



Executive

Date: Wednesday, 15 February 2023

Time: 2.00 pm

Venue: Council Antechamber, Level 2, Town Hall Extension

Everyone is welcome to attend this Executive meeting.

Access to the Public Gallery

Public access to the Council Antechamber is on Level 2 of the Town Hall Extension, using the lift or stairs in the lobby of the Mount Street entrance to the Extension. **There is no public access from any other entrance.**

Filming and broadcast of the meeting

Meetings of the Executive are 'webcast'. These meetings are filmed and broadcast live on the Internet. If you attend this meeting you should be aware that you might be filmed and included in that transmission.

Membership of the Executive

Councillors

Craig (Chair), Akbar, Bridges, Hacking, Igbon, Midgley, Rahman, Rawlins, T Robinson and White

Membership of the Consultative Panel

Councillors

Ahmed Ali, Butt, Collins, Douglas, Foley, Johnson, Leech, Lynch and Stanton

The Consultative Panel has a standing invitation to attend meetings of the Executive. The Members of the Panel may speak at these meetings but cannot vote on the decisions taken at the meetings.

Agenda

- 1. 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.
- 2. 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.
- 3. Minutes**
To approve as a correct record the minutes of the meeting held on 18 January 2023 attached. 7 - 18
- 4. Our Manchester progress update report**
Report to follow
- 5. Revenue Budget Monitoring Update**
Report to follow
- 6. Capital Programme Budget Monitoring 2022/23**
Report to follow
- 7. Medium Term Financial Strategy and 2023/24 Revenue Budget**
Report to follow
- 8. Corporate Core Budget 2023/24** **All Wards**
Report of the Deputy Chief Executive and City Treasurer attached 19 - 50
- 9. Children and Education Services Budget 2023/24** **All Wards**
Report of the Strategic Director for Children's and Education Services attached 51 - 84
- 10. Public Health Budget 2023-26** **All Wards**
Report of the Director Public Health attached 85 - 104
- 11. Adult Social Care Budget 2023/24** **All Wards**
Report of the Executive Director of Adult Social Services attached 105 - 146

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| 12. Neighbourhoods Directorate Budget 2023/24 - Part 1 Report of the Strategic Director (Neighbourhoods) attached | All Wards 147 - 162 |
| 13. Neighbourhoods Directorate Budget 2023/24 - Part 2 Report of the Strategic Director (Neighbourhoods) attached | All Wards 163 - 180 |
| 14. Zero Carbon 2023/24 Budget Report Report of the Deputy Chief Executive and City Treasurer attached | All Wards 181 - 192 |
| 15. Homelessness Directorate 2023/24 Budget Report of the Strategic Director (Neighbourhoods) attached | All Wards 193 - 216 |
| 16. Growth and Development Directorate Budget 2023/24 Report of the Strategic Director (Growth and Development) attached | All Wards 217 - 234 |
| 17. Housing Revenue Account 2023/24 to 2025/26 Report of the Deputy Chief Executive and City Treasurer, the Strategic Director (Growth and Development) and the Strategic Director (Neighbourhoods) attached | All Wards 235 - 264 |
| 18. Schools Budget 2023/24 Report of the Strategic Director for Children's and Education Services attached | All Wards 265 - