HR/OD)	

Item 5

Monitoring activity will report the outputs and outcomes defined in the logic model providing stakeholders an overview of changes...

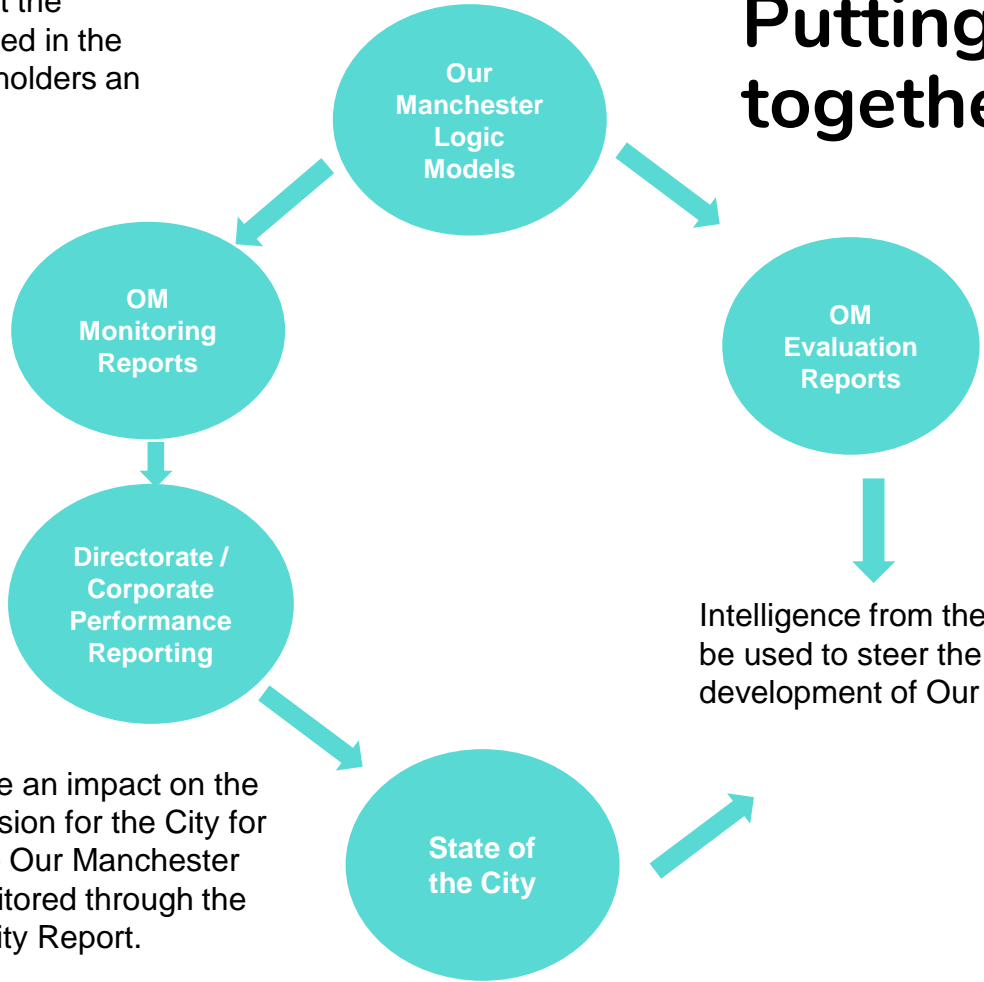
Putting it all together...

Performance reports to directorate management teams will show progress towards directorate objectives, which will be influenced by the delivery of specific Our Manchester programmes and the approach as a whole...

The Evaluation report will look in more detail at what has caused those changes and whether Our Manchester is working as intended...

Intelligence from these sources will be used to steer the future development of Our Manchester

Which will in turn have an impact on the achievement of the vision for the City for 2025 described in the Our Manchester Strategy. This is monitored through the annual State of the City Report.



Section 3 - Our Manchester in Action

The Our Manchester Monitoring and Evaluation Framework focuses on the Our Manchester delivery plan, but activity delivered in an Our Manchester way to progress the achievement of the strategy is happening in a wide variety of ways across the city. This section of the presentation focuses on a few, drawing examples from Executive Members' updates on delivering the Our Manchester Strategy to scrutiny committees and case studies going into

- further examples in more detail.

Executive Member Our Manchester Strategy priorities (1)

Lead	Delivering the Our Manchester Strategy: priorities
<p>Cllr Rahman</p> <p>Page 49</p>	<p>Quality of life</p> <ul style="list-style-type: none"> Libraries investment and improvements Increased volunteering in our libraries (4,410 in total, contributing 200,000 volunteer hours) Increased usage; widening access and participation Manchester Culture Awards Parks investment and development programme <p>Young people matter</p> <ul style="list-style-type: none"> Pilot Wythenshawe stakeholder forum on school improvement Young Manchester attracting investment, developing partnerships, and working on single digital platform £50k support distributed to schools
<p>Cllr Richards</p>	<p>Housing</p> <ul style="list-style-type: none"> Increased units being built including properties with affordable levels of rent. Plans to deliver 3,000 council homes and 500 social rented properties Extra care housing: 500 more in total by 2022; on top of the existing 7 schemes with 443 units Selective licensing pilots and Civil Penalty Notices <p>- District and Neighbourhood Centre improvements</p> <p>- Closer working with ward members and Our Manchester working to listen to staff</p> <p>- Next 6 months' priorities: Northern Gateway, Council housing, Private rented sector, Supported housing strategy, Older people's housing needs, Local Plan, Social value, Co-housing strategy</p>

Executive Member Our Manchester Strategy priorities (2)

Lead	Delivering the Our Manchester Strategy: priorities
Cllr S Murphy	<ul style="list-style-type: none"> • Our Manchester: Listening in Action, Listening Events for residents, Our Manchester Investment Board, Monitoring and evaluation of Our Manchester, Adverse Childhood Experiences • Social inclusion: Family Poverty Strategy • Voluntary and Community Sector: Infrastructure contract, Our Manchester VCS Fund • Homelessness: Beds for people sleeping rough, temporary accommodation for larger families, inspection of temporary accommodation, Partnership development, early intervention
Cllr Bridges	<ul style="list-style-type: none"> • Improvement journey: including positive feedback from staff and listening to young people (e.g. chairing the Corporate Parenting panel) • Leaving care: redesigning service, greater voice for young people, utilising Social Value approach • Placements: promoting foster carers and recruiting more carers • Complex safeguarding: working together with our partners through new Hub; rolling out Trusted Relationships work • Early years: integrated working through Children's Centre and outreach workers; increasing take-up of 9 month and 2 year old checks • Local working: Locality Model to better integrated Children's with wider services in neighbourhoods • Early Help: sustaining a strong offer of Early Help when Government funding for Troubled Families ends • Youth: new strategy including universal and targeted offer; promoting youth services • Young Carers: helping young carers more including through carers network

Executive Member Our Manchester Strategy priorities (3)

Lead	Delivering the Our Manchester Strategy: priorities
<p>Cllr Craig</p> <p>Page 51</p>	<ul style="list-style-type: none"> • People: emphasis on staff engagement and morale within Adults • Our Healthier Manchester Plan: 12 neighbourhood briefings for Elected Members • Manchester Health and Care Commissioning: pooled budget; phase 2 of the LCO to further integration • Local Care Organisation: Developing and implementing 12 Integrated Neighbourhood Teams • LCO: Reablement - investment to recruit 70 new posts including unemployed Manchester residents; these services help over 1000 people stay in their homes for longer • LCO: Extra Care housing - starting work on 200 extra units this year, and 500 more in total by 2022; on top of the existing 7 schemes with 443 units • Learning Disabilities and Autism: Partnership Board led by Adults with learning disabilities; expanding the Shared Lives service; building 70 new homes for people with LD across the city • Our Manchester Homecare: real living wage for all staff; tender based on 50% quality and 30% social value • Other areas include: Mental Health, Population Health (including social prescribing and sexual health), unwaged carers, asylum seekers and refugees
<p>Cllr N Murphy</p>	<ul style="list-style-type: none"> • Town Hall refurbishment • Increase real living wage employers in the city and not use exploitative zero-hour contracts • 50-64 year old residents who are economically excluded and many have poor health • Additional police officer numbers • Apprenticeships, Technical Levels, employer / business engagement with schools, and careers advice

Executive Member Our Manchester Strategy priorities (1)

Lead	Delivering the Our Manchester Strategy: priorities
Cllr Akbar	<ul style="list-style-type: none"> • Increase recycling rates across the city, particularly in apartments • Making Manchester the first 'Tidy City' by 2020 • Clean streets and managing the Biffa waste contract • Taxi enforcement • Licensing and out of hours (e.g. smoking) • GM waste and recycling; GM standards for taxis
Cllr Ollerhead	<ul style="list-style-type: none"> • Budget • Social value and ethical procurement • Ensuring we protect Manchester citizens (e.g. welfare reform) • Our People Strategy (e.g. further improving staff engagement)
Cllr Stogia	<ul style="list-style-type: none"> • Highways: £100m investment, improvement programme, and social value in highways • Resident parking schemes • Cycling: implementing 'made to move' • Zero carbon 2038 • Clean Air Plan, in particular reducing pollution from road transport • Green and Blue infrastructure • Single use plastics

Case study: Home-Start (funded by Our Manchester Investment Fund)

The Our Manchester funding aims to harness social capital within North Manchester and reduce demand on services, by providing parents previously supported by Home-Start with the opportunity to train as Home-Start volunteers, connecting with other families who are reluctant to engage, and helping them find routes into formal training or work themselves. The funding will support 40 parents, who will in turn collectively support 70 families.

One case study of someone who has completed the Home-Start volunteer course is Michelle. She previously had Home-Start support for 19 months. She is a single parent with two children aged under 4 years and does not have support from family or friends. Initially, Michelle frequently attended A&E, mostly for reassurance about her children, due to not having a support network. Both children were initially subject to Child in Need due to neglect and domestic abuse. Michelle was unemployed, with no qualifications, lacking confidence, and had not worked for 8 years.

The Home-Start volunteer supported Michelle to build her confidence, through sharing her own experiences, listening to others volunteers' stories and meeting others, and volunteering at the local church stay and play group. This process took time to understand her as a person and what mattered to her. Following consistent engagement with the Home-Start volunteer, the children were removed from Child in Need plans, Michelle accessed early years provision, she was helped to budget and save up for a laptop, learned basic IT skills and use online support networks such as Netmums and Help and Support Manchester.

Case study: Active Streets

Active Streets is an opportunity for residents to see their streets closed to traffic and transformed into a 'community safety zone'. Initial events took place in July and August 2018, in Longsight, Hulme, Ardwick, Rusholme & Moss Side, engaging 550 people in total.

Once closed to traffic, the 'community safety zone' involves pop-up sports and an active space where the whole community, regardless of age and ability, can take part in a number of activities together.

Benefits have included cleaner streets (correctly disposing of unwanted items in skips), communities asking for future events, encouraging parents to take part in games and activities as a family, 5 new pop-up community spaces created and an alleyway transformed into a permanent community space, and new interactions between neighbours who had not spoken before.

The events have been arranged by partnerships of MCC (neighbourhoods team and councillors), housing associations, and local residents.

Case study: Activators in Adult Social Care

Significant concerns about morale, workload and working practices were raised by social care staff to the Chief Executive and Executive Director (DASS) in September 2017. A large-scale engagement programme was arranged which over 600 staff attended as a new conversation, and following this 120 staff signed up to become 'activators' themselves.

Following a conference, the staff self-organised into three thematic groups which link to different elements of service improvement and reform, and identified a co-ordinator from within the group. Each group has a nominated senior manager 'supporter' whose role is to capacity build, unblock blockers and barriers and support Activators to connect into mainstream work across the system.

This is an example of the workforce leading change themselves, through a different conversation with senior managers, permissions to work differently, and support available from managers to unblock barriers.

Section 4 - Our Manchester - Impact on Budget Strategy

Overall Budget strategy

Our Manchester underpins the whole Budget strategy in terms of:

- The Our Manchester approach changing the relationships with residents and workforces
 - Savings proposals related to reducing demand
 - Areas for investment aligned to the Our Manchester Strategy
 - Growing the city and our revenue position through achieving the ambitions for the city
 - Executive Members setting out their priorities for achieving the Our Manchester Strategy (described in section 3)
 - Business Plans for each Directorate that support the Council's Corporate Plan priorities for delivering the Our Manchester Strategy (described in this section.)
- Use of the Our Manchester Investment Fund

The infographic is titled 'Our Plan' and is divided into two main sections: 'The Our Manchester Strategy' and 'Our Corporate Plan'. A large arrow points from the strategy section to the corporate plan section.

Our Plan
MANCHESTER CITY COUNCIL

The Our Manchester Strategy

Our Manchester is the vision that the whole city – not just the Council – is working towards.

Our vision is for Manchester to be in the top flight of world-class cities by 2025 and to be somewhere that is:

- Thriving
- Full of talent
- Fair
- A great place to live
- Connected.

The transformed Manchester that the vision aims for is so ambitious that business-as-usual approaches won't get us there.

To make that vision happen for everyone by 2025, as resources shrink and demand grows, Our Manchester is leading a three-way push to:

- № 1 • Keep the basics on track
- № 2 • Prevent problems down the line
- № 3 • Tackle complex problems together.

Our new corporate plan sets out the Council's contribution to the Our Manchester vision. →

Our Corporate Plan
The Council's priorities for the next 2–3 years.

1 YOUNG PEOPLE
From day one, support Manchester's children to be safe, happy, healthy and successful, fulfilling their potential, and making sure they attend a school graded 'good' or better:

- Ensure all children have high-quality education
- Support more Manchester children to have the best possible start in life and be ready for school and adulthood
- Reduce number of children needing a statutory service.

2 HEALTHY, CARED-FOR PEOPLE
Work with partners to enable people to be healthy and well. Support those who need it most, working with them to improve their lives:

- Support Mancunians to be healthy, well and safe
- Improve health and reduce demand by integrating neighbourhood teams that are connected to other services and assess locally, delivering new models of care
- Reduce the number of people becoming homeless and enable better housing and better outcomes for those who are homeless.

3 HOUSING
Ensure delivery of the right mix of good-quality housing so that Mancunians have a good choice of quality homes:

- Accelerate and sustain delivery of more housing, with enough affordable housing for those on low and average incomes, and improved quality of housing.

4 NEIGHBOURHOODS
Work with our city's communities to create and maintain clean and vibrant neighbourhoods that Mancunians can be proud of:

- Enable clean, safe, vibrant neighbourhoods
- Reduce greenhouse gas emissions and improve air quality.

5 CONNECTIONS
Connect Manchester people and places through good-quality roads, sustainable transport and better digital networks:

- Improve public transport and highways, and make them more sustainable
- Facilitate the development of the city's digital infrastructure, to enable delivery of transformed public services and support a thriving digital economy.

6 GROWTH THAT BENEFITS EVERYONE
To support our priorities, we need to continue to promote and drive sustained economic growth and job creation that benefits everyone:

- Support good-quality job creation for residents, and effective pathways into those jobs
- Facilitate economic growth of the city.

7 WELL-MANAGED COUNCIL
Support our people to be the best and make the most of our resources:

- Enable our workforce to be the best they can be through the Our People Strategy and Our Manchester behaviours
- Balance our budget, including delivering savings, reducing demand through reform, and generating income.

Item 5

Adults and Health & Social Care Business Plan

Examples of business plan priorities for 2019/20	How this fits with Our Manchester
<p>Our Manchester Homecare: £750k in 2019/20</p> <p>Strengths-based development in social care: £775k in 2019/20</p>	<ul style="list-style-type: none"> - Person-centred care; continuity of care - Career pathways for staff - Starting from strengths
<p>Reablement – MLCO is leading the expansion of the existing core Reablement service which provides up to 6 weeks of reablement support to people to stabilise their situation and an enable them to return home safely. Following recruitment and training of up to 60 new Reablement workers, MLCO is planning to increase capacity by 1,063 people (35%) to a total of 2,963. Complex reablement is a new complex pathway service model to support people to remain in the community for as long as is feasible. MLCO is planning to work with 50 people per year on this new pathway. For 2019/20 gross savings of £3.218m, in addition to £0.5m estimated for 2018/19.</p>	<ul style="list-style-type: none"> - Support built around the individual - Helping people remain in community as long as possible - Social value in recruitment of staff
<p>Assistive Technology Scheme – To provide support to elderly people and those with long term health conditions, MLCO is leading the implementation of a medicines support pathway including an automated medication dispenser and Comprehensive 'Front Door' Assistive Technology offer. MLCO has estimated that working with 100 existing people in receipt of Homecare and reducing or avoiding new Homecare packages for 645 people could deliver gross savings of £1.162m from Homecare in 2019/20.</p>	<ul style="list-style-type: none"> - Support built around the individual - Using technology to help people remain in community as long as possible
<p>Gorton Hub for integrated services Capital investment £22.8m from 2018/19 to 2021/22</p>	<ul style="list-style-type: none"> - New building designed to best integrate H&SC, Work and Skills and wider services

Children's Services Business Plan

Business plan priorities for 2019/20	Our Manchester
'Our Manchester, Our Children' plan for 2016-2020: Translates Our Manchester into a vision for 'building a safe, happy, healthy and successful future for children and young people	
1. Increase the voice and influence of Manchester's children and young people	Co-production with communities
2. Support and develop readiness for school and adulthood through early intervention	Focus on what matters to people
3. Everyone a leader - an empowered, capable and stable workforce; effective in the management of risk, Performance and planning for children.	Our Manchester workforce behaviours
4. Continually improve outcomes for all children, including looked after children (LAC)/children and young people with special educational needs or disabilities (SEND) and 'reduce the gap' against National.	Our Manchester Strategy: progressive and equitable
5. Safely reduce the number of LAC and/or in need of a statutory service.	Working together, whole family
6. Sufficient range and choice of high quality early years, school, college, youth play and care provision which provides value for money.	Our Manchester Strategy: liveable and low-carbon city
7. Lead the development of future arrangements for safeguarding partnership, given legislative change	Working together

Corporate Core Business Plan

Business plan priorities for 2019/20	Our Manchester
Provide high quality direct and universal services to residents <ul style="list-style-type: none"> - Customer services including adults and children's front door - Revenue collection - council tax and business rates; Benefits administration - Managing fixed discretionary budgets to support the most vulnerable 	<ul style="list-style-type: none"> - Embedding the Our Manchester behaviours in all aspects of service delivery
Ensure a well-managed Council, by enabling the Council to function effectively <ul style="list-style-type: none"> - Financial strategy, financial management, delivery of savings required - Procurement, commissioning, contract management, and social value - Strategic planning and performance management - Delivering Our People strategy; Effective communications externally and internally - Effective use of technology and digital public services 	<ul style="list-style-type: none"> - Core will support the wider organisation and partners in doing this - Evaluating the impact of Our Manchester
Effective assurance and governance <ul style="list-style-type: none"> - Ensure delivery of statutory duties, within legal framework - Supporting corporate governance and decision-making within the law - Supporting elected members; Managing risk, delivering internal audit and health and safety 	<ul style="list-style-type: none"> - Our Manchester delivery plan and programme of work
Strategic leadership and reform, including working effectively with partners and stakeholders <ul style="list-style-type: none"> - Facilitating strategic policy making and leadership, to deliver the Our Manchester Strategy - Working with GMCA to maximise the benefits of devolution - Strategic leadership on public service reform including HSC integration and Bringing Services Together - Specialist support to major transformations e.g. ICT, finance and organisational development - Future focused strategy development; cross-cutting issues such as social value and welfare reform 	<ul style="list-style-type: none"> - £500k saving for corporate core transformation in 2019/20

Neighbourhoods Services Business Plan

Business plan priorities for 2019/20	Our Manchester
<p>Neighbourhoods: Clean, safe and vibrant, improving air quality</p> <ul style="list-style-type: none"> - Destination city; Culture, libraries and leisure; Enforcement and regulation; Prevent and counter-terrorism - District centres; Housing and wider infrastructure offer - Waste strategy; Increasing recycling; Fly tipping - Reducing carbon emissions; zero carbon 2038; Clean air plan 	<p>Create the right conditions for residents to be more actively engaged and demonstrate Our Manchester through participation and taking responsibility for themselves and their community, whilst encouraging others to do the same, supported by strong and active community groups</p> <p>Supporting staff to be the best they can be by listening, understanding and responding to key messages from the B Heard survey. Providing regular engagement opportunities and investing in training, development and career progression opportunities.</p>
<p>Connections: Connect Manchester people and places through good quality roads</p> <ul style="list-style-type: none"> - Highways maintenance; Inner Relief Route; Other major road schemes; - Walking and cycling routes; Bike-ability scheme for young people; Road safety awareness and learning - Bus services reform 	
<p>Growth that benefits everyone: Pathways to good quality job creation for residents</p> <ul style="list-style-type: none"> - Working with employers to develop skills of their workforce, including apprenticeships; Social value - Jobs for Manchester residents; Manchester Living wage; Good quality work; Social value 	
<p>Well managed Council: Make the most of our resources</p> <ul style="list-style-type: none"> - Maximise use of our asset base within our Commercial Strategy - Intelligent commissioning and improved contract management to reduce costs - new Customer Relationship Management system to improve and integrate services for residents - Bringing Services Together for People in Places - combined resources and connected workforces 	

Strategic Development Business Plan

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Business plan priorities for 2019/20	Our Manchester
<p>Growth that benefits everyone: facilitating the economic growth of the city</p> <ul style="list-style-type: none"> - Continued sustainable growth of city; effective use of commercial development land opportunities - Manchester's attractiveness as investment opportunity; and visitor destination city - Residents and businesses connected to national and international markets through transport - Driving employment growth; workspace across the city; quality business support offer 	<ul style="list-style-type: none"> - Embedding Our Manchester behaviours in the workforce - culture of trust, honesty and empowerment
<p>Growth that benefits everyone: pathways to good quality job creation for residents</p> <ul style="list-style-type: none"> - Maximise employment opportunities for Manchester residents; wider use of social value - Improve employment and skills opportunities for residents; simplify the skills offer and pathways, with training providers; start-up support for self-employed; improve careers advice and guidance - Work embedded across reform programmes; work as health outcome and vice versa 	<ul style="list-style-type: none"> - Awareness of Our Manchester: 287 Directorate staff attended LIA and 110 OMX - Our Manchester Leadership (32 staff) and Raising the Bar (77 staff attended)
<p>Housing: right mix of good quality affordable housing</p> <ul style="list-style-type: none"> - Places people want to live in good quality housing, diverse tenures, inclusive neighbourhoods - Expanded, diverse housing offer contributing to growth, in sustainable locations - New developments that support zero carbon ambitions; exploit new technologies e.g. offsite construction - Housing solutions for most vulnerable residents, e.g. homeless, learning disability, care leavers 	<ul style="list-style-type: none"> - Staff engagement including large scale staff conferences (receiving very positive feedback), team away days etc
<p>Young people, best start in life: implementation of Family Poverty Strategy</p> <p>Healthy, care for people: operational estate to support Integrated Neighbourhood Teams for H&SC</p> <p>Reducing emissions: reducing MCC's own CO2 emissions; influencing others to reduce emissions</p>	<ul style="list-style-type: none"> - Our ways of working

Our Manchester Investment Fund

In the 2018/19 budget, £1.7 million was set aside from reserves to form the Our Manchester Investment Fund, designed to support innovative ideas in Manchester to get off the ground and start to make an impact. The Fund forms part of the Monitoring and Evaluation Framework and details of two of the projects funded are set out below.

The Bread & Butter Thing £80,000 - Funding for a Community Development Officer, a refrigerated van and support services to bring a food membership scheme to North Manchester. This will enable them to partner with existing community projects in North Manchester to bring a food access programme to over 1,000 families. The community led approach provides a way for existing projects to offer more support to their community and for residents to become more financially independent and feel more part of the community.



Community Leaders Programme £39,628. Project is looking to upskill and capacity build residents so they are equipped to lead collaboration within their community and to tackle neighbourhood challenges that are identified. It has been inspired by work in Age-friendly Whalley Range over the last 7 years. This has involved training up older people as community researchers and also work with residents to train them in community action work. Whalley Range is an area of strong resident led community activity.

Section 5 - Our Manchester Strategy - Monitoring and Budget Impact

State of the City

The State of the City Report comes out each October and charts progress towards the vision for the city for 2025 set out in the Our Manchester Strategy. This is done through analysis of data relating to the key indicators that reflect economic sustainability and quality of life in the city presented alongside a description of the policy, physical or social developments that have occurred that provide the context for the change in statistics. This report is discussed at a range of partnership boards and is circulated to all members. The headlines from the 2018 report are included in the next few slides.

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The findings from the report inform the Council's budget strategy. The report highlights success in growing the range of businesses in the city, reflected in the active enterprises statistics, which in turn leads to job opportunities and increased business rate revenue. It also describes the residential housing pipeline which impacts on the amount of Council Tax due.

The report also describes the changing volume of demand for public services, which informs the understanding of financial pressures across Council directorates. For example the report describes changing levels of referrals for children's services, now more than one referral for every ten children in the city, and changing patterns in lifestyle indicators that affect demand on health and social care services, such as smoking prevalence which is 7% points ahead of the national level. These factors, and others, drive demand for public services and put pressure on budgets, which the Our Manchester approach aims to mitigate.

Examples of this type of analysis are included in the slides that follow the State of the City headlines.

State of the City Headlines

- The population nears 600,000 and the number of businesses have grown 18% in a year. The housing pipeline is much stronger than in previous years. Digital businesses in particular are thriving however digital employers find it challenging to find the skills they need, which may be constraining further growth. Digital infrastructure is growing rapidly although the city faces stiff competition from other Core Cities;
- A challenge remains to connect people to the benefits of the city's growth. Our schools have made significant strides in closing the gap to the national average in Attainment 8 which stands at just -1.2. School attendance is at or above the national average rates, however the OfSTED ratings of Manchester's secondary schools lag behind, suggesting that driving up the quality of the city's secondary schools could be key to further closing the gap.
- A cohort of the city's over 50 year olds remain disconnected from the city's growth and experience lower skill levels (40.9% of those aged over 50 have no or very low qualifications) and greater dependency on out of work benefits (24.3% accessing out of work benefits). Manchester families also continue to experience significant poverty levels and a growing number of people are presenting as homeless, the roll out of Universal Credit continues to impact on the city's aspirations;
- Linked to this, the city faces its greatest barriers to achieving the vision in the theme of being a 'Progressive and Equitable City.' Healthy Life Expectancy at birth for Manchester residents is around 54.5 years, which is a decrease from 2011-13. Overall premature deaths from cardiovascular disease, cancer and respiratory disease in Manchester are the highest in England.
- Wider health determinants such as diet, exercise, smoking, alcohol and air quality are key to addressing this but statistics show significant challenges in these areas;
- Public transport usage is growing as a proportion of commuting trips into the city centre, with growth seen in walking, cycling, rail and tram. 25% of the city's road network is beyond mid-life, although the asset management strategy is forecast to reduce this significantly by 2022.

Note that this analysis reflects the latest figures available in September 2018 when the report was published. Updated figures may have become available for some indicators.

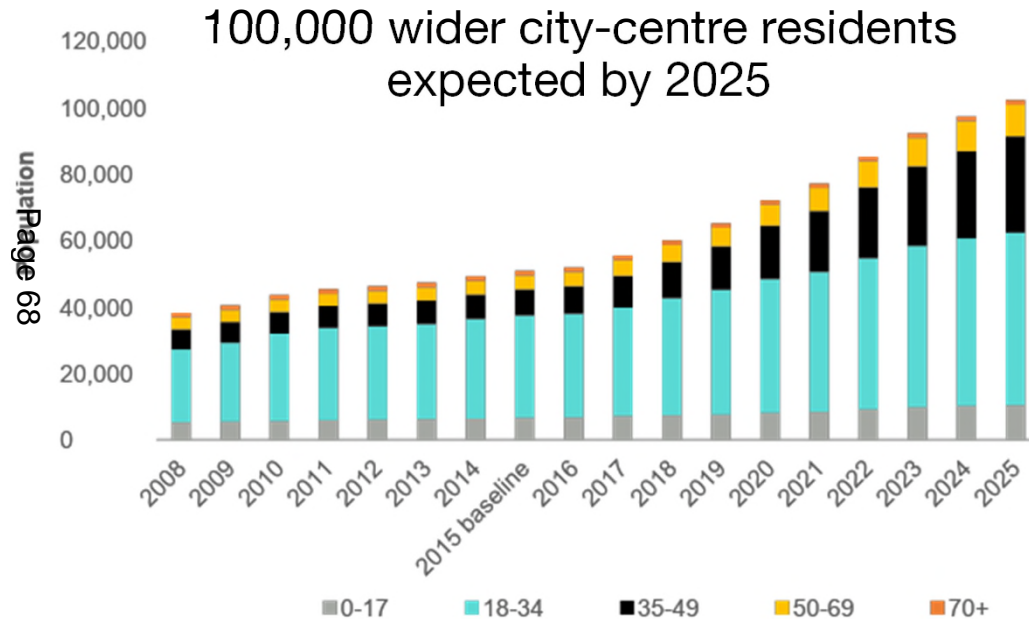
State of the City Headlines

Summary of demand related metrics. More recent figures may be available for some indicators.

OM Strategy Theme	Measure	Statistic	Baseline	DoT	Detail
Thriving and Sustainable	Population	572,500 (2018)	539,600 (2015)		Population forecast to reach 644,100 by 2025
	Number of Active Enterprises	25,780 (2016)	21,815 (2015)		Growth of 18%
Highly Skilled	Residents with no or very low skill levels (NVQ M Q1)	78,400 (2017)	78,400 (2015)		40.9% of people aged 50 +vs 11.7% of those aged 16-24
	Out of work benefit rate for people aged 50 and above	24.3% (2017)	26.8% (2015)		Down from 36.3% in Nov 2007 , but national rate is 11.5%
	Resident employees earning less than the Real Living Wage	27.2% (2017)	26.6% (2015)		Compared to 15.2% of Manchester employees living anywhere. Change is not significant (within confidence intervals)
Progressive and Equitable	Rate of referrals for children's services per 10,000 U18s	1,104 (17/18 prov)	970 (15/16)		Over 1 in 10, higher than comparators.
	Age 65+ admitted to permanent residential/nursing care as rate per 100,000	825.86 (17/18)	749.67 (15/16)		Improvement from 2016/17 (855.88). Increase in baseline believed to be related to both higher demand and improved data capturing.
	Healthy Life Expectancy at birth	M - 54.3 / W - 54.6 (2014/16)	M - 55.6 / W - 55.6 (2013/15)		For men HLE over 2014-16 is just over 4 years lower than it was in 2011-13
	Mortality rate in under-75s from diseases considered preventable (cardiovascular disease, cancer and respiratory diseases)	Cancer - 128.6, CVD - 94.9, Resp - 46.7 (14-16)	Cancer - 129.3, CVD - 89.5, Resp - 45.9 (13-15)		Highest rates in England. Rates increasing for CVD and Respiratory.
	People classed as inactive (<30 mins exercise / week)	27.7% (Nov16-17)	26.3% (Nov15-16)		England increased from 25.6% to 25.7%.
	Prevalence of overweight (including obesity) among children in Year 6	40% (15/16)	39% (14/15)		England increased from 33.2% to 34.2%
	Households residing in temporary accommodation (snapshot at end of year)	1,483 (17/18)	406 (14/15)		Use of temporary accommodation increased by 319% between 2010 and 2017
	Under-18 conception rate per 1,000	25.9 (2016)	28.8 (2015)		The number in Manchester fell from 591 in 2005 to 207 in 2016.
Liveable and Low Carbon	Victim Based Crime	78,079 (17/18)	54,693 (15/16)		VBC recorded increased by 21% from 16/17 to 17/18 in Manchester, vs 17% rest of GM. Influenced by changes in recording.
	Hate incidents / crimes reported	556 / 3,051 (17/18)	556 / 1,644 (2016/17)	-	Largest increase in hate crimes are those motivated by religion, number of reports of Islamophobia rose from 154 in 15/16 to 318 in 17/18
	% of household waste recycled	39% (17/18 prov)	32% (15/16)		Ahead of Core City Average - 33.9% (16/17)
	Co2 reduction forecast by 2020 based on 2005 levels	38%	N/A	-	Target is 41%
	Air Quality - micrograms of NO2 per cubic metre of air (µg/m3) in Oxford Rd / Piccadilly	65 / 36 (2017)	66 / 39 (2015)		Limit is 40, but AQMA set to 35 due to modelling uncertainties
Connected	% of roads rated as condition grade 4 or 5 (fairly poor / poor.)	25% (2017)	14.3% (2015)		Investment programme forecast to raise the % of the network rated as either grade 1 or 2 to 60%+ by 2022

Population to reach 644,100 by 2025

Growth concentrated in city centre & surrounding wards



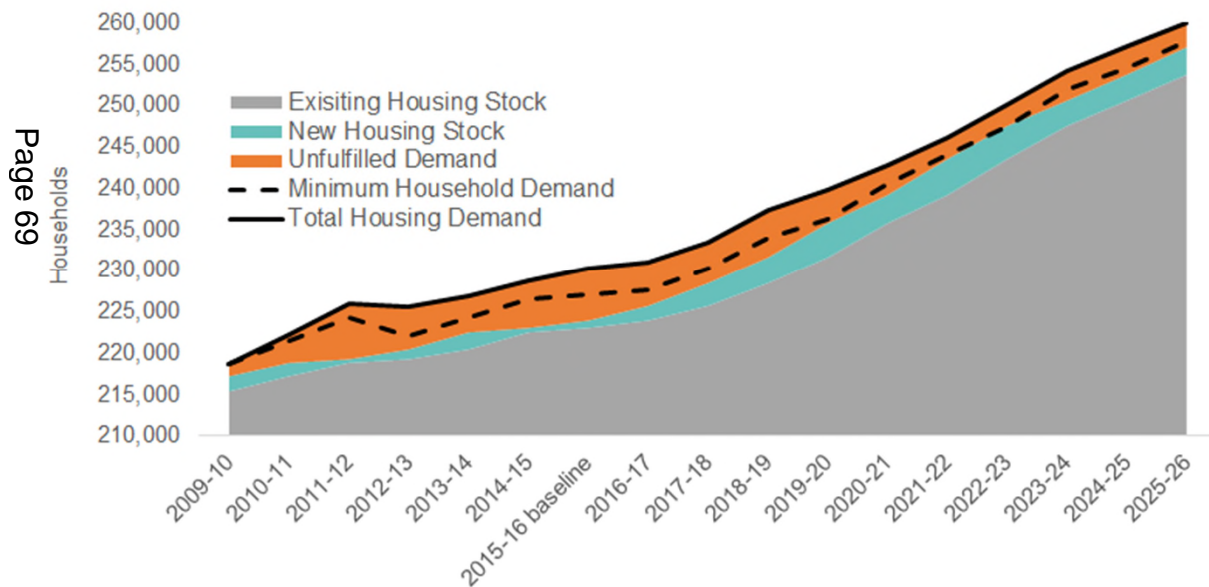
→ **Students, graduates and young professionals** attracted by employment opportunities, good quality accommodation, leisure and cultural offers.

→ **36% of graduates** indigenous to Manchester came back to work in Manchester after leaving university in 2016/17.

Sources: MCCFM W2016 variant 2, Manchester City Council (PRI), HESA destination of leavers' survey, 2015/16.

Potential further growth constrained if housing demand not met

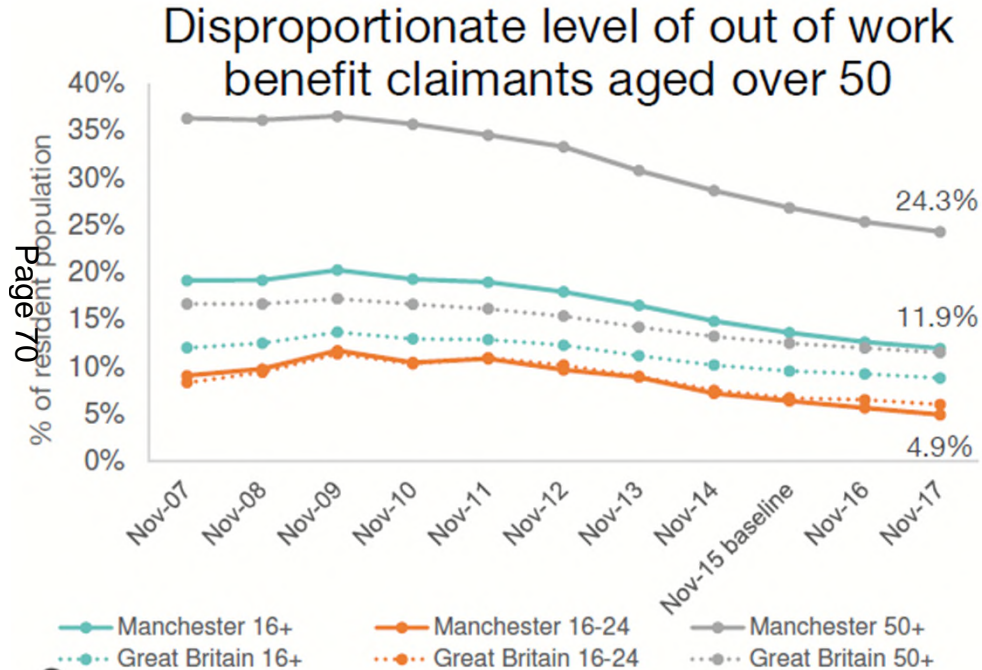
City remains undersupplied by c.750 units per annum to 2025



→ **2,869 new homes** completed in 2017/18, exceeding 2,500 Residential Growth Strategy target.

→ **228,296 homes** in the city in April 2018

Challenge to raise skill levels of those regularly out of work and those aged over 50



→ **40.9%** of residents aged over 50 have no or very low qualifications vs **11.7%** of residents aged 16-24.

→ Almost a **quarter** of those aged over 50 are claiming out of work benefits.

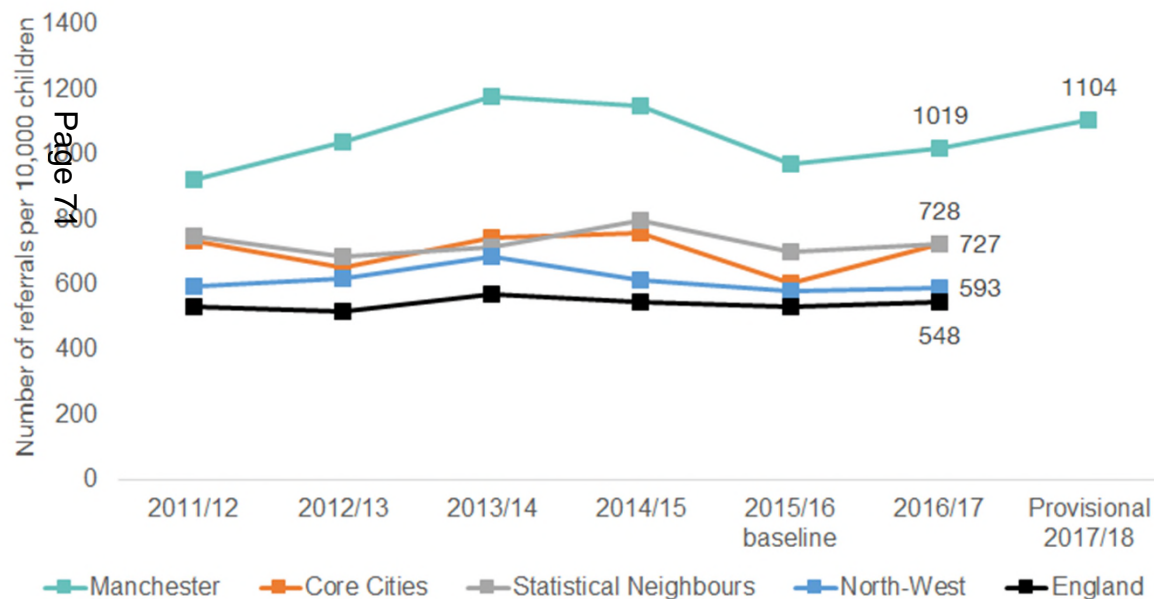
→ Reduction needed of **9,000** claimants aged over 50 to match national claimant rate.

Sources: Rate estimated by Manchester City Council, based on claimant count figures released by DWP. There will be a small element of double counting as a person claiming multiple benefits is counted multiple times. Annual Population Survey, ONS, 2017 estimates

Referrals to children's services increase

Risen to over 1 referral for every 10 children in the city

Referrals rate remains significantly above other comparator areas



→ The provisional rate of Looked After Children increased to **105** per 10,000 in 2018

→ There were **1,255** Looked After Children at the end of March 2018

→ The 2018 increase in LAC rate is reflective of a national trend

Item 5

Increased health risks associated with tobacco and alcohol use, unhealthy diet, sedentary lifestyle & air pollution

No significant change in proportion of year 6 children classified as overweight or obese, but remains higher than England: **40.3% vs 34.2%**

Source: National Child Measurement Programme

% of adults taking part in less than 30 minutes exercise a week increased to **27.7%**, compared to an England average of **25.7%**

Source: Active Lives Survey

Parts of city remain above **40 $\mu\text{g}/\text{m}^3$** annual limit for NO₂: Manchester Oxford Road **65 $\mu\text{g}/\text{m}^3$** , Piccadilly **36 $\mu\text{g}/\text{m}^3$**

Source: Air Quality England

Recent reduction in admissions for alcohol-related conditions, narrowing gap: Manchester – **741**, England – **636** (per 100,000 population)

Source: Public Health England

Prevalence of current adult smokers in 2017 remains higher than England and gap is widening: **22% vs 15%**

Source: Annual Population Survey

Cancers diagnosed at early stage improved from **42.8%** in 2013 to **50.2%** in 2016, but still lagging behind **52.6%** for England

Source: National Cancer Registry, Public Health England

Next steps

The timeline for continued development of the monitoring and evaluation framework is set out below. In order to keep members appraised of progress an annual update report could be submitted to appropriate scrutiny committees.

Action	2018				2019				2020				2021	
	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun
Co-design and development of the logic models, including definition of metrics														
Review / amendment / implementation of data collection														
Development of monitoring and evaluation framework														
Development of quarterly monitoring report														
Update report – progress on the first six months														
Baseline Report														
Quarterly Monitoring Reports														
State of the City														
First Interim Evaluation focusing on process and activation														
Interim evaluation focusing on cause, outcome and impact														
Review and amend logic models														
Final impact evaluation	To be delivered in 2025													

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Manchester City Council Report for Information

Report to: Resources and Governance Scrutiny Committee - 7 March 2019

Subject: Responses to Government Consultations on Local Government Funding Reform

Report of: The City Treasurer

Summary

This report provides an overview of the proposed reforms to Local Government Financing and the Council's response to the two most recent government consultations which are:

- i. Business Rates Retention Reform: Sharing risk and reward, managing volatility and setting up the reformed system
- ii. A review of local authorities' relative needs and resources: Technical consultation on the assessment of local authorities' relative needs, relative resources and transitional arrangements

Recommendations

The Committee is requested to note the responses to the two most recent government consultations

Wards Affected:

All

Contact Officers:

Name: Carol Culley
 Position: City Treasurer
 Tel: 0161 234 3406
 E-mail: c.culley@manchester.gov.uk

Background documents (available for public inspection):

Links to government consultation Papers:

Business Rates Retention Reform: Sharing risk and reward, managing volatility and setting up the reformed system

A review of local authorities' relative needs and resources: Technical consultation on the assessment of local authorities' relative needs, relative resources and transitional

arrangements

Appendices:

Appendix 1 - Manchester's response to 'Business Rates Retention Reform: Sharing risk and reward, managing volatility and setting up the reformed system'

Appendix 2 - Manchester's response to 'A review of local authorities' relative needs and resources: Technical consultation on the assessment of local authorities' relative needs, relative resources and transitional arrangements

1 Overview

- 1.1 Local authority funding in England has undergone considerable upheaval in the last nine years since 2020/11. Central government grant funding has been substantially reduced; after falling in real terms to 2015, council tax has begun to rise; as well as new grants being introduced in response to the well reported pressures in Social Care funding. Since 2013, business rate retention has also rewarded councils with a share of growth in business rate revenues.
- 1.2 In October 2015 the Government committed to further reforms to Business Rates retention followed by consultations in July 2016, February 2017 and December 2018. In February 2016, the Government announced there would be a review of relative needs and resources, followed by consultations in July 2016, December 2017 and December 2018.
- 1.3 The two recent consultation papers on relative needs and resources and Business Rates reform are the next steps in the Government's programme of reform to local finance which aims to provide a fairer and more transparent mechanism for allocating formula grant and to give councils greater control over the money they raise locally. The Government aims to implement both sets of reforms in the 2020/21 local government finance settlement, time-scales for the completion of this work are very tight.
- 1.4 From 2020/21, there will be significant changes to Local Government financing which includes:
 - New Spending Review period starts 2020/21, the outcomes should be published in Summer 2019.
 - Funding formula for distributing funding between local authorities is changing
 - Changes to how business rates are managed – currently the City Council retains 100% of growth generated during the valuation period, although this is then lost at reset of base. Currently Government is generally seeking a move to 75% retention.
 - Potential changes to funding for adult social care with the Green Paper now expected in Spring 2019.

2 Manchester City Council Involvement

- 2.1 The issues are technical and complex, and will have significant impact by the early 2020s. It was recognised early on that the council would need to input to the principles and design of the future funding systems to try and achieve the best outcomes for the city.
- 2.2 The Council is engaging with central government and other interested bodies through formal consultation responses and working groups to ensure the impact of the potential changes on local government, and particularly cities is recognised. This includes responding to the Local Government Association green paper for adult social care and wellbeing, technical provisional

settlement consultation response and numerous Fair Funding and Business Rates redesign workshops and consultations as well as contributing to papers considered by the Fair Funding Technical working group.

- 2.3 In relation to Business Rates Reform Manchester has been involved in a number of schemes to maximise the resource available in the region including the creation of a Business Rates Pool across Greater Manchester (GM) and Cheshire, the Business Rates Growth Retention Scheme 2015 and a three year 100% retention pilot from April 2017 to March 2020.
- 2.4 With regard to the review of relative need and resources the Council is working closely with the Ministry of Housing, Communities and Local Government (MHCLG), Local Government Association (LGA) and other Local Authorities (particularly Core Cities) to ensure the circumstances of metropolitan cities are represented in the review, specifically in relation to the impact of deprivation on the need to spend.

3 A review of local authorities' relative needs and resources

- 3.1 The current funding baselines for local Authorities in England are based on an assessment of their relative needs and resources which were last updated in the 2013/14 settlement. There are concerns that this formula is unfair, out of date and overly complex therefore the government is seeking to develop a more robust and up to date approach for distributing funding across councils. This is the third consultation paper on the approach and is split over three sections which are relative needs, relative resources and the principles of transition arrangements. There have also been regional consultation events involving MHCLG and the LGA which Manchester has attended and made representations.

Relative Needs

- 3.2 Having considered the trade-off between simplicity, transparency and precision the Government is minded to deploy a population based Foundation Formula for upper and lower tier authorities, alongside seven service-specific funding formulas. The table below summarises which of the proposed formulas apply to the different classes of authority.

RELATIVE NEED FORMULAS		SHIRE AREAS			METROPOLITAN AREAS	LONDON	OTHER
		Unitaries	Counties	Districts	Metropolitan Districts	London boroughs	Fire authorities ⁴
Foundation Formula	Upper tier	●	●		●	●	
	Lower tier	●		●	●	●	
1) Adult Social Care		●	●		●	●	
2) Children and Young People's Services		●	●		●	●	
3) Public Health		●	●		●	●	
4) Highways Maintenance		●	●		●	●	
5) Fire & Rescue ⁵		●	●				●
6) Legacy Capital Finance		●	●	●	●	●	●
7) Flood Defence and Coastal Protection		●		●	●	●	

- 3.3 As a Metropolitan authority Manchester would receive funding through all of the formulas except Fire and Rescue.

The **Foundation Formula** would have only one cost driver which is per capita population, and would cover the following services:

- Upper tier services – waste disposal, public transport, libraries, leisure, planning and upper-tier central services
- Lower tier services – waste services, environment, homelessness, sports and recreation and lower-tier central services.

- 3.4 The biggest change to the proposals since the last consultation relate to the government's preference to exclude deprivation as a cost driver within Foundation Formula. The previous consultation in December 2017 proposed this should be included to reflect the fact that deprived individuals, and particularly income deprived individuals, are more likely to access certain services than more prosperous individuals, leading to higher costs. There was broad consensus among respondents of the need to take deprivation into account; 86% were in agreement, with only 9% against.

- 3.5 Manchester is against this proposal which would significantly impact on the resources available to support its residents, as set out in the response to Question 1 Appendix 2. Independent analysis by LG futures showed removing deprivation from the current formula in relation to these services would decrease unitaries' assessed needs by an average of 1.9%, all else being equal. However the position for Manchester is much worse with a negative impact on assessed needs of 7.4%. Alongside this they found removing additional population (visitor and commuter) from the current formula would increase unitaries' assessed needs by an average of 0.1% with the impact on Manchester more significant at 4.7%.

- 3.6 The consultation paper proposes to include funding for Homelessness, Unaccompanied Asylum Seekers and concessionary travel within the Foundation Formula, allocated on a population basis which would not reflect the significant variation in need for these services across the country.
- 3.7 Outside the foundation formula there will be specific formulae for the seven services listed in the table above with the **Childrens formula** not yet developed and further technical papers to be provided on **Adult Social Care and Public Health**.

Relative Resources

- 3.8 A key feature of the current funding mechanism is that it offsets the relative needs of each authority with a negative measure of relative resources. In other words, it tries to take account of both the needs of local authorities and their resources (i.e. their capacity to raise council taxes) in determining the funding they should receive.
- 3.9 This is known as 'equalisation' which is a key component of a fair funding system and should take into account the totality of Council Tax resources raised, with adjustments for the impact of high student numbers and the full costs of the Council Tax Support Scheme.
- 3.10 The consultation confirms the Government's intention to take account of local authorities' relative resources under the new system. There is some discussion on how income from council taxes should be assessed and views are sought on how discounts, council tax support and council tax collection rates should be taken into account. Manchester proposes the impact of deprivation on levels of council tax support and collection rates should be considered and that actual council tax rate rather than a notional rate should be used, otherwise the amount of council tax income assumed will be overestimated.

Transition

- 3.11 Transition has always been a feature of the system in recognition of the fact that there needs to be a mechanism to protect against significant losses which can destabilise an area. Manchester broadly agrees with the four principles set out in the paper (stability, transparency, time limited and flexibility) specifically it should take account of all changes to actual spending power including the business rates reset, loss of 100% pilot income and council tax raising ability.

4 Business Rates Retention Reform

- 4.1 The current system that allows councils in aggregate to retain 50% of business rates was introduced in 2013. It was designed to encourage councils to grow their local economies and benefit from the extra income generated, but has proved extremely complex to operate. The consultation is in three parts and seeks views on the balance of risk and reward, managing volatility,

and how best to set up the system for 2021/21. The consultation is both wide-ranging and, in parts, quite technically complex.

- 4.2 This new consultation states explicitly that the transfer of risk and reward – allowing growth or decline to be reflected in a council’s income – will remain at the heart of the reformed system and confirms that the Government has two aims for business rates retention:
- to give local government greater control over the money it raises
 - to support local economic growth
- 4.3 The current system has been widely criticised for its complexity and also for its volatility which leaves councils vulnerable when large ratepayers close unexpectedly, and many councils having to make very high provisions to take account of the effect of rateable value appeals made by local ratepayers. The consultation looks at how some of these problems can be overcome including a new proposal to introduce variable business rates baselines and “floating” top-ups and tariffs which, it claims, would remove many of the uncertainties around how much business rates income is retained.
- 4.4 The three major advantages of the proposed change are said to be:
- It would remove the impact of appeals and valuation changes – top-ups and tariffs¹ would be adjusted every year to take account of councils’ estimates of provisions and appeals losses so they would no longer have an impact upon usable income.
 - It would guarantee that local authorities growth or decline is not masked by the effect of appeals losses and provisions.
 - It would allow the use of Section 31 grants² to be reduced – in many cases any new policy initiatives could be financed through adjustments to top-ups and tariffs.

5 **Conclusion**

- 5.1 These consultations highlight the fact there remains a considerable amount of work to be done before the 2020/21 settlement is announced next Autumn. In relation to the review of needs and resources structures are proposed for many of the new formulae, but those for children’s services and fire and rescue are still awaited. Weightings between service areas and between cost drivers are still to be determined as are the details of the area cost adjustments, the relative resources calculation and transitional arrangements.

¹ In the current system top-ups and tariffs have been fixed for seven years and represent the difference between the funding level for every local authority (calculated by government) and its expected business rates income (baseline).

² Business Rates Section 31 grants reimburse councils for the loss of income due to government policy changes.

The outcome of research on children's services is still awaited and further technical papers are promised for adult social care and public health.

- 5.2 On Business Rates reform the consultation does not consider how councils will transition to the reformed system or how the reforms will be put into operation. Those issues are to be addressed in a future consultation paper.
- 5.3 The Spending Review is also due to report in 2019/20 and will set out the quantum of funding that the above systems will operate within. Until this information is available there can be no reliable exemplification of the impact of the combined changes.
- 5.4 Inevitably questions have been raised regarding the tightness of the time available to develop, consult and exemplify any proposals. This makes budget planning for 2020/21 and beyond extremely challenging.

**Corporate Services
Carol Culley**

City Treasurer

Department for Communities and Local Government
Fry Block, South East Corner,
2nd Floor, Fry Building
2 Marsham Street
London SW1P 4DF
BRRSystemDesign@communities.gov.uk

Telephone: +44 (0)161 234 3590
carol.culley@manchester.gov.uk
PO Box 314 Town Hall
Manchester M60 2JR

21 Feb 2019

Dear Sir / Madam,

Business Rates Retention Reform

Manchester City Council (MCC) welcomes the opportunity afforded by the Ministry of Housing, Communities and Local Government (MHCLG) to set out the authority's views in relation to Business Rates Retention Reform consultation.

GM 100% Pilot and devolution

Greater Manchester District Councils and the GMCA are one of the original pilots for 100% business rates retention. This was part of the Devolution Deal and the original business rates retention agreement between Government and Greater Manchester authorities with the stated intentions of:

- Giving the GM authorities and incentive to grow local tax bases by ensuring they see long term rewards from growth;
- Maintaining a predictable income stream against which authorities can take long term investment; and
- Ensuring that GM authorities can continue to provide a full range of local services, whilst recognising that decisions about spending priorities should be made locally by locally elected representative accountable to local taxpayers.

The proceeds from the pilot have been used to the benefit of the region as follows:

- In 2017/18 the GMCA share of business rates income was used to fund costs incurred from the Mayoral election, the business growth hub, GM spatial framework and Health and Social Care partnership.
- In 2018/19 the GMCA budget utilised part of their share of business rates income to meet additional priority costs, including the *GM Business Productivity and Inclusive Growth Programme* which

addresses GM's need to close its productivity gap with the rest of the UK and ensure that all parts of the city region can contribute to, and benefit from, economic growth.

- Additional rates fund have supported the activity of *MIDAS and Marketing Manchester* which are central to the delivery of the Greater Manchester Internationalisation Strategy. Other supported projects include continuation of the *GM Health and Social Care partnership* to promote and deliver benefits from greater Health and Social Care integration across GM, *GM Cultural and Social Impact Fund* to supplement the programme which provides funding organisations who are committed to providing excellent cultural experiences or work that has significant social impact across the 10 boroughs in Greater Manchester, delivery of the *Digital Strategy* to develop and harness digital technology to drive improvements across all areas of the economy and society, support for 'Age Friendly' activity and the Youth Combined Authority.
- In 2019/20 the GMCA share of the proceeds will meet future commitments for the Productivity Programme and Mayoral election costs in 2020. It will also support delivery of the industrial strategy, digital agenda and extension of full fibre network and employment charter. GM authorities are progressing well with developing pipeline of schemes in the proposed industrial strategy. The continuation of the 100% pilot will have an important role to play in enabling their delivery.

Manchester suggests that the full proceeds of the 100% business rates pilot should be captured to support transitional arrangements once the new system is implemented.

In addition, the 100% pilot has provided increased flexibility around transport funding, specifically enabling transport capital funds to be utilised as a revenue resource. This had aided funding revenue scheme development costs and switching Local Growth Fund capital to enable revenue projects funded from Local Growth Fund to proceed.

The ten councils, the first statutory "Combined Authority" in the UK outside London and the GM Mayor work closely together to coordinate key issues such as economic development, regeneration and transport. This governance structure has enabled the region to secure greater powers from central government to shape its own future and success. Greater Manchester districts have a strong track record of collaborative working for the benefit of the city region and the work on business rates pooling is an extension of this. The benefits serving to provide a greater impetus for joint working and economic development across the region. Manchester City Council welcomes the potential for further collaboration with government in this area.

The consultation and response:

We are disappointed with the late releases of the Business Rates Retention reform consultation along with the Fairer Funding Consultation. It has left minimal time for Central Government to collate the feedback and implement

any changes required before 2020/21 and has made budget planning increasingly challenging.

We also believe that the inclusion of a working budget model for both the phased and partial resets would have enabled more informed responses to the questions presented. This is particularly pertinent when the percentage of rates that local authorities retain under a partial reset is yet to be determined.

We are concerned that a number of the ideas proposed are earmarked to be funded by a top slice of business rates revenue across all local authorities. Alternative options need to be explored rather than top slicing the amount for local authorities. Transparency is needed on what the Central List funds and why this is not being considered instead.

Manchester welcomes the proposed review and rationalisation of Section 31 (S31) grants. S31 grants were introduced to reimburse local authorities for Government policy decisions that reduced rates yield. For example small business rates relief where small businesses receive reductions to their bill. In 2019/20 there are nine separate S31 grants, totalling £1.95bn nationally and £34.5m for Manchester. Although this funding represents business rates income foregone it means that the business rates baseline is a notional figure and not achievable without government grant support. S31 grants are now more important than RSG as a funding source.

Manchester has a particularly high student population which not only inhibits the authority's ability to raise council tax as students are exempt from billing but also reduces business rates collection as university facilities attract upto 80% discount. Manchester has therefore suggested greater freedom of reliefs be given to authorities who chose to pool.

Within GM authorities part of the rail infrastructure will be funded locally and the impact of the construction period with revised valuations for the businesses affected will reduce the level of business rates income collected locally. However, the benefits of the increased valuation for the stations and associated hereditaments will form part of the national pool or central list. This cannot be right and it needs to be realigned so the full benefits of the investment are retained.

Manchester's formal response to the consultation is set out in the attached. As always we would welcome the opportunity to discuss our responses further.

Yours Sincerely.

Carol Culley
Manchester City Treasurer

Question 1: Do you prefer a partial reset, a phased reset or a combination of the two?

Overall the phased reset provides more stability with less of a cliff edge drop in funding between years so this is Manchester's favoured choice.

The partial reset would present a cliff edge drop in funding every 5 years which could make future budgeting more challenging. Further details of the components of the partial reset, ie percentage retained, would enable authorities to make an informed decision and so Manchester requests a full working model.

We would appreciate working models for both options presented so that we can analyse the difference between the two in more depth.

Greater Manchester District Councils and the GMCA are one of the original pilots for 100% business rates retention. We would strongly support the retention of the 100% pilot beyond 2019/20 until national roll out is achieved. Continuation of the 100% pilot would enable the GMCA to maintain a source of income to cover its investment priorities to promote growth in the GM economic area. In addition, the continuation of the pilot will give Government the opportunity to fully test and review the scheme with the maximum insight from 100% pilots over a longer timeframe and through a reset process.

It would also offer some certainty for Greater Manchester post 2019/20 to support longer term planning and strategy development and implementation.

Question 2: Please comment on why you think a partial / phased reset is more desirable.

A phased reset would be more desirable as it would incentivise growth whilst avoiding any cliff-edge reductions in funding. This will provide a stronger incentive for local authorities to invest in growth and increase their business rates base. It would also allow authorities to see the benefit of locally raised income whilst incentivising local authorities to take strategic, long term views and align their policies and practices around maximising growth in business rates.

The phased reset has similarities to the New Homes Bonus system which is familiar to authorities and reduces some of the volatility by guaranteeing authorities growth income for a set period of time.

The phased system also discourages perverse incentive or holding back growth in later stages of the retention period (also known as gaming the system), as all growth is retained for an equal and set amount of time.

The phased system reduces the unnecessary volatility of the current system and provides more certainty around income levels for longer periods of time.

This supports authorities with more effective longer term planning and budgeting.

Question 3: What is the optimal time period for your preferred reset type?

Manchester supports a six year reset period on the phased system. This will better align with the revaluation periods (every 3 years), with one revaluation occurring half way through the reset period; minimising disruption within that period.

Six years growth retention allows sufficient time to provide an incentive to authorities to grow their local economy.

Whilst the revaluation impact is supposed to be fiscally neutral at the national level, at the local level this is not necessarily the case. In the 2017 revaluation the national increase on RV was c10% and so the multiplier was adjusted down by 10% to counteract this increase. However, where an authority sees large increases in sectors that attract significant relief the increase in income is not realised. This was the case in Manchester where the educational sector saw its RV increase by 27.1% but this was not reflected in collectible rates income as many educational properties attract 80% discount through charitable relief.

Manchester welcomes a review of revaluation impact at local level and look to exclude heavily discounted sectors from the national measure that informs the multiplier change.

Question 4: Do you have any comment on the proposed approach to the safety net?

The Safety Net must be set at a level which allows a non growth authority to deliver its services and protect vulnerable residents, therefore we agree with the proposal of 95%.

We do not agree that the funding the safety net should be made through a top slice of business rates across all authorities, but be provided from the proceeds of the central list. If funding the safety net through the central list is not a viable option, then the levy should be used, as it will be made up from excessive business rates growth and in the 2013 scheme was expected to be self funding. We oppose any use of a top slice system.

Question 5: Do you agree with this approach to the reform of the levy?

No

The levy should remain to stop local authorities maintaining excess amounts of growth. If the levy is reformed to lower the amount of authorities that fall into it, then more funding will stay with authorities who have surplus funds instead of being redistributed on the basis of need.

The Levy was intended to limit the amount of disproportionate growth an authority could retain. This is still a requirement of the system and Manchester recommend the Levy remains in its current form.

According to the 2018/19 NNDR1 a small number of local authorities have a disproportionately high business rates base.

Westminster is expecting to generate £2.170bn in rates income, which represents 8.8% of national rates income. A small percentage growth here translates to a significant amount of income. Other high generating authorities are City of London at £1.137bn (4.6% of nation rates income) and Camden at £642m (2.6% of national rates income).

Manchester therefore recommends that the Levy system remains a function of Baseline Funding Level as the current system.

Question 6: If so, what do you consider to be an appropriate level at which to classify growth as 'extraordinary'?

Manchester does not support any fixed percentage Levy. As illustrated in Question 5 a 150% growth cap, the lowest offered in the consultation, would allow Westminster to grow £44.467m before any levy is applied (under the current system Westminster would be liable for 50% of growth above the Baseline Funding Level of £88.933m). Should local authorities with a higher business rates income achieve significant growth the levy system proposed would be inadequate in ensuring an effective redistribution of business rates growth.

Should the top slice proposed be met from the 'local authority pot' a tighter Levy system would also create more funds to support the safety net and potentially enable a redistribution of any surplus based on need (as in the 2019/20 settlement).

The formula that supports the levy calculation will need to be reviewed. As authorities move to the 75% retention scheme the Business Rates Baseline will increase as a proportion of local authority funding. The Baseline Funding Level will only adjust for changes to assessed relative need. This is likely to lead to an increased denominator or Business Rates baseline which in turn will lead to an erroneously increased Levy rate.

Question 7: What should be the fall-back position be for the national tier split between counties and districts, should these authorities be unable to reach an agreement?

The distribution of Business Rates income between tiers in two tier areas is currently 80% district to 20% county.

Manchester would prefer to allow tiered authorities to provide answers to this apportionment.

If the 100% retention pilot is not continued into 2020/21 for GM authorities (See Q1) consideration should be given to the Greater Manchester Combined Authority retaining an element of the 25% share that will return to central government to continue to fund its investment priorities and costs.

Question 8: Should a two-tier area be able to set their tier splits locally?

Manchester would prefer to allow tiered authorities to provide answers to this question.

Question 9: What fiscally neutral measures could be used to incentivise pooling within the reformed system?

The ten Greater Manchester and two Cheshire authorities have been pool members since 2014. This has given the authorities the opportunity to meet regularly and share knowledge and procedures, particularly in setting appeal provisions. Business Rates Pooling encourages authority collaboration, joined up service delivery and drives regional economic goals.

If the levy is removed MHCLG will need to consider other options to encourage pooling, some suggestions for consideration include:

Offering up additional growth incentives – including the ability for the pool to set their own local growth zone. Designated areas have proved an effective economic tool and have attracted significant investment into cities such as Manchester, where, for example, the Manchester Airport City EZ has attracted some big named clients including Amazon and DHL and bring broader benefits to the local economy.

Other growth schemes may attract similar investment and we recommend the associated growth is retained in full, outside the reset and redistributable pot. This would support continued reinvestment and leverage a greater return from those investment funds. Greater Manchester has two such schemes – Evergreen and Growing Places, although these are still in their early years and many buildings are under construction meaning benefit will not be seen for several years.

The option of retaining additional growth in Business Rates income through a reset of the wider system. This would involve treating the pool as a single entity and allowing the pool to retain a proportion of 'pool growth'. This would have to be agreed by all authorities in the pool and the necessary governance arrangements put in place to ensure a fair distribution of growth within the pool.

Greater discretion over reliefs. Allow pooled authorities to exercise greater discretion over mandatory reliefs. Under the current system charities attract 80% charity relief and this includes educational facilities. There are two major universities in Manchester who continue to expand and are in prime locations

but there is limited increased business rates income in return for the collaborative working with the local authority.

Greater fiscal freedoms and flexibilities - for example removing ringfences on specific grants and increasing flexibility in deployment of capital receipts.

Question 10: On applying the criteria outlines in Annex A, are there any hereditaments which you believe should be listed in the central list? Please identify these hereditaments by name and location. P21

Technical paper 1: The Central and Local Rating Lists released on the 7th of February stated that the Central list was expected to generate £1.6bn which is used to “benefit of local government”. In line with many other commentators we would appreciate clarity on what this income funds and the implications for local government of any significant increase or decrease. In the absence of this information we would prefer the central list to be as small as possible with funds retained locally and baselines adjusted as appropriate which would be significantly more transparent.

A more detailed to list of hereditaments at boundary level that make up the Central list would also be helpful to reach a more informed view of what should be on there.

In principle Manchester agrees with the three criteria for the Central List.

a. The nature and size

Networks of utility, gas and electricity should remain on the central list however this should exclude sub stations and housing buildings.

b. The size and geographical spread

Manchester agrees standard rules are not appropriate to commit network to the central list and review how it fits within the local list system. For example the Virgin Media who appealed to the VOA to merge all business rates payments for its broadband fibre optic network, payable across 68 councils, including Manchester, into one central list payment. However, this appeal was rejected in May 2017 as there were obvious boundaries to networks which contributed to local lists.

c. The suitability, or otherwise, for assessment of the property on local lists

Manchester agrees that if a hereditament can be assessed on the local list it should remain on the local list and that it is recorded on the authority’s list who holds the greatest proportion of rateable value.

Question 11: On applying the criteria outline in Annex A, are there any listed in the central list which you believe should be listed in a local list? Please identify these hereditaments by name and location.

As a principle, assets which are invested in locally or regionally should be on the local list so the benefits of the investment are retained. This should include airports, stations and certain power stations.

The obvious assets for transfer within Greater Manchester are railway stations including Piccadilly and Victoria. There has been significant investment in these, linked to devolution and the need to drive the regeneration of the surrounding areas.

With the proposed HS2 link to Manchester, and associated new stations in the city centre and at the airport, it is important that this is on the local list so all return on business rates can be captured to support further investment.

Manchester would also like see any renewable power investment, linked to delivery of the zero carbon agenda retained on local lists.

Question 12: Do you agree with the use of a proxy provides an appropriate mechanism to calculate the compensation due to local authorities to losses resulting from valuation change?

The Business Rates Retention system was introduced in April 2013 with the aim of incentivising local authorities to grow their local economies. A fundamental part of this is the concept of risk and reward. However, the significant volume of appeals has led to high levels of risk and volatility and authorities have had to introduce significant appeal provisions. This has meant that many of the intended benefits of the system have not been realised.

Manchester welcomes a review of appeal risk and Government's proposal to provide direct support to authorities who experience appeal losses.

Manchester agrees the business rates losses due to valuation changes can be measured by a proxy of those appeals backdated to year one of the rating list. Over 80% of Manchester's successful appeals back date to the first year of the rating list and this strongly indicates the VOA's rating list was incorrect in the first place.

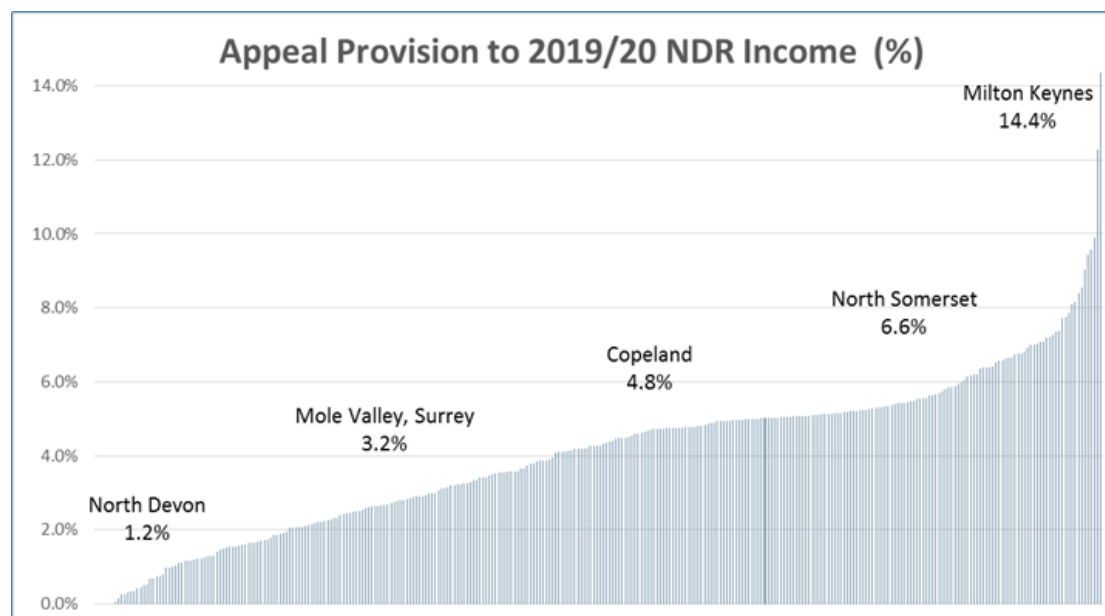
However, the Check, Challenge, Appeal system, introduced in April 2017, has led to a shift in volume of appeals to checks. To date Manchester has received no appeals through the new system yet has seen £12.9m refunded against the 2017 list due to check queries. Manchester requests that all Checks, Challenges and Appeals backdating to year one are included in the measure of the proxy.

The consultation suggests the appeal provision will be funded from a top slice and held centrally by Government. The Council disagrees with funding this from a top slice and believes that proceeds from the Central list or Levy would be a more appropriate mechanism.

Local appeal provisions vary significantly from council to council depending on levels of risk exposure and tax base profile.

2019/20 appeal provisions vary from as little as 1.2% in North Devon whose list contains small rural hereditaments, to 14.4% in Milton Keynes whose list contains a large energy station (Thamesway) where a single successful appeal can have a huge impact on rating income.

The graph below plots authority appeal provisions, as per 2019/20 NNDR1, as a percentage of rating income for English billing authorities.



This illustrates that the 4.7% appeal allowance built into the multiplier is insufficient.

Rather than using a top slide to fund the appeal provision, Manchester suggests the Central List, which is forecast to raise £1.6bn income in 2019/20, would provide sufficient funding cover the estimated £1.053bn appeal volume, based on national 2019/20 NNDR1 estimates.

Question 13: Do you believe the Government should implement the proposed reform to the administration of the business rates retention system?

Reform of the business rates system is clearly required to ensure a workable system which incentivises local growth and gives certainty of funding to local authorities. Moves to do this including to minimise the risk from appeals is therefore welcomed. However, there are a number of issues which require further working through. These include:

Timing of growth receipt

The NNDR3 is returned in the year following the one to which it relates. i.e. the 2020/21 NNDR3 will be returned on 31 May 2021, but the growth will not

be available 2022/23. This is a lag of **two years** and significantly reduces the incentive aspect of the retention system. Manchester suggests an adjustment be made to the tariff and top up be done in September of the following year once the previous year's NNDR3 has been certified.

Requirement to return NNDR1 In September

The movement of the NNDR1 form to September will mean it will no longer be linked to CPI as at September (annual mid point), which will not be available until mid October. This will sever the link to other index linked funding systems, the benefits system and pensions.

It is also likely that the Autumn Statement will fall after the NNDR1 is returned so the return will exclude any new reliefs. Although the consultation states these will be funded in-year via Section 31 grants (S31), an estimate would be required adding more returns and complexity.

Previous Autumn Statements have announced additional Small Business Rates Relief, Pub Relief, Revaluation Relief and last year Retail Relief.

How to deal with announcements in year

In year S31 grant will remain for policy decisions post NNDR1 ie. in the Autumn Statement and ad hoc announcements. It is likely that MHCLG will need to continue to capture data to ensure an accurate picture of their impact and the level of S31 grant to be reimbursed. As stated above this will add more complexity to the system.

System issues and New Burdens funding

To measure in year growth and to ensure authorities retain any provisions and liabilities prior to the system introduction, business rates systems will need to capture and disregard data relating to previous years. This will require significant system changes and Manchester requests that new burdens funding is made available.

Tariff / Top Up calculations

The new flexible reactive top up / tariff levels would be welcomed as it would provide allocations with up to date figures rather than being fixed between reset periods.

The consultation proposes numerous adjustments to each year's base tariff or top up making it a complex formula. Adjustments include: in year S31 grants, transitional relief, the Government's share of previous years' surplus / deficits, previous year's growth / decline and previous year's safety net / levy payment.

Question 14: What are your views on the approach to resetting Business Rates Baselines?

The 2013 baseline was set using 2 years contribution to the central pool to establish the proportionate share of the Estimated Business Rates Aggregate (EBRA). This led to many inconsistencies where authorities who experienced declining or growth years had baselines set at too low or too high a level. If a single year is used to set the baseline (i.e. 2018/19 updated) then this issue will be exaggerated. Setting the baseline is of fundamental importance as this will be used to measure growth.

Manchester suggests an average of previous five years would provide a more accurate baseline. Although this will need to be reviewed if there is a downturn in the economic climate which may result in a reduction in business rates income following closures.

Central government have stated they wish to avoid “cliff edges” which a single year’s measure may deliver particularly if an authority experiences unprecedented growth or loss immediately before the assessment. This was seen by some authorities when setting the 2013 baselines.

We agree that the net rates payable is used instead of gross rates payable as Manchester experiences a high level of discretionary and mandatory reliefs. If gross rates payable was used it would leave us with an unachievable high business rates baseline being set and receive a lower allocation than local authorities with a low level of reliefs.

Non collection / Bad Debt

As stated in the consultation, non-collection figures can change considerably year to year so we would recommend using an average of a minimum of 3 years’ worth of data. This again would smooth out funding allocations and prevent the “cliff-edge” effect.

Appeals

Option A: This option is the most favourable of the 3 options as the deduction is based on a local authority’s own estimate of provisions.

A local authority is best placed to make this assessment and will have a better understanding of local business rates and allow them to include the most up to date information eg. In relation to recent judgements such as ATMs and Mazars.

Option B: Manchester do not agree with option B as it does not take into account the variation in successful appeals between different areas across the country. Across England the average for successful appeals is 4.7% based on the appeal adjustment embedded in the multiplier. As illustrated in Q12 appeals provisions vary significantly and the use of an average percentage would not be appropriate.

Option C: This option looks at making a one off estimate of the appeal provision and is not as responsive as Option A, e.g. the ATM ruling adds a further £4m to the Manchester’s appeal provision.

Question 15: Do you have any comments at this stage on the potential impact of the proposals outlined in this consultation document on persons who share a protected characteristic? Please provide evidence to support your comment.

Analysis clearly shows that the reductions in local government funding that have been required since 2010 have been distributed at significantly different levels around the country, and that this distribution prior to 2016/17 failed to take into consideration the level of local resource available to individual local authorities. Cumulatively, more of the cuts required since 2010 have come from the most deprived authorities, compounding the impact on the protected groups.

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**Corporate Services
Carol Culley**

City Treasurer

Local Government Finance Settlement Team
Ministry of Housing, Communities and Local
Government
2nd floor, Fry Building
2 Marsham Street
London
SW1P 4DF

NeedsAndResources@communities.gov.uk

Telephone: +44 (0)161 234 3590
carol.culley@manchester.gov.uk

PO Box 314 Town Hall
Manchester M60 2JR

21 February 2019

Dear Sir / Madam,

**Manchester City Council response to 'A review of local authorities'
relative needs and resources'**

Manchester City Council (MCC) welcomes the opportunity afforded by the Ministry of Housing, Communities and Local Government (MHCLG) to set out the authority's views in relation to a review of local authorities' relative needs and resources.

Manchester Context

Manchester City Council is one of the ten Greater Manchester authorities and also one of the Core Cities. Along with the other Core Cities we have played a vital role in weathering some steep challenges including delivering high quality public services and displaying outstanding resilience, despite recession and austerity.

Manchester's population continues to grow rapidly and we have an ambitious house building programme. According to our in-house population forecasting model (MCCFM), the population rose from 560,800 in 2017 to 567,600 in 2018. Growth is expected to continue, with MCCFM predicting that the total population for Manchester will reach 647,200 by 2026. This equates to 17.1% growth between 2016 and 2026 whereas the ONS 2016-based projection for Manchester by 2026 is 585,400, an increase of 8.1% over the ten years compared to 3.4% across the North West and 5.9% nationally.

While there has continued to be progress in growing the Manchester economy, there is still a long way to go to tackle the legacy of deprivation

which remains. We are in the highest quartile of deprivation indices with an average ranking of 5 out of 326 authorities.

Key Messages

Our Key messages in relation to the review are as follows:

- A funding formula cannot be considered in isolation of the quantum of funding available to local government and the mechanism for business rates retention.
- We remain extremely concerned about the short period of time before the outcomes of the Spending Review and the Fairer Funding work and the need for Council's to set budgets for 2020/21 and beyond.
- The future funding arrangements for Adult Social Care remain uncertain with a considerable amount of funding being allocated via the improved Better Care Fund, Winter resilience funding and the new Social Care grant. The work on the funding formula should closely align with the development of the Adult Social Care Green paper and we are disappointed this has been further delayed.
- We strongly disagree with the idea that the same level of funding per head is appropriate, any formula needs to reflect the key drivers of spend - this includes deprivation and ability to pay which needs to be explicitly included in all service blocks.
- Equalisation is a key component of a fair funding system and should take into account the totality of Council Tax resources raised, with adjustments for the impact of high student numbers and the full costs of the Council Tax Support Scheme.
- There should be recognition of the additional costs from operating in an urban conurbation e.g. increased journey times, costs associated with higher visitor numbers, costs linked to increased pollution, homelessness etc as well as ensuring there is capacity for Cities to provide the place leadership role that is so critical for driving economic growth and joining up public services within their regions.
- Whilst it is agreed that simplicity and transparency are important this must not be at the expense of fairness.

These proposals are after eight years of austerity which is seeing acute pressures on all classes of local authority, particularly but not limited to the area of social care.

This is evident in Manchester. Between 2010/11 to 2019/20 we have seen:

- A 29% cut in spending power over the period – 13% worse than the England average of 16%.
- A reduction in Spending Power per Head (2010-11 to 2019-20) of £355.08 (which ranks as the 10th largest cut nationally)
- A 40% reduction in the workforce
- If between 2010/11 and 2019/20 Manchester had had the average level of funding reductions it would have £83m more a year to meet priority areas including support for vulnerable people, tackling homelessness,

keeping our neighbourhoods safe and clean, and strengthening the economy.

There are significant concerns with the proposal that deprivation be removed from the foundation formula.

There are three core areas we wish to highlight as follows:

- Quantum of Funding
- Certainty of Funding
- Funding allocated on basis of need and reflects ability to raise resources locally

Quantum of Funding

Whilst the Spending review is outside the remit of this consultation a funding formula cannot be considered in isolation of the quantum of funding available to local government and the mechanism for business rates retention. The LGA is estimating that by 2025 Local Government Services face a funding gap of at least £7.8bn just to stand still, much of this relating to social care. They forecast that by 2025 there will be another 350,000 people needing high levels of social care from councils. This follows almost ten years of austerity with the LGA estimating that between 2010 and 2020, councils will have lost 60p out of every £1 the Government had provided for services.

Clearly there cannot be a sustainable NHS without a sustainable adult social care system. It is disappointing that the publication of the Adult Social Care Green Paper is delayed as a longer term approach to funding Adult Social Care is urgently required. The NHS LTP and the ambitions in the GM *Taking Charge* can only be fully realised if councils are properly funded to deliver Social Care and Public Health services. The continued cuts to Public Health represent a false economy and are contrary to the LTP which aims to ensure that health is “hardwired into social and economic policy” and want action to be taken on the top five risk factors for premature death as part of the renewed NHS prevention programme, (smoking, poor diet, high blood pressure, obesity, and alcohol and drug use).

We agree with the findings of the Public Accounts Committee (PAC) Select committee report on Local Government Spending published 6 February 2019, in particular:

- Over the last eight years, the government has cut the funding it gives to English local authorities by nearly half, while, at the same time, demand for critical council services has risen.
- MHCLG are relying on short-term approach to a long-term problem.
- The government has had to inject large amounts of additional funding to ensure that the local authority sector can keep going in the short-term: Yet disturbingly, there is still no sign that the Department has a clear plan to secure the financial sustainability of local authorities in the long-term.

- Alternative means of supporting local authorities to remain financially sustainable will be needed to prevent them being solely reliant on the outcome of the next Spending Review

The cuts to Local Government have been on a scale not faced by any other service nor by any government department and they have not been evenly distributed. In 2018/19 the National Audit Office said 10% of upper-tier authorities were “vulnerable to financial failure” and suggested one in ten councils could run out of reserves within three years. This inevitably leads to scenarios where crisis work is prioritised and preventative work canceled, for example national trends show local authorities have increased their spending on homelessness while simultaneously reducing spending on preventing it¹.

The impact of the funding reductions to date is shown in the heat map at Appendix 1. Nine of the ten Greater Manchester Authorities have seen spending cuts at a higher percentage than the national average of 16%, with the majority losing over 20%. All 8 Core Cities saw cuts higher than the national average with seven losing 25% or above.

Certainty of Funding

The immediate financial challenges are compounded by the uncertainties that surround the future of Local Government Funding. The period of time between the outcomes of the Spending Review and the Fairer Funding work and the need for Councils to set budgets for 2020/21 and beyond is now extremely tight. It is unclear how much funding there will be in 2020/21, how it will be distributed and the means of delivery. Therefore we will have to make assumptions about future funding which could result in unnecessary cutbacks to services if forecasts are too pessimistic or too little time to make significant cuts if the reductions have been underestimated.

There are serious concerns about the practicalities of implementing a new formula for 2020/21. As an example the Children’s Services research has not been concluded and the distributional outcomes from this work will not be known until almost the point at which budgets have to be set for 2020-21. Therefore to enable effective financial and service planning the following is required:

- Exemplification of the funding formula proposals to be provided at an earlier stage.
- Clarity around the future of the core funding streams for adult social care - for Manchester the allocations for 2019/20 for the Improved Better Care Fund, Winter Pressures funding and Social Care Support Grant alone total £35.4m.
- Clarity on the transition arrangements with guaranteed minimum allocations for 2020/21.

If the above cannot be delivered it may be better to continue with the current

¹ National Audit Office report, Homelessness, September 2017 <https://www.nao.org.uk/wp-content/uploads/2017/09/Homelessness.pdf>

funding allocations for 2020/21 and start the transition to a new funding formula for 2021/22.

For the approach to transition the principles in the consultation paper are supported. Stability is seen as key with a range of potential changes in 2020/21 including the outcome of the Spending Review, the Fair Funding Review, changes to New Homes Bonus, the Public Health formula review, the longer term funding for social care and changes to business rates retention including the baseline reset. Fair Funding changes cannot be viewed in isolation to the wider changes to the Local Government Finance system or the ability to raise resources locally. Local Authorities experiencing reductions in their funding should receive full transitional support in 2020/21, similar to the Transitional Grant announced in the 2016/17 Local Government Finance Settlement which saw an additional £300m new funding allocated to authorities who faced Settlement reductions.

Finally, it would be disappointing if there was a move back to short term Finance Settlements. The certainty the Four Year Settlement gave was important for effective longer term financial planning, integrated work with partners such as the NHS and being able to invest in growth for a longer term return.

Ability to Raise Funds Locally and to Reflect Local Need

The principle of allocating local government resources to local areas based on an objective assessment of their needs is an important one and has led to more resource going to the areas with higher levels of deprivation and greatest needs. A publication from the institute of Fiscal Studies² on 13 December noted *'it has always been the case that councils serving more deprived areas would continue to face slightly larger cuts, on average, than those serving richer areas'*. and *'we estimate that the least deprived councils have seen a small 0.3% real-terms increase in funding since 2015–16, compared to a cut of 2.8% for the most deprived councils'*. Research cited by Liverpool University in its response to this Review concluded that the history of objective needs assessment in Local Government Finance has resulted in a narrower gap in health between deprived areas and the rest of the country than would otherwise have been the case³.

There is particular concern about the proposed move to a per capita Foundation Formula for upper and lower tier authorities. The current system, through the environmental, protective and cultural services formula, does include an adjustment for deprivation and this reflects the most deprived councils spending 20% more resources per head for these 'foundation' services compared to the least deprived areas. Socioeconomic deprivation is clearly a major driver of need for these services and cannot be ignored. In

² Institute of Fiscal Studies Publication 13 December 2018 <https://www.ifs.org.uk/publications/13771>

³ Barr B, Bambra C, Whitehead M. The impact of NHS resource allocation policy on health inequalities in England 2001-11: longitudinal ecological study. *BMJ : British Medical Journal* 2014; **348**. DOI:10.1136/bmj.g323

line with the position of the Local Government Association⁴ we believe that deprivation should remain as a cost driver in the foundation formula and it would be for the government to work out how this should be weighted. This is covered further in our response to question 1.

Please find below Manchester's formal response. As always we would be happy to discuss the issues raised in our covering letter and response further.

Yours Sincerely.

Carol Culley
Manchester City Treasurer

⁴ <https://www.lgcplus.com/politics/lga-backs-cities-over-deprivation-funding/7027575.article>

RELATIVE NEED Q1 to Q4

Question 1: Do you have views at this stage, or evidence not previously shared with us, relating to the proposed structure of relative needs assessment set out in this section?

We are broadly in agreement with the approach of having specific formulas where demand is driven by unique costs drivers and a foundation formula for the remaining services so long as there are specific formulas for all appropriate services and the foundation formula takes account of the impact of deprivation on need to spend in these areas.

The principle of simplicity must not override the key outcome of fairness. A formula covering a wide range of service will always be complex to explain to a non-specialist. Much of the complexity surrounding earlier formula versions is related to how the outputs of the formula, the overall allocations, were disclosed, improved transparency can overcome this.

We agree with the LGA's assertion that to ensure the results of the Review are as credible as possible, it is crucial that the Government is transparent and provides sufficient evidence behind its decisions.

Foundation Formula

Deprivation

We join SIGOMA, the LGA and Core Cities in calling for the retention of deprivation as a factor in the Foundation Formula. The consultation paper states at 2.2.21 that ...*'in aggregate terms deprivation was not a major cost driver for the services included in the foundation formula'*. It has never been previously presented that only "major" factors would be considered for inclusion, it is more reasonable that a factor must explain significant variances at authority level.

The proposed removal of deprivation is a big change from the previous approach which has not been adequately explained. In response to calls from ourselves and others for the inclusion of density during the last consultation the department claimed this would double count the deprivation weighting. To now remove the deprivation factor and still not take sufficient account of the impact of density is a double blow.

The consultation paper claims that deprivation only explains 4% of the variation in upper tier spend for foundation services. However this is flawed as it looks at differences in authorities' *total expenditure* (which is naturally correlated with population size) rather than differences in expenditure *per head*. This will mask the importance of deprivation in explaining differences in spending.

Using the correct method of expenditure based regression to investigate the association between past expenditure and deprivation shows that deprivation is

an important driver of need for the services covered in the foundation services formula. Using 2016 data – analysis by the University of Liverpool⁵ shows that the Index of Multiple Deprivation (IMD) explains 16% of the variation in spending per head, between local authorities, for foundation services. However this ignores the significant and relative impact of austerity of deprived councils, a better proxy for need would be the pattern of spending on foundation services before these cuts were applied. Analysis by the University of Liverpool using data from 2009 shows that the indices of multiple deprivation explains 40% of the differences in spend per head for these services between councils. In other words deprivation is actually a 10 fold greater driver of need for these foundation services than has been estimated in the consultation document.

Liverpool Universities analysis shows that if the proposed per capita foundation formula was applied to the current funding envelope for these “foundation services” the most deprived 20% (quintile) of councils would lose £35 per head – a total of £390 million, whilst the richest 20% of councils would gain £24 per head – a total of £260 million.

Analysis by LG futures showed removing deprivation from the current formula (EPCS services) would decrease unitaries’ assessed needs by an average of 1.9%, all else being equal. The position for Manchester is a negative impact on our assessed needs of 7.4%. Alongside this they found Removing additional population (visitor and commuter) from the current formula would increase unitaries’ assessed needs by an average of 0.1% with the impact on Manchester more significant at 4.7%. This is not equitable, especially in the context of the distribution of the last 9 years of austerity as set out in the covering letter.

When considered against the 6 principles of the review this proposal is simple, stable and contemporary however it is not transparent as it does not ‘create a clearer link between the relative needs assessment and local circumstances’, it is not sustainable as it does not ‘anticipate future demand for services’, and it is not robust as it does not ‘take into account the best possible objective analysis’.

The IFS research released 5 March 2018 *‘Financial sustainability of local authorities 2018’*⁶ found that, excluding London, *“there is a clear pattern of higher levels of deprivation being associated with lower ratios of tax revenue capacity to spending needs”*. In funding terms, this suggests that the FFR has to provide both more funding and greater growth in funding to more deprived authorities because they are less able to generate resources from their taxbase.

The approach to deprivation in this consultation appears contrary to the

⁵ Ben Barr, University of Liverpool. 12/02/2019

⁶ IFS research ‘Financial sustainability of local authorities 2018 5 March 2018
<https://www.nao.org.uk/report/financial-sustainability-of-local-authorities-2018/>

government's stance on other strategies as set out below.

*The Industrial Strategy: building a Britain fit for the future White Paper*⁷ states several times that there is a link between deprivation (and/or particular demographic groups that we have above average numbers of) and economic success. As the government recognise inequality and deprivation here, why are they dismissing it in the foundation formula for services that align to the Industrial Strategies aims and objectives? This includes libraries - a key venue for income-deprived residents needing to use a computer, and where our adult education and skills-deprived residents can undertake training in maths, English and digital skills. Below are several extracts from the strategy which reiterate the importance of local services in deprived areas:

- There are a variety of institutions at local level with valuable contributions to make to skills development, as set out in the Places chapter. We need to ensure they work together to deliver the best possible outcomes for their community and for the local economy, as part of Local Industrial Strategies. (p114)
- We need to do even more to widen participation for those from disadvantaged and under-represented groups looking to re-skill and up-skill. (p116)
- To drive up adult learning and retraining, we will introduce an ambitious National Retraining Scheme in England by the end of this Parliament. It will give individuals – particularly those hardest to reach – the skills they need to thrive and support employers to adapt as the economy changes. (p117)
- Increase the proportion of apprenticeships started by people of black and minority ethnic backgrounds or with a learning difficulty and/or disability by 20 per cent by 2020. We also need to do more to address the underrepresentation of other groups in our labour market and support employees to stay in work. Our economy is missing out on the untapped potential this represents for employers. (p 121)

The importance of these services in deprived areas was highlighted in recent research on the *Prevalence of mental illness in primary care and its association with deprivation*⁸ which found In England, the largest increases in rates of suicide, self-reported mental health problems and antidepressant prescribing have been observed in the most deprived areas, leading to increasing inequalities in mental health and that the quality of neighbourhood social capital and social cohesion may be particularly important to maintaining mental health independent of socioeconomic deprivation. Libraries, Leisure, Environment, Sport and recreation facilities can be classed as social capital here, which is defined as the resources

⁷ The Industrial Strategy building a Britain fit for the future White Paper
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/664563/industrial-strategy-white-paper-web-ready-version.pdf

⁸ Prevalence of mental illness in primary care and its association with deprivation
<https://www.cambridge.org/core/journals/psychological-medicine/article/prevalence-of-mental-illness-in-primary-care-and-its-association-with-deprivation-and-social-fragmentation-at-the-small-area-level-in-england/69B65F5DF63308292FF3BBE883D30E78/core-reader>

accessed by individuals and groups through social connections.

We strongly believe that deprivation should be included here as a common cost driver as more deprived families are clearly more likely to rely on council services and be less able to contribute towards the costs of providing them. Deprivation impacts on the costs of the specific services to be included in foundation formula as set out below:

Libraries -

The need to spend in these areas is increased due to the levels of deprivation in Manchester, examples include -

- provision of good quality ICT for people who do not have access at home, whether adults or children doing homework
- provision of printers/scanners - for people who can't afford to run a printer at home - children homework/ adults
- provision of access to wide range of books and other learning/leisure materials that people would not be able to afford
- provision of high quantity of good quality children's stock - families facing deprivation will not prioritise spending money on books
- free activities for children - eg lego/craft clubs on Saturdays, after school homework clubs, filmshows, school holiday activity for families, Storytime sessions
- provision of free training sessions (with partners such as MAES) as people less able to pay for training
- provision of free activities and events in community location for older people, especially those at risk of social isolation who may not be able to travel far due to cost
- less opportunity for charged activities due to the high levels of deprivation in Manchester (so spend will be higher as less able to make income to cover costs)

Leisure, Sports and recreation -

Research commissioned by the Department for Digital, Culture, Media and Sport (DCMS) has consistently shown that people in more deprived areas on the lowest incomes are significantly less likely to participate in sport and be physically active. *The Sport England Active Lives 2017 survey*⁹ highlighted that people in the lowest socio-economic groups (those on the lowest incomes or unemployed) were 17% more likely to be inactive, and in Manchester this rises to 22%. Cost is a significant factor in this, as detailed in various studies, including *a study by the London School of Economics (LSE)*¹⁰ in young people aged 14-25 living in several deprived areas in the country, which put the cost of participation as the top reason why these young people participated less or stopped altogether. Research has also highlighted the higher cost of regular participation

⁹ Sports England Active lives survey 2017/18 <https://www.sportengland.org/media/13563/active-lives-adult-may-17-18-report.pdf>

¹⁰ LSE Study, moving the goalposts
http://sticerd.lse.ac.uk/dps/case/cr/casereport95_Executive_Summary.pdf

on 'pay as you go' rates which can work out more expensive than joining on a direct debit or annual subscription.

In Manchester we have recognised this by maintaining initiatives which aim to reduce this drop-off in participation and widen access especially for those on a reduced incomes, with the result that our pricing is the lowest in Greater Manchester for most activities including swimming and hire of sports facilities. Other examples include the MCRactive card, which gives a 30% discount on 'pay as you go' rates plus an extra 10% for concessionary groups including those on benefits, and targeted programmes such as free swimming for people aged 60 and over and under 17 in the school holidays, and the Active Lifestyles and Active Aqua programme which offer significant reductions on the market rate for exercise classes.

Any further funding reductions to LA's where there are high levels of deprivation will result in low cost access to services being diminished or services being withdrawn. The consequences for health services and other partners such as police is likely to be significant and therefore, a cuts programme on this scale is likely to be counter productive resulting in other public service costs rising as a consequence.

Public Health England research in to Local action on health inequalities:

*Improving access to green spaces*¹¹ (September 2014) recognised the physical and mental health benefits of green spaces and states that *“Access to green space is not equal across the population of England. People living in the most deprived areas are less likely to live in the greenest areas, and will therefore have less opportunity to gain the health benefits of green space compared with people living in the least deprived areas.”*

In February 2017 the Communities and Local Government Committee reviewing Public Parks heard that if the quality of the space declines, people feel less secure, women and children are less likely to use it, and ethnic minorities are less likely to go and use that space. MHCLG submitted written evidence to the review¹² which recognised the most affluent 20% of wards in England have five times the amount of green space than the most deprived 10% of wards. This indicates a need to invest more in green spaces in deprived areas rather than adjusting the formula in such a way that less funding will be available, as is proposed.

In Manchester there are significant challenges in the upkeep and maintenance of parks and green spaces in our more deprived communities - there are a number

¹¹ Public Health England research in to Local action on health inequalities: Improving access to green spaces Sept 2014

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/355792/Briefing8_Green_spaces_health_inequalities.pdf

¹² Written evidence submitted by Department for Communities and Local Government [PKS 315]

<http://data.parliament.uk/writtenevidence/committeeevidence.svc/evidencedocument/communities-and-local-government-committee/public-parks/written/39517.html>

of factors at play, beginning with the heightened incidence of anti social behaviour and vandalism, a possible side effect of lower visitor numbers which in turn lowers the ability for our parks to be self policing. Combine the effects of this behaviour with the resources and intensive management required to maintain a good quality standard with the lack of involvement and ownership from residents and volunteers and the spiral of decline in our most deprived areas becomes more difficult to break.

Environmental and regulatory services -

For example Trading Standards protect people in deprived communities who are unlikely to have any other forms of redress if they fall victim to rogue traders and doorstep scams. Trading standards working alongside adult safeguarding teams can also help keep vulnerable potential victims of financial abuse schemes out of overburdened local care systems. Shops selling age restricted products to children are often located in deprived areas. This can range from cigarettes and alcohol to solvents and knives. People in deprived communities often do not have the money to buy the designer goods that they aspire to own so fall prey to counterfeit versions that are often unsafe.

People in more deprived areas are unlikely to be able to pay for the type of support offered by trading standards to help set up businesses and ensure they do so safely and legitimately. Without such support there is a danger that the entrepreneurial talent that exists in more deprived communities will not be supported or equally damaging, people will plough ahead with ideas that are unsafe or not legitimate.

Food safety and good health are inextricably linked in general people in deprived areas will have less money to spend on food and less choice on where they buy it from due to things like less money to travel distances to secure cheap fresh food. Research has shown a link between economic deprivation, types of premises, food hygiene scores and rates of gastrointestinal illness in the UK¹³. Data extracted from the UK Food Standards Agency for about 300 000 UK premises which had hygiene scores based on visits from local authority food safety officers. There was a statistically significant relationship between average food hygiene score and deprivation, which was caused by deprived areas having more of the categories of premises with significantly lower hygiene scores. Again this points to deprived areas requiring more resource to fund Environmental Health inspections.

Environmental protection- noise and nuisance is likely to be more of a requirement in more deprived areas which often have a higher density of housing and as such this means that the likelihood of complaints regarding domestic noise nuisance is also higher. The Licensing and Out of Hours Team is able to assist residents in dealing with such nuisance swiftly and resolve these issues which would be less likely to occur in areas with more dispersed housing. Without this service people in more deprived areas may suffer more from noise nuisance.

¹³ Food hygiene, deprivation, types of premises and rates of gastrointestinal illnesses in the UK 2015 <https://www.ncbi.nlm.nih.gov/pubmed/24476984>

Other environmental pollution impacts such as odour and light pollution are also more prevalent in high density areas that are also more likely to have retail, light industry and food takeaway premises in close proximity to domestic dwellings.

Housing Standards - The shortage of social housing means many households have no choice but to rent privately, this is approximately 1 in 3 in Manchester. Whilst much of this is good quality stock many properties carry potential health risks. Poor maintenance is a common problem, leading to accidents, while cold and damp can both cause and worsen circulatory and respiratory conditions leading to preventable, life-long respiratory conditions such as asthma which will prove costly to the NHS over a lifetime. Poor quality landlords resist spending money making the property safe. Often landlords have little or no knowledge or understanding of their legal responsibilities. As funding cuts bite further, more landlords will recognise the chance to get away with doing less than the bare minimum and will wait until a housing inspector tells them to make improvements. With a shortage of options the poorest will not complain to their landlords particularly if there is a reduction in housing officers to help them.

Community Safety - Much of the crime and ASB that is prevalent in the city centre is a direct result of deprivation and without the resources we are putting into addressing this in the city centre it would be a much worse picture than we are currently facing.

Homelessness

It is a concern that Homelessness is being proposed for inclusion in the Foundation formula, particularly when this is such a critical issue nationally with an unprecedented rise in homelessness and rough sleeping, the latter up by 165% since 2010 and a commitment from the Communities secretary to end rough sleeping by 2027. The LGiU/MJ Local Government Finance Survey 2019¹⁴ found that After Children's Services, Housing and Homelessness is tied with Adult Social Care as the second most urgent immediate financial pressure, with 23% of councils naming it their top concern.

Reducing the number of people becoming homeless is one of our key priorities and we are doing everything in our power to achieve this however the majority of the factors driving it are beyond the control of Local Authorities and compounded by reducing resources across all partners. We believe the levels of homelessness are a combination of deprivation, welfare reform, economic and population growth and housing shortage - population alone can not possibly measure the level of need for such a complex issue.

¹⁴ The LGiU/MJ Local Government Finance Survey 2019 <https://www.lgiu.org.uk/report/lgiu-mj-state-of-local-government-finance-survey-2019/>

A National Audit Office report on Homelessness¹⁵ 13 September 2017 found the risk of homelessness is greatest in areas of high economic activity with people on the margins of being able to pay market rents for their homes and areas where a high proportion of households are receiving housing benefit to help pay their rent. To a lesser extent, variation in levels of homelessness between local authorities is also associated with changes in the affordability of private rented accommodation, particularly for households with the lowest incomes. This means more deprived urban areas likely face greater relative need for homelessness related services.

We refute the reasons given in the consultation paper for including Homelessness in foundation formula as follows:

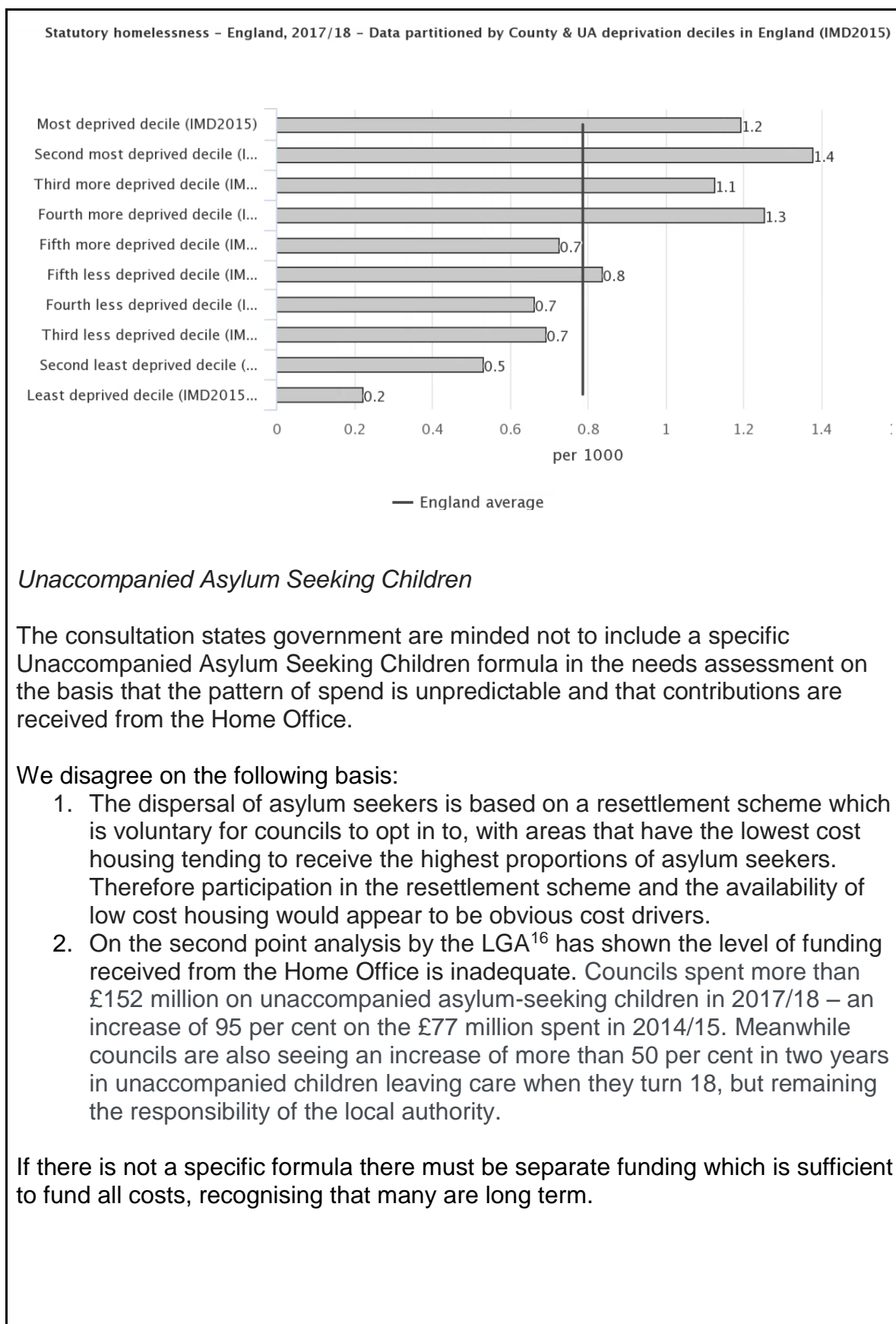
1. The consultation states that the majority of homelessness funding is currently dealt with outside of the settlement however as no funding stream (other than local taxation) is assured beyond 2019/20 therefore this cannot be used as an excuse to single out homelessness within formula for a per-head allocation and certainly not to avoid a deprivation weighting.
2. The consultation claims homelessness on average represents a relatively small proportion of expenditure for the majority of councils at c£1.4bn gross spend and £340m net and less than 5% on average of net service expenditure. The consultation recognises that for some authorities the proportion of spend is significantly higher than concludes it is *'disproportionate to introduce further complexity into the needs assessment for this service area'*. However there seems to be an opposite justification for including flood defence which spent £36m nationally in 2017/18 (Revenue Outturn 2017/18) accounting for just 0.3% of lower tier total expenditure. The consultation paper concludes *'However, whilst the overall level of expenditure for these service areas is on average low, they do have a significant impact on a small number of lower tier authorities'* and therefore proposes a separate formula with specific drivers for flood defence.

The consultation paper states *'services for which demand is driven by unique costs drivers that are not correlated with the overall size of the population may require a separate formula'*, we feel homelessness clearly meet this definition.

Alongside its own formula within the needs assessment we believe there should also be specific homelessness target grants to reflect the disproportionate impact on city centres.

If Homelessness is to stay within foundation formula this is further justification for a deprivation weighting to be included. As the table below shows theres is a clear link between deprivation and numbers of statutory homeless.

¹⁵National Audit Office report, Homelessness, September 2017 <https://www.nao.org.uk/wp-content/uploads/2017/09/Homelessness.pdf>



¹⁶ LGA analysis on UCAS w<https://www.local.gov.uk/about/news/lga-spend-asylum-seeking-children-doubles-four-years>

Comments on the service specific funding formulas

Adult Social care formulae - The use of multi-level modelling to arrive at the most relevant cost drivers and their weightings within the formula is welcome.

Children's formulae - It is difficult to form an opinion without the detail being available however the approach using a multi-level model based on children's social care activity data appears reasonable. This must take significant account of deprivation to enable councils to tackle the growing problem of child poverty. The Joseph Rowntree Foundation report UK Poverty 2018¹⁷ found that child poverty has been rising since 2011/12. In the UK 4.1 million children now live in poverty, a rise of 500,000 in the last five years. This is much faster than expected based on population growth: the total number of children has risen by 3%, while the number of children in poverty has risen by 15%.

The time required to develop this formula is a concern the Government must share the results of this project as soon as possible, to allow for a more timely publication of draft funding baselines.

Public Health formulae - We note the government is proposing to use ACRA formula from 2015 which was consulted on and widely criticised at the time and not implemented. Analysis must be carried out to provide evidence that the formula is fit for purpose and suitable for implementation. We agree with SIGOMA that the Department of Health must publish and address the issues arising from the 2015 consultation as none of the consultation responses have been published nor any conclusions as a consequence of the responses. Local Authority health professionals must be directly involved in the creation of a new formula and a realistic evaluation of the expectations from, and total cost of, a public health service must be determined.

Highways Maintenance - We agree with the use of two drivers (road length and traffic flow) and not including winter services given it is relatively small. However we do not agree with equal weighting for all classes of road.

It is necessary to weight the road length for road type because the cost of maintaining a major urban road is not comparable with a minor rural or estate road. Each maintenance scheme is costed based on set-up costs, treatments required etc, in Manchester, latest estimate for a 50mm inlay (plane off & resurface) for a minor road is around £28/m². For a strategic road, this rises up to around £40/m² with the additional overall costs of traffic management, discussions with businesses, bus companies etc. and other scheme consultation as well as out-of-hours working times.

Similarly, costs for reactive pothole repairs are much higher if traffic management etc. has to be factored in. The cost for repairing a couple of potholes on a minor

¹⁷ Joseph Rowntree Foundation report UK Poverty 2018 <https://www.jrf.org.uk/report/uk-poverty-2018>

road is around £100, but if these are on a major junction it could cost over £1,000 to put in place the necessary closures etc.

On a similar theme traffic flow should recognise that heavy goods vehicles and buses are responsible for greatest wear and tear on road surfaces.

The proposed formula is too simplistic and that MLCLG should examine the costs and benefits of road maintenance in different geographies. With an understanding of how these costs and benefits varied across different geographies and road types, it would be possible to adapt the proposed formula to incorporate the factors listed above.

Legacy Capital Funding - Agreed

Fixed Costs - We agree with the government's preference not to retain the fixed costs element of the needs assessment on the basis that it adds unnecessary complexity and because fixed costs, as well as variable costs, are already identified through the wider assessment of relative needs.

Population Projections

Population (and the make-up of the population) is the single most important predictor of the costs that local authorities face and projections should be used to reflect expected changes throughout the settlement period, updated annually for the actual position.

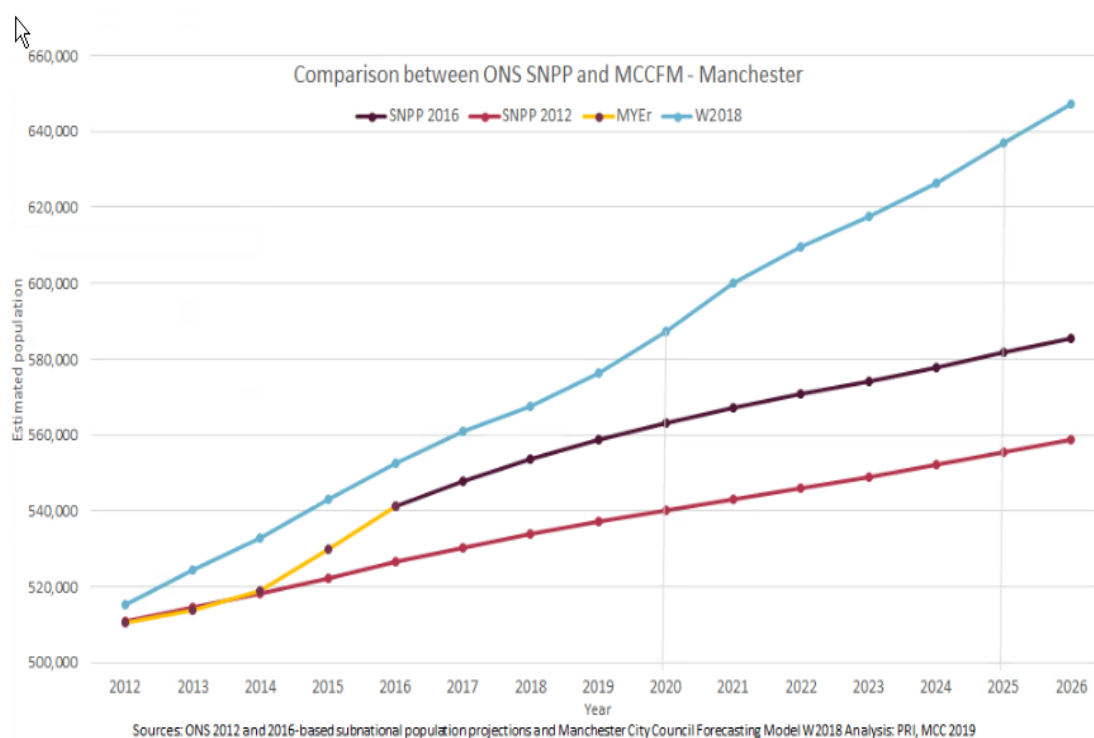
Our population has been one of the fastest growing in the country at 6.75% from the mid-year projection 2013 used in the settlement (510,993) to the mid-year estimate 2017 (545,501).

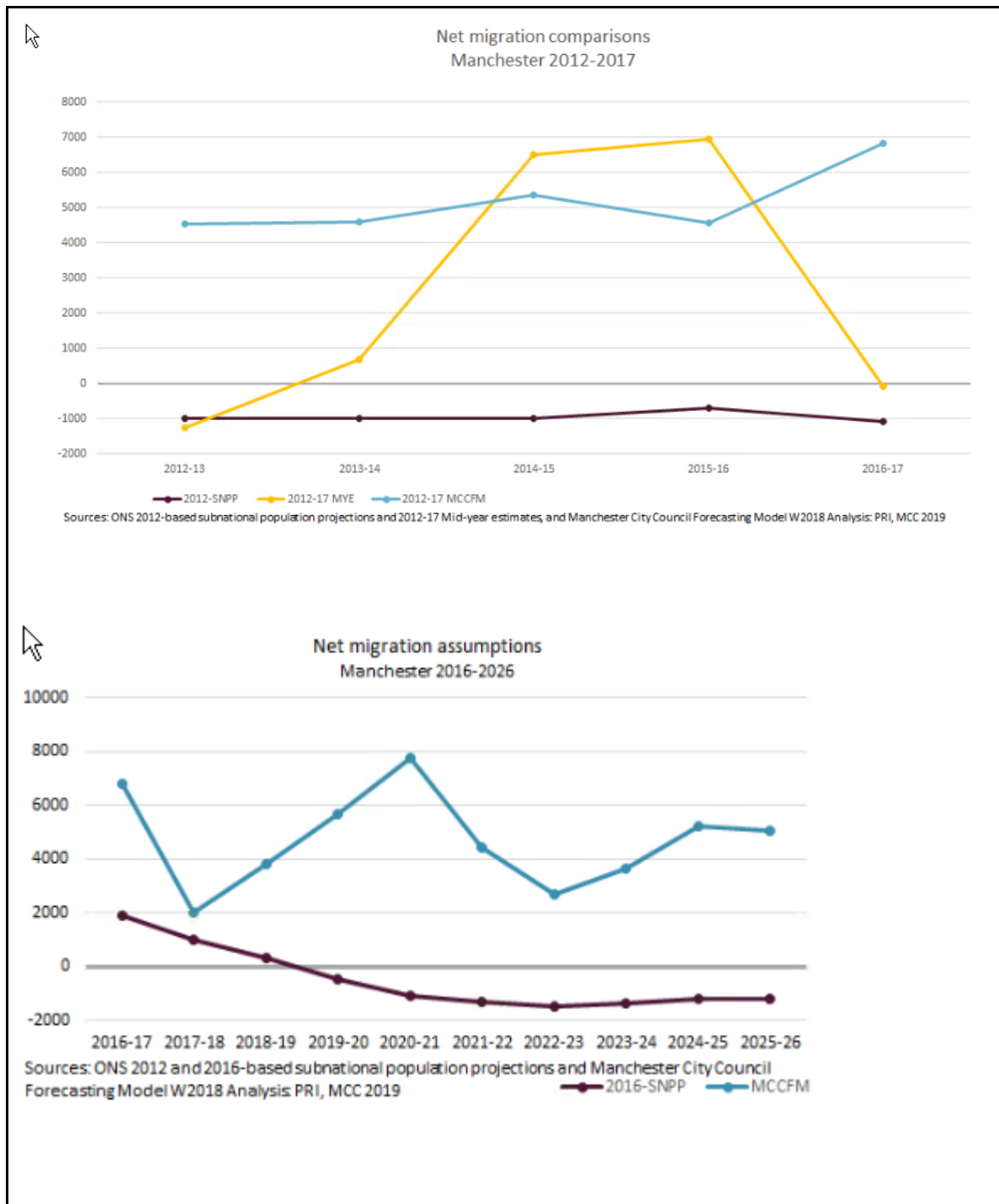
The first graph below shows our in house forecast (MCCFM) against the 2012-based SNPP which was used for 2013/14 finance settlement. The 2013/14 settlement was based on a population projection for Manchester of 510,993. The actual mid-year 2013 population was 514,417 therefore it was understated even before being frozen in the formula for seven years which is why we have some reservations about its use in the formula going forwards. As the graph shows the projections have been revised upwards in the ONS' 2016-SNPP, albeit it still way below what we estimate.

The level of underestimation in the ONS projections largely relates to migration assumptions. As the second chart shows from 2012 to 2016 the ONS net migration assumptions were considerably lower than the MCCFM estimate and their own mid year estimates. The third chart shows the variation in net migration assumptions going forwards which we again believe to be significantly understated. One of the key reasons why our migration assumptions are different is because we build in housing strategy into the forecast whereas SNPPs, being projections only, don't. This is a major issue for us with all the building work that is going on at present and planned for the near future.

To prevent fast growing council's being detrimented again by this going forwards we suggest:

- We welcome the recent Office of National Statistics announcement that they will be doing a high migration variant, for the first time, for the current 2016-based subnational population projections, to be issued April 9th this year. The principal projection has historically underestimated the growth rate for Manchester therefore we expect the variant to be used for the population projections in the new funding formula.
- We would prefer an initial projection to be used in the multi-year settlement with an annual update following the mid year release. We favour this approach as otherwise there is a risk of being penalised due to inaccurate projections. Provided there is transparency around the formula and proposed annual update, this should be easy for the LA to forecast once the relevant data is available, improving predictability.





Question 2: What are your views on the best approach to a Fire and Rescue Services funding formula and why?

It is evident that a substantial degree of work is needed to produce a viable alternative model for Fire Funding and particularly consideration of the Multi Level Modelling approach.

The consultation paper clearly identifies population, deprivation and

population aged over 65 as key drivers but does not pick up particular issues about COMAH sites, concentration of high rise premises including high rise living accommodation. As there seems to be a problem with updating some of the data, then as an interim measure, the current formula should be rolled forward but data e.g. population, should be updated where this is available.

Question 3: What are your views on the best approach to Home to School Transport and Concessionary Travel?

Research by the Local Government Association shows that the English National Concessionary Travel Scheme (ENCTS) is now underfunded by £652 million per year. This significant transfer of the burden of funding a national government policy to local government is a matter of considerable concern, since it requires local authorities to divert funds from other services.

The funding formula needs to rectify this shortfall. It should also distribute funding in a way that adequately reflects the variation in ENCTS travel between different areas. As well as the population eligible for ENCTS travel, the formula should take account of bus journeys per eligible person. The latter is likely to be correlated with deprivation, since this is in turn correlated with low car ownership.

It is essential that there is a separate and transparent Funding Formula or mechanism for Concessionary Travel and that it is not simply included in the foundation formula for Upper Tier services. It is also essential that Concessionary Travel is fully funded, given the huge funding gap that now exists between the costs of what is mainly a national statutory scheme and the estimate funding Government is now providing.

New evidence of the funding gap was provided to Parliament Transport Select Committee in oral and written evidence on 30 January and 4 February 2019 and provided to MHCLG showed there is clearly not a flat pattern of spending per resident. The spending need and cost can be much better be addressed by an updated estimate of Boarding by DfT developed in consultation with the LGA and LTAs as was developed for the current formula.

The current proposal would potentially have very significant adverse impact on Transport Authorities ability to provide Public Transport in areas with high concessionary travel usage. This would have adverse impact on pensioners on low incomes and without access to a car and other users of public transport services. It would damage the achievement of transport objectives and undermine efforts to reduce congestion and air pollution, with potential adverse implications for public health.

Question 4: What are your views on the proposed approach to the Area Cost Adjustment?

It is accepted the characteristics of an area may affect the cost of delivering services however this should be backed up by evidence rather than assumptions. Also account should be taken of the fact that as the national minimum wage increases this will, over time, harmonise basic pay values across the country.

We welcome the fact the Area Cost Adjustment will now be reflective of both population sparsity and density. It is logical that issues such as journey times would lead to different unavoidable cost of delivering services. However the weightings for these factors must be developed on robust evidence.

For the Fire Service, rurality may bring additional costs in terms of stations covering a smaller population, but against this, major urban areas require much more expensive 24/7 whole time crewing, so any adjustment for rurality needs careful consideration.

To aid transparency, the Government should publish a full technical note on the analysis it has carried out, and the evidence it has used, to estimate the impact of all factors included in, or excluded from, the ACAs, in particular those related to geographical sparsity, density and remoteness.

RESOURCES Q5 to Q13

Question 5: Do you agree that the Government should continue to take account of non-discretionary council tax discounts and exemptions (e.g. single person discount and student exemptions) and the income forgone due to the pensioner-age element of local council tax support, in the measure of council tax base? If so, how should we do this?

Yes

We agree that Government should continue to take all of the above into account in the measure of council tax base as councils should not bare the cost of government policy decisions.

This should be done using the Council Tax Base returns to reflect the total loss in Tax base due to these exemptions leading to a smaller resources adjustment however the return should be adjusted to properly reflect the number students in entire halls as below.

Universities and their student populations are vital to our economy however they make a call on local services which is not adequately funded. Students are exempt from Council Tax and up to 2013/14 the resource equalisation formula included an element to recompense authorities for loss of the

funding arising from this exemption. However, this protection has been eroded with year on year cuts to funding. Student accommodation is expanding throughout the city which is heavily reducing the capacity to raise Council Tax revenue in some areas of the city. We estimate the net impact on Manchester is a loss of c£10m in 2018/19. The revised formula must recognise the high numbers of student council tax exemptions in the mainstream housing market in relation to local taxation, including where entire halls have been classed on council tax as one hereditament and received a single M exemption. This does not adequately represent 50-100+ students when calculating the extent to which the local tax base has been reduced.

Purpose built student accommodation (PBSA) is currently exempt from business rates, at the same time its residents are exempt from council tax. Consequently these operations contribute nothing towards local services, despite generating significant service demands and making a substantial profit. This arrangement is increasingly outdated and out of sync with the revised local government finance regime.

Local authorities should not be left funding student Council Tax exemptions, government should either compensate in full or student should be charged via either Council Tax or Business Rates depending on circumstances. We have done a lot of work on the impact of this for Manchester which we would be happy to share with government to facilitate further discussion and resolution.

Question 6: Do you agree that an assumptions-based approach to measuring the impact of discretionary discounts and exemptions should be made when measuring the council tax base? If so, how should we do this?

Yes

We agree this remains the most sensible approach to meet the objective of not rewarding or penalising authorities for exercising local discretion. We agree with the LGA suggestion that no discretionary discounts or premiums (with the exception of local council tax support for working age claimants) should be adjusted for, with councils bearing the full cost or receiving the full income from the use of these powers.

Question 7: Do you agree that the Government should take account of the income forgone due to local council tax levels in the resources adjustment? What are your views on how this should be determined?

Yes

The government should definitely take account of the income foregone. Whilst we appreciate the unwillingness to use the actual income foregone

and draw an explicit link the design of the scheme, we do not feel the use of a uniform discount rate is reasonable or fair.

There is a high correlation between an authority's LCTS for working-age residents, expressed as a percentage of its council tax base, and its level of income deprivation.

We support an assumption based approach which uses deprivation indicators as a proxy for the relative level of LCTS for working-age people in each local authority. These indicators can not be directly manipulated by local authorities, which would avoid the unwanted incentives.

Question 8: Do you agree that the government should take a notional approach to council tax levels in the resources adjustment? What are your views on how this should be determined?

No

We think the approach used in settlements since 2016/17 and the Improved Better Care Funds methodology of actual council tax should be continued. As our council tax is below the average rate we would be penalised by a notional rate which would effectively overestimate the level of council tax we actually charge, it is unfair to reduce our funding requirement on the basis of council tax revenue we do not receive.

If notional tax rates were used in the funding formula, this is grounds for referenda limits to be relaxed to enable authorities with below-average tax levels to increase further if desired to get closer to the assumed rate.

Additionally if a notional rate is pursued we would support a higher rate to enable a corresponding increase in needs based funding.

Of larger concern is the commitment to no redistribution of council tax, as outlined in paragraph 3.2.33 of the consultation. We strongly disagree with this proposal as it is a key aspect of equalisation. If an authorities relative need share is lower then its council tax income the excess should be redistributed to those with high need.

Question 9: What are your views on how Government should determine the measure of council tax collection rate in the resources adjustment?

As Collection rates show a strong correlation to the average score of the 2015 IMD we suggest an assumptions based approach which uses deprivation indicators as a proxy to determine an expected collection rate, without causing any unwanted incentive effects.

Question 10: Do you have views on how the Government should determine the allocation of council tax between each tier and/or fire and rescue authorities in multi-tier areas?

In Greater Manchester, there is the slightly wider issue with there being a Mayoral General precept, which includes a significant element for the Fire Service. The allocation of Council Tax between tiers will be critical, as any change in the Fire component (other than for a local decision to increase it) will impact on the practical ability of the Mayor to raise funds for other Mayoral functions (for which he receives no direct funding support)

Question 11: Do you agree that the Government should apply a single measure of council tax resource fixed over the period between resets for the purpose of a resources adjustment in multi-year settlement funding allocations?

Yes

We agree that a single measure of council tax resource fixed over the period of time is the best option for multi-year settlement as this build in an incentive to grow the tax base.

Additionally historical trends are not necessarily indicative of future tax base growth. If the recent trends are not sustained, this would lead to an overestimate of an authority's future tax base.

Question 12: Do you agree that surplus sales, fees and charges should not be taken into account when assessing local authorities' relative resources adjustment?

Yes.

We do not support the inclusion of funding streams other than Council Tax and Business Rates in the allocation of formula funding. Other income is too volatile, there is no national data set, some income is linked to costs or previous investment by the council, some is ringfenced for statutory requirement (e.g. parking).

Question 13: If the Government was minded to do so, do you have a view on the basis on which surplus parking income should be taken into account?

NA

TRANSITION Q14-15**Question 14: Do you agree with the proposed transition principles, and should any others be considered by the government in designing of transitional arrangements?**

Transition has always been a feature of the system in recognition of the fact there is a maximum pace of change which can be handled. We broadly agree with the four principles set out in the paper, with the comments below:

Stability - The range of potential changes in 2020/21 is huge (spending review, Fair Funding Review, baseline reset, changes in NHB, IBCF etc). It is inevitable transition funding will be required and we agree the level of transition must be manageable and sustainable and take account of wider changes to the Local Government Finance system. Specifically it should relate to what authorities are actually spending and take account of the business rates reset, loss of 100% pilot income and council tax raising ability.

Transparency - Yes, agree the process must be clear and understandable

Time Limited - We agree that the transitional arrangements should unwind, unlike the damping in the old four block funding model which counteracted the intended impact of updating the need level and left a significant number of authorities operating with less resource than needed which was then compounded by the inequitable method of applying funding cuts.

Flexibility - Different speeds of implementation across the sector could be beneficial but we would need further detail on how this would work before endorsing. Council Tax revenue raising capacity should certainly be taken into account. We suggest those experiencing reductions should receive assistance with transition funding being received immediately. This should be funded by government and not money from within the system, similar to the Transitional Grant announced in the 2016/17 Local Government Finance Settlement, which saw an additional £300m new funding allocated to authorities who faced Settlement reductions.

Question 15: Do you have views on how the baseline should be constructed for the purposes of transition?

This should be done at actual Spending Power level taking account of resources available to an authority in supporting the net budget including Business rates, actual Council tax, Improved Better Care Fund, Public Health and New Homes Bonus. It should also consider what authorities have actually been spending including the impact of the business rates reset and loss of 100% pilot income.

IMPACT Q16

Question 16: Do you have any comments at this stage on the potential impact of the proposals outlined in this consultation document on persons who share a protected characteristic? Please provide evidence to support your comments?

The proposed move to per capita funding for the Foundation formula would have a disproportionate impact on a number of groups of people who share protected characteristics. The application of the formula would tend to reduce resources going to places where more people experience disabilities and allocate more resources to places where fewer people experience disabilities.

Research by Ben Barr, University of Liverpool University found if applied to the current funding envelope, areas that have a greater than average proportion of the population with a disability would lose out by an average of £2 per head of population, whilst areas with a lower than average proportion of the population with a disability would gain by an average of £2 per head.

The move to per capita funding for the Foundation formula would have a particularly adverse impact on areas with a high proportion of the population from a Black or Minority Ethnic (BME) groups. If the proposed funding formula was applied to the current funding envelope, the 20% of local authority areas with the highest proportion of the population from BME backgrounds, would lose on average £43 per head.

The distributional and inequalities impact for any proposed new funding formulae should be fully assessed by modelling how it would change funding for each local authority and how this differs by level of socioeconomic deprivation.

We believe it is the responsibility of MHCLG to fully assess the impact of proposed changes on persons who share a protected characteristic and residents in general. MHCLG has overall responsibility within central government for local authorities' funding which includes bringing together information about the impact of funding reductions on financial and service sustainability, assessing the funding requirements of local authorities as part of Spending Reviews and supporting the financial sustainability of the sector by changing the overall funding framework if required.

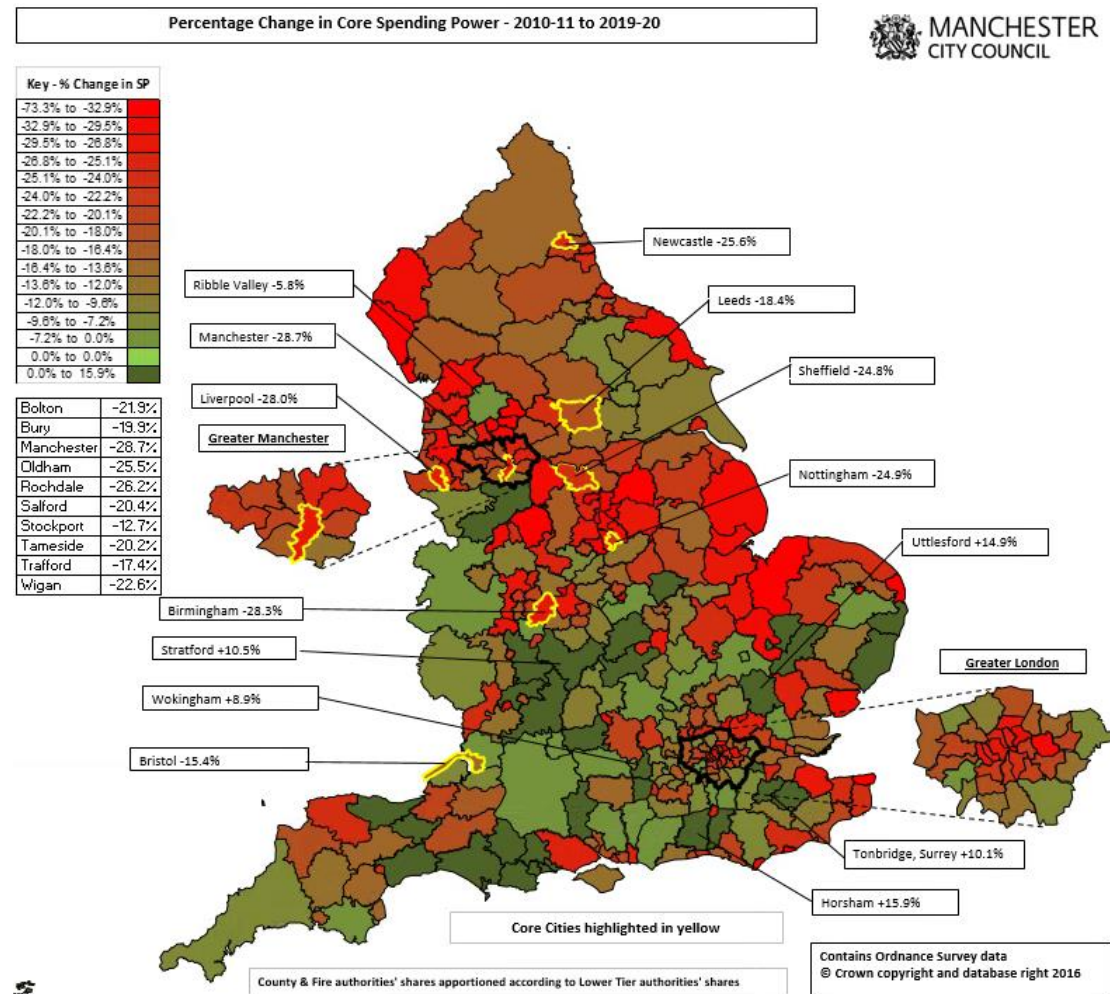
As noted in the PAC report on Local Government Funding released 6 February 2019 *'The Department continues to insist that the sector is sustainable but refuses to provide the evidence that Parliament and the public need to be assured that this is actually the case.'*

Analysis clearly shows that the reductions in local government funding that have been required since 2010 have been distributed at significantly different levels around the country, and that this distribution prior to 2016/17

failed to take into consideration the level of local resource available to individual local authorities. Cumulatively, more of the cuts required since 2010 have come from the most deprived authorities, compounding the impact on protected groups.

We believe that, for the Government to assess the impact of the review on protected groups, it must carry out an analysis of the changes in Spending Power (after adjusting for new burdens) as this will incorporate the changes in other sources of local authority income, and test our assertion that based on the current proposals the most deprived authorities will continue to see the biggest relative funding reductions which will inevitably have an impact on protected groups.

Appendix 1 - Percentage change in Core Spending Power 2010/11 to 2019/20



**Manchester City Council
Report for Information**

Report to: Resources and Governance Scrutiny Committee - 7 March 2019

Subject: Overview Report

Report of: Governance and Scrutiny Support Unit

Summary

This report provides the following information:

- Recommendations Monitor
- Key Decisions
- Work programme
- Items for information

Recommendation

The Committee is invited to discuss the information provided and agree any changes to the work programme that are necessary.

Contact Officer:

Name: Mike Williamson
Position: Team Leader- Scrutiny Support
Telephone: 0161 234 3071
E-mail: m.williamson@manchester.gov.uk

Wards Affected: All

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.

None

1. Monitoring Previous Recommendations

This section of the report contains recommendations made by the Committee and responses to them indicating whether the recommendation will be implemented, and if it will be, how this will be done.

Items highlighted in grey have been actioned and will be removed from future reports.

Date	Item	Recommendation	Action	Contact Officer
21 June 2018	RGSC/18/28 Health and Social Care Governance and Budget arrangements	To request Officers provide information to all members of the Council on VCS funding available from MHCC and how this can be accessed	MHCC has contributed £929K to a Targeted VCS Grant Fund under the Our Manchester VCS Board. Monies from the Greater Manchester Transformation Fund will be added into this fund and grants will be allocated later this year to specifically target Priorities 1 and 4 of Manchester's Population Health Plan. A co-design process is currently underway and elected members will be informed further about the Fund, and the opportunities for organisations to bid for grants, once the co-design process has been completed and more detail is available.	Ed Dyson
6 September 2018	RGSC/18/47 Blacklisting	To request that the City Solicitor provides a view on whether there is a contradiction within the Council's self-cleaning regime as identified by the Committee	This will be explored at the Ethical Procurement Sub Group committee meeting and update provided.	Fiona Ledden

8 November 2018	RGSC/18/61 Annual Property Report	To request that Scrutiny Committee is sighted on any report in relation to the proposals surrounding the re-provision of existing social housing tenants within the Beswick area as part of the Eastlands Regeneration Framework.	Not completed yet, it is anticipated that a report will go to the Executive meeting in March 2019.	Eddie Smith
		To request that Officers provide information on the Social Value aspect of the Jacobs contract to members of the Resources and Governance Scrutiny Committee and the Ethical Procurement and Contract Management Sub Group.	<p>The property services contract, won by Jacobs, was tendered after the Social Value evaluation was included within the Council's tender procedures. As such there was a detailed and comprehensive submission by Jacobs, which was evaluated, relating to social value.</p> <p>The detail of the bid is summarised as follows:-</p> <ul style="list-style-type: none"> • Jacobs employ over 700 GM residents. • As a company they plan to invest in 60 new graduate roles, 20 apprentices, 80 skilled staff from the local area. • They have 50 annual placements locally. • They run 5 school engagement days and have a very close relationship, at a further education level, with UoM Dept for Environment. • They source most of their day to day expenditure locally (£7Mpa). 	Eddie Smith

			<ul style="list-style-type: none"> • Sponsor Halle Youth Orchestra. • Signed up to City of Trees and Give as you Earn initiatives <p>Staff are paid above minimum wage and the lowest paid (in the year prior to the bid 15/16) were given a 10% pay rise.</p> <p>Comprehensive package of health and wellbeing initiatives and they have a long established apprenticeship programme.</p> <p>Monitoring</p> <p>The contract was awarded mid 2018 (there was a relatively lengthy review process) and so we are still within the first 12 months of the bid. We have just commenced the annual review of the Social Value outcomes. We have requested information relating to the performance against the objectives outlined in the bid and will be analysing the outcomes, relevance of these and whether there are more appropriate indicators or outcomes in line with the City's corporate plan outcomes. This review will be undertaken over the next 2 months.</p>	
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6 December 2018	RGSC/19/66 Update on Revenue Financial Strategy and Business Plan Process 2019/20	To request that a report is submitted to a future meeting on how the Council can influence advertisers, as part of the tender process, on the appropriateness of adverts when advertising on Council owned land.	A report was submitted to the Ethical Procurement Sub Group for consideration on 21 February 2019	Eddie Smith
10 Jan 2019	RGSC/19/03 Management of staff performance and misconduct	The Committee recommends that a report on the management of staff performance and misconduct that includes the information requested be submitted for consideration at the next meeting	A further report was submitted to the 6 February 2019 meeting for consideration	Lynne Ridsdale
10 Jan 2019	RGSC/19/04 Progress report on Manchester City Council's action on Modern Slavery	To recommend that the Ethical Procurement Policy include the relevant contact information for the Police	Officers to action accordingly	Ian Brown
10 Jan 2019	RGSC/19/05 Living Wage Accreditation Update	To recommend that an update report be submitted for consideration at its meeting in May 2019	An item will be added to the Committees work programme for consideration at its May 2019 meeting subject to the necessary information being available for Officer to produce the required report	Janice Gotts

7 Feb 2019	RGSC/19/9 Updated Financial Strategy and Directorate Business Plans 2019-20	To request the City Treasurer to provide a briefing note on the €3million European approved grants that the Council currently had access to	This information will be provided to Committee Members in due course	Carol Culley
7 Feb 2019	RGSC/19/9 Updated Financial Strategy and Directorate Business Plans 2019-20	To request that a report is submitted to a future meeting of the HR Sub Group on the management of absence across the Council	An item will be added to the work programme of the HR Sub Group, with a date for consideration to be agreed by the Chair of the Sub Group	Mike Williamson
7 Feb 2019	RGSC/19/10 The impact of welfare reform agenda on the Council's finances and its ability to provide support to residents of Manchester	To request that the Scrutiny Team Leader liaises with the Director of Customer Services and Transactions to arrange a site visit to the Revenue and Benefits department at a suitable time	Following discussions with the Director of Customer Services and Transactions, it is suggested that a site visit takes place following the local elections as the Revenue and Benefits Team are relocating offices throughout March and to take into account Purdah	Mike Williamson

2. Key Decisions

The Council is required to publish details of key decisions that will be taken at least 28 days before the decision is due to be taken. Details of key decisions that are due to be taken are published on a monthly basis in the Register of Key Decisions.

A key decision, as defined in the Council's Constitution is an executive decision, which is likely:

- To result in the Council incurring expenditure which is, or the making of savings which are, significant having regard to the Council's budget for the service or function to which the decision relates, or
- To be significant in terms of its effects on communities living or working in an area comprising two or more wards in the area of the city.

The Council Constitution defines 'significant' as being expenditure or savings (including the loss of income or capital receipts) in excess of £500k, providing that is not more than 10% of the gross operating expenditure for any budget heading in the in the Council's Revenue Budget Book, and subject to other defined exceptions.

An extract of the most recent Register of Key Decisions, published on **12 February 2019**, containing details of the decisions under the Committee's remit is included below. This is to keep members informed of what decisions are being taken and, where appropriate, include in the work programme of the Committee.

Directorate - Corporate Core

Decision title	What is the decision?	Decision maker	Planned date of decision	Documents to be considered	Contact officer details
Strategic Land Acquisition Ref: 15/003	The approval of capital expenditure for the purpose of the strategic acquisition of land.	City Treasurer	March 2018 or later	Gateway 5 (procurement document)	Eddie Smith 0161 234 4821 e.smith@manchester.gov.uk
Collyhurst Regeneration Ref: 15/005	The approval of capital expenditure for land and buildings in Collyhurst.	City Treasurer	March 2018 or later	Gateway 5 (procurement document)	Eddie Smith 0161 234 4821 e.smith@manchester.gov.uk

Decision title	What is the decision?	Decision maker	Planned date of decision	Documents to be considered	Contact officer details
Depots Programme Ref: 15/007	The approval of capital expenditure on the council's depots.	City Treasurer	March 2018 or later	Gateway 5 (procurement document)	Julie McMurray Tel: 0161 234 6702 j.mcmurray@manchester.gov.uk
Factory Project Ref: 15/012	The approval of capital expenditure in relation to the creation of the Factory.	City Treasurer	March 2018 or later	Gateway 5 (procurement document)	Dave Carty 0161 219 6501 d.carty@manchester.gov.uk
Allocation of Central Contingencies/ Reserves Ref: 15/023	To fund currently unplanned expenditure or expenditure the exact amount of which has yet to be determined.	The Executive	March 2018 or later	Report to the Executive as part of the Global Monitoring Report	Carol Culley 0161 234 3590 carol.culley@manchester.gov.uk
Allocations for General/Earmarked Reserves Ref: 15/024		The Executive	March 2018 or later	Report and recommendation	Carol Culley 0161 234 3590 carol.culley@manchester.gov.uk
Clean and Green Fund Ref: 15/025	Long-term improvements to cleanliness and environment of the city.	City Treasurer	March 2018 or later	Requests from Growth and Neighbourhoods Directorate	Carol Culley 0161 234 3590 carol.culley@manchester.gov.uk
Leisure Services – External Ref: 2016/02/01C	The approval of capital expenditure.	City Treasurer	March 2018 or later	Gateway 5 procurement document	Lee Preston 07852957286 l.preston2@manchester.gov.uk

Decision title	What is the decision?	Decision maker	Planned date of decision	Documents to be considered	Contact officer details
Capital Investment in schools Ref: 2016/02/01D	The approval of capital expenditure in relation to the creation of school places through new builds or expansions.	City Treasurer	January 2018 or later	Gateway 5 (procurement document)	Amanda Corcoran 0161 234 4314 a.corcoran@manchester.gov.uk
Our Manchester Strategy 2016-19 Ref: 2016/01/14	To adopt the "Our Manchester ICT Strategy 2016-19".	The Executive	March 2018 or later	Our Manchester ICT Strategy 2016-19	Bob Brown 0161 234 5998 bob.brown@manchester.gov.uk
Construction and Property Professional Services Framework (CAPPS) for the Capital Programmes and Property Dept. Contract TC859 Ref: 2016/07/21	To seek approval to award Framework Agreements a range of professional services in connection with construction and property related matters. This will consist of 21 individual Framework Lots, each relating to a specific professional discipline, for the use of the Capital Programmes and Property Dept. Each will operate for 2 years with an option to extend for up to a further 2 years. The anticipated commencement dates	Chief Executive in consultation with the City Treasurer	Phased in batches of Lots according to priority, between September 2016 and September 2018 or later	Confidential contract report with recommendations and supporting documents.	John Finlay 0161 219 6530 j.finlay@manchester.gov.uk Neil Davies 0161 234 3005 n.davies@manchester.gov.uk

Decision title	What is the decision?	Decision maker	Planned date of decision	Documents to be considered	Contact officer details
	for various Lots are phased between August and October 2016.				
Provision of licenses for improved SAP provision Ref: 2017/02/02A	To seek approval to award a contract to a single supplier for license provision allowing the Council access to an improved SAP interface.	City Treasurer in consultation with the Chief Executive	March 2018 or later	Confidential contract report with recommendations	Bob Brown 0161 234 5998 bob.brown@manchester.gov.uk Michael Shields 0161 234 1009 m.shields@manchester.gov.uk
Carbon Reduction Programme Ref:2017/06/30C	The Approval of Capital Spend in order to achieve a reduction in carbon emissions.	City Treasurer	March 2018 or later	Gateway 5	Julie McMurray Strategic Development 0161 219 6791 Mobile : 07950 790533 j.mcmurray@manchester.gov.uk
Estates Transformation Ref:2017/06/30D	The approval of capital spend to ensure that the operational estate is fit for purpose.	City Treasurer	March 2018 or later	Gateway 5	Julie McMurray Strategic Development 0161 219 6791 / 07950 790533 j.mcmurray@manchester.gov.uk
Security Services (Contract TC888) Ref:2017/09/04B	To seek approval to appoint a company/s for the provision of Security Services, covering all city requirements within Manchester. The contract will be for a 3 year period with	City Treasurer in consultation with the Chief Executive	March 2018 or later	Confidential contract report with recommendations	Steve Southern Head of Facilities Management Corporate Estates Team 0161 234 3683 s.southern@manchester.gov.uk Colin Butterworth Senior Procurement Officer 0161 234 3434

Decision title	What is the decision?	Decision maker	Planned date of decision	Documents to be considered	Contact officer details
	the option to extend for a further 2 years.				c.butterworth@manchester.gov.uk
Lincoln Square/Brazennose St Ref: 2017/12/04A	To approve the signing of a collaboration agreement among landowners, as a precursor to the Council investing £1.2m of a total of £4.08m in a new public square and public realm.	City Treasurer	March 2018	Draft collaboration agreement Draft public realm development plans High level cost schedule	Pat Bartoli Head of City Centre Growth and Regeneration 0161 234 3329 p.bartoli@manchester.gov.uk
Greater Manchester Waste Disposal Authority (GMWDA) - GM Waste Disposal Levy Allocation Methodology and Approval of a Revised Levy Allocation Model 2017/12/13	Approve the revised GMWDA Levy Apportionment Methodology Agreement which is to be applied in full from 2019/20 and with transitional arrangements for 2018/19.	City Solicitor	March 2018	GMWDA Waste Management Levy Allocation Methodology (LAMA) Agreement	Fiona Worrall 0161 234 3926 f.worrall@manchester.gov.uk
Extra Care Ref: 2018/02/1A	The approval of capital expenditure that will provide 72 new units as part of the City's Extra Care Programme	City Treasurer	March 2018 or later	Business Case	Steve Sheen 234 4115 s.sheen@manchester5.gov.uk
Empty Homes Clusters Phase 2 Ref: 2018/02/28D	The approval of capital expenditure for the purchase and refurbishment of long	City Treasurer	March 2018 or later	Business Case and Gateway 5 (procurement document)	Ian Runacres 0161 234 4953 i.runacres@manchester.gov.uk

Decision title	What is the decision?	Decision maker	Planned date of decision	Documents to be considered	Contact officer details
	term empty properties in North and East Manchester				
Manchester Health and Care Commissioning Pooled Budget Arrangements Ref: 2018/03/15/A	To finalise and agree the Section 75 agreement between the Council and the Manchester Clinical Commissioning Group to enter into a pooled budget arrangement.	City Treasurer, Interim City Solicitor in consultation with Executive Member for Finance and Human Resources	30/04/18	Report to Executive 21/03/18 The Section 75 Agreement	Carol Culley City Treasurer 0161 234 3406 c.culley@manchester.gov.uk Jacqui Dennis Interim City Solicitor 0161 234 3087 j.dennis@manchester.gov.uk
National Productivity Investment Fund – Mancunian Way Junctions with Princess Parkway Improvements Ref: 2018/04/03/B	The approval of capital spend to improve and increase capacity throughout by signalling two key junctions of the Mancunian Way; Princess Road/Medlock Street and Cambridge Street/Higher Cambridge Street	City Treasurer	April 2018 or later	Gateway 5 & Business Case	Kim Dorrington 0161 234 4828 k.dorrington@manchester.gov.uk
Provision of Telephony / Unified Communications Ref: 2018/04/03/F	To seek approval to award a contract to a single supplier for the provision of Telephony / Unified	City Treasurer / SMT	October 2018	Confidential Contract Report with Recommendations	Bob Brown Chief Information Officer Tel: 0161 234 5998 Bob.brown@manchester.gov.uk

Decision title	What is the decision?	Decision maker	Planned date of decision	Documents to be considered	Contact officer details
	Communications across the Council				Michael Shields Procurement Manager Tel: 0161 234 1009 m.shields@manchester.gov.uk
North West Construction Hub High Value Framework (2018-2022) Reprocurement Ref: 2018/05/1A	Approval to appoint contractors to the North West Construction Hub High Value Framework 2018, for the delivery of construction projects of a value between £8m – over £35m for public sector organisations within the North West of England.	City Treasurer	November 2018	Confidential High Value Report 2018 (will be attached at Key Decision stage once outcome of process is known)	Name: Jared Allen Position: Director of Capital Programmes and Property Tel no: 0161 219 6213 Email address:j.allen@manchester.gov.uk Name: John Finlay Position: Capital Programme Procurement Manager Email: j.finlay@manchester.gov.uk 0161 219 6213
TC969 – Provision of Comms Room Phase 2 Project and Delivery 2018/09/24C	MCC requires a delivery partner to refresh the hardware in the Comms Rooms and to design, test and implement a fit for purpose Software Defined LAN.	City Treasurer	December 18 onwards	Report and Recommendation	Andrew Blore ICT Strategic Business Partner 0161 234 1882 a.blore@manchester.gov.uk
Replace On Street Parking Pay and Display Machines 2018/09/28C	The approval of capital spend on the replacing of pay and display machines to allow for newer payment types.	City Treasurer	October 2018 or later	Business Case	Steve Robinson 0161 234 4828 Steve.robinson@manchester.gov.uk

Decision title	What is the decision?	Decision maker	Planned date of decision	Documents to be considered	Contact officer details
Peterloo Memorial 2018/10/04D	The approval of capital expenditure in relation to the creation of the Peterloo Memorial.	City Treasurer	December 2018 or later	Checkpoint 4 Business Case	Dave Carty d.carty@manchester.gov.uk 0161 234 5908
Award of Print Contract for Elections and Registration 2018/10/04E	To appoint a supplier to provide print services for Elections and Registration materials for a period of 2 years with the ability to extend for a further 2 years, dependent on performance and delivery. The intended commencement date of the contract is January 2019.	City Solicitor	November 2018	Tender Responses and sample materials submitted by bidders as part of the competitive tendering process (being managed by STaR procurement on behalf of AGMA authorities)	Emma Burnett Head of Electoral Services e.burnett@manchester.gov.uk 0161 234 3146 Clare Travers Electoral Services Team Manager c.travers@manchester.gov.uk 0161 219 6949
Metroshuttle Funding 2018/10/05A	To finalise and agree the terms for a new funding agreement with Transport for Greater Manchester for the City Council funding contribution towards the Metroshuttle costs.	City Treasurer and City Solicitor in consultation with Lead Member for Finance and Human Resources	Nov 18	Funding agreement and Executive Report	Name: Paul Hindle Position: Head of Finance Email:- p.hindle@manchester.gov.uk Telephone:0161 234 3025 Name: Richard Elliot Position: Head of City Policy Email: r.elliott@manchester.gov.uk Telephone: 0161 219 6494

Decision title	What is the decision?	Decision maker	Planned date of decision	Documents to be considered	Contact officer details
Supply, installation, and maintenance of Pay and Display ticket machines 2018/10/11A	To seek approval to award a Contract to 1 supplier to Supply, install, and provide maintenance of all Pay and Display ticket machines across the city centre	City Treasurer & Deputy Chief Executive	Dec 2018	Confidential Contract Report with recommendation	Daniel Holden Contracts Manager Tel: 07534 956491 d.holden@manchester.gov.uk Stephen Polese Procurement Officer 0161 234 3265 s.polese@manchester.gov.uk
House and Institute of Sport 2018/10/17A	To undertake feasibility works around the National Squash Centre and Athletics Arena in advance of development of MMU – Institute of Sport and Council's House of Sport. Feasibility works £1.5m (Council contribution £450k, MMU £1.05m).	The City Treasurer	October 2018	Report to Executive: Eastlands Regeneration Framework - 13.12.17 & 25.07.18 (update).	Name: Richard Cohen Position: Senior Development Surveyor Tel no: 234 3019 Email address: r.cohen@manchester.gov.uk
North West Construction Hub Medium Value Framework (2019-2023) Reprocurement 2018/11/02A	Approval to appoint contractors to the North West Construction Hub Medium Value Framework 2019, for the delivery of construction projects of a value between £2m – £10m	City Treasurer	March 2019	Confidential Medium Value Report 2019 (will be attached at Key Decision stage once outcome of process is known)	Name: Jared Allen Position: Director of Capital Programmes and Property Tel no: 0161 219 6213 Email address:j.allen@manchester.gov.uk Name: John Finlay Position: Capital Programme

Decision title	What is the decision?	Decision maker	Planned date of decision	Documents to be considered	Contact officer details
	split as follows: Lot 1 – Cumbria, £2m - £5m Lot 2 – Lancashire, £2m - £5m Lot 3 – Greater Manchester, £2m - £5m Lot 4 – Merseyside, £2m - £5m Lot 5 – Cheshire, £2m - £5m Lot 6 – North West, £5m - £10m for public sector organisations within the North West of England.				Procurement Manager Email: j.finlay@manchester.gov.uk 0161 219 6213
Smallworks Construction Framework (2019) 2018/11/20J	Approval to appoint contractors to the Smallworks Construction Framework, for the delivery of construction projects of a value between £2k - £500k for Manchester City Council and other public bodies as outlined in the OJEU notice for a	City Treasurer	April 2019	Confidential Smallworks Construction Framework Tender Report (2019) (will be attached at Key Decision stage once outcome of process is known)	Name: Jared Allen Position: Director of Capital Programmes and Property Tel no: 0161 219 6213 Email address:j.allen@manchester.gov.uk ----- Name: John Finlay Position: Capital Programme Procurement Manager Email: j.finlay@manchester.gov.uk 0161 219 6213

Decision title	What is the decision?	Decision maker	Planned date of decision	Documents to be considered	Contact officer details
	duration of 3 years with the option to extend for a further 1 year.				
Heron House 2018/11/20L	Disposal by Leasehold of office accommodation at Heron House	Chief Executive	From December 2018 onwards	Briefing Note and Heads of Terms	Name: Richard Cohen Position: Senior Development Surveyor Email: r.cohen@manchester.gov.uk Tel: 0161 234 3019
Airport Car Park Investment 2018/12/14B	The approval of capital spend for the purpose of an investment into further development at the Airport.	City Treasurer	January 2019 or later	Business Case	Carol Culley City Treasurer Carol.culley@manchester.gov.uk 234 3406
College Loan 2018/12/14C	The approval of capital spend for the purpose of providing a loan to LTE Group as per the Report to Executive on 12 th December 2018	City Treasurer	January 2019 or later	Business Case	Carol Culley City Treasurer Carol.culley@manchester.gov.uk 234 3406
Refurbishment of the Exchange Square Water Feature 2018/12/20A	To agree the release of capital from Borrowings to enable the letting of a contract to fund the refurbishment of the Exchange Square Water Feature.	City Treasurer	January 2019	<ul style="list-style-type: none"> - Contract note - Checkpoint 1 report. - Document that confirms how the contract will be let 	Name: Steve Robinson Position: Director of Operations (Highways) Tel no: 0161 234 4828 Email address: steve.robinson@manchester.gov.uk
The Factory – MCC Contribution to the Factory and Land	Approval to spend MCC capital funding on the Factory Project and	The City Treasurer	Feb 19	Factory Manchester 1.Report to The	Jared Allen Director of Capital Programmes

Decision title	What is the decision?	Decision maker	Planned date of decision	Documents to be considered	Contact officer details
Acquisition's in St Johns 2019/01/02A	Land Acquisition's in St Johns			Executive 29 July 2015 2.Factory Manchester Project Overview 31st May 2016 3.Report to The Executive 26 July 2017 4.Report to The Executive January 2017 5. Report to The Executive 21 March 2018 6.Report to The Executive 14 November 2018	Tel: 0161 234 5683 Mobile: 07866 989671 email: j.allen4@manchester.gov.uk
Lease of space within Lowry Mill 2019/01/04A	To Exercise the option within the existing lease to enter into a lease for between 5 and 8 years for additional space at the Lowry Mill, from 1st March 2019. The Council can break the lease after year 5 on 6 months' notice and will strive to break at the earliest possibility to save costs. The annual	Deputy Chief Executive	1 February 2019	Lowry Mill Lease	Name:Georgia Cayton Position:Estates Service Lead Tel no:0161 234 4659 Email address:g.cayton@manchester.gov.uk

Decision title	What is the decision?	Decision maker	Planned date of decision	Documents to be considered	Contact officer details
	rents are all inclusive and include all outgoing costs including repairs, maintenance, renewal, utilities, business rates, security and any other costs.				
Liquid Logic 2018/01/08A	The approval of additional capital spend for the purpose of completing the implementation of the new social care system.	City Treasurer	February 2019 or later	Business Case	Bob Brown 0161 234 5998 Bob.brown@manchester.gov.uk
To adopt a revised and updated Ethical Procurement Policy 2019/02/01A	To incorporate into the Policy the Unite Construction Charter (to put into effect the resolution of the Council on a Motion considered on 30 January 2019), and any other revisions necessary.	The Executive	13 March 2019	Draft of the proposed revised Ethical Procurement Policy, copy of the Construction Charter agreed with Unite, officers' report.	Name: Ian Brown Position: Head of Corporate Procurement Tel no: Email address: i.brown@manchester.gov.uk
Outdoor Major Events Framework 2019/02/01C	To seek approval to award a Framework to up to 3 suppliers (per Lot) to provide equipment and advice for the Events Team for upcoming Major Events throughout the City	City Treasurer	May 2019	Confidential Contract Report with recommendation	Mike Parrott Events Manager Tel: 07798 698 785 M.Parrott@manchester.gov.uk Stephen Polese Procurement Officer 0161 234 3265 s.polese@manchester.gov.uk

Decision title	What is the decision?	Decision maker	Planned date of decision	Documents to be considered	Contact officer details
TC993 – Manchester Active Membership Scheme and Integration Hub 2019/02/01D	Introduce a new city-wide membership reporting ICT solution (MCRActive).	City Treasurer	June 19 onwards	Report and Recommendation	Robert Kelk Procurement Manager 0161 245 7897 r.kelk@manchester.gov.uk Bob Brown Chief Information Officer 0161 234 5998 bob.brown@manchester.gov.uk
Silk Street 2019/02/20A	The approval of capital expenditure to develop design for the Silk Street Project	City Treasurer	March 2019 or later	Checkpoint 4 Business Case	Ian Runacres 234 4953 i.runacres@manchester.gov.uk
End User Experience 2019/02/20B	The approval of capital expenditure to deliver equipment, ICT collaboration and productivity tools to ensure staff can effectively undertake their jobs.	City Treasurer	March 2019 or later	Checkpoint 4 Business Case	Bob Brown 0161 234 5998 Bob.brown@manchester.gov.uk
Northwards ERDF Ground Source Heat Pumps 2019/02/20C	The approval of capital expenditure on ground source heat pumps to 270 flats, PV and battery installations and other energy efficiency improvements to a small number of properties	City Treasurer	March 2019 or later	Checkpoint 4 Business Case	Ian Runacres 234 4953 i.runacres@manchester.gov.uk

Decision title	What is the decision?	Decision maker	Planned date of decision	Documents to be considered	Contact officer details
Civic Quarter Heat Network 2019/02/20D	The approval of capital expenditure in relation to the creation of low carbon Energy Centre.	City Treasurer	March 2019 or later	Checkpoint 4 Business Case	Eddie Smith 0161 234 4821 e.smith@manchester.gov.uk
Wi-Fi 2019/02/20E	The approval of capital expenditure on the provision of Wi-Fi across the Council's estate.	City Treasurer	March 2019 or later	Checkpoint 4 Business Case	Bob Brown 0161 234 5998 Bob.brown@manchester.gov.uk
Northern Gateway Commercial Loan Facility 2019/02/22A	The approval of capital expenditure in the form of a loan facility to the Northern Gateway Development Manager of up to £11m, on a phased payment basis, for strategic land acquisitions within the Northern Gateway SRF area.	Full Council	27 March 2019	Report and recommendation and Heads of Terms contained within Part B report.	Name: Carol Culley Position: City Treasurer Tel no: 0161 234 3406 Email address: Carol.culley@manchester.gov.uk

Decisions that were taken before the publication of this report are marked * (none)

3. Resources and Governance Scrutiny Committee - Work Programme – March 2019

Thursday 7 March 2019, 2.00pm (Report deadline Tuesday 26 February 2019)				
Item	Purpose	Executive Member	Strategic Director / Lead Officer	Comments
Our Manchester – financial impact on decision making and business planning	To receive a report on the evaluation of Our Manchester and how this is helping to deliver the required Council savings targets and the effect that it will have on the Council's future budget process	Councillor Ollerhead (Executive Member for Finance and HR)	Sara Todd Carol Culley	This will be a presentation
Responses to Government Consultations	To receive a report for information on the Council's responses to the following consultations:- Fair Funding Review Business Rates	Councillor Ollerhead (Executive Member for Finance and Human Resources)	Carol Culley Janice Gotts	
Overview Report	The monthly report includes the recommendations monitor, relevant key decisions, the Committee's work programme and any items for information.		Mike Williamson	

Tuesday 21 May 2019, 10.00am** PLEASE NOTE NEW DATE FOR THE MEETING (Report deadline Thursday 9 May 2019)				
Item	Purpose	Executive Member	Strategic Director / Lead Officer	Comments
To be determined				
Annual Work Programming Session	The meeting will close for the annual work programming session where members determine the work programme for the forthcoming year. To follow a presentation from the City Treasurer and City Solicitor on upcoming issues and challenges within the Committee's remit.		Carol Culley Fiona Ledden	This part of the meeting will be closed to the public.
Overview Report	The monthly report includes the recommendations monitor, relevant key decisions, the Committee's work programme and any items for information.		Mike Williamson	

Items to be Scheduled (Items highlighted in grey indicate that these have been included in the work plan of one of the above meetings)				
Item	Purpose	Executive Member	Strategic Director / Lead Officer	Comments
Review of the Council's Christmas 2018 communications	To receive a report that reviews the level of success the Council's Christmas 2018 communications	Councillor Nigel Murphy (Deputy Leader)	Jen Green	
Update on Capital Projects	To receive an update on the progress with a number of following Capital projects against the agreed costs:- <ul style="list-style-type: none"> • Manchester College • The Factory • Central Retail Park • Life Sciences Development 	Councillor Leese (Leader) Councillor Ollerhead (Executive Member for Finance and Human Resources)	Carol Culley Eddie Smith Jared Allen	
Update on Highways Maintenance Capital projects	To receive a report on the progress of Capital projects within Highways Maintenance, against the agreed costs	Cllr Stogia (Executive Member for Highways, Planning and Transport) Councillor Ollerhead	Steve Robinson Carol Culley	

		(Executive Member for Finance and Human Resources)		
Global Revenue Budget Monitoring	To receive an update on the forecasted financial position for 2017/18 through to 2018/19	Councillor Ollerhead (Executive Member for Finance and Human Resources)	Carol Culley Janice Gotts	This will be considered as part of the suite of reports at the Budget meeting of 25 February 2019.
Section 106 and the Councils associated financial obligations - update	To receive a further update that includes:- The governance arrangements in the delivery of S106 agreements; Progress made following the Council motion passed in March 2018 on Transparent Viability Assessments; Practical examples of the delivery and spend of S106 funding The structure of consultation with Ward Councillors; Consideration of the use of CIL within the City Centre	Councillor Nigel Murphy (Deputy Leader)	Eddie Smith Julie Roscoe	Date to be confirmed
The Factory Project – update	To receive an update on the progress of The Factory project against the agreed costs	Councillor Leese (Leader)	Eddie Smith Carol Culley	To receive this update every quarter
Progress of spend against the Northern Gateway and Eastern Gateway programmes	To receive a report on the progress of spend against the Northern Gateway and Eastern Gateway programmes	Councillor Leese (Leader) Councillor	Eddie Smith Carol Culley	See December 2018 minutes

		Ollerhead (Executive Member for Finance and Human Resources)		
The Council's Communication Plan 2019/20	To receive a draft of the Council's proposed communications plan for 2019/20	Councillor Nigel Murphy (Deputy Leader)	Jen Green	Provisionally scheduled for May 2019
The Council's approach to consultation	To receive a report on the Council's approach to consultation with Manchester residents	Councillor Nigel Murphy (Deputy Leader)	Jen Green Kate Waterhouse	Provisionally scheduled for September 2019 as part of a communication themed meeting
The Council's proposed communications strategy for setting its budget for 2020 onwards	To receive a report that outlines how the Council intends to communicate and consult with Manchester residents on its budget process for 2020 and beyond	Councillor Nigel Murphy (Deputy Leader) Councillor Ollerhead (Executive Member for Finance and Human Resources)	Jen Green Carol Culley Janice Gotts	Provisionally scheduled for September 2019 as part of a communication themed meeting

Update on progress made with GDPR communications	To receive a report that provides an update on how successful the Council has been in communicating with staff on the requirements of GDPR		Jen Green Fiona Ledden	Provisionally scheduled for September 2019 as part of a communication themed meeting
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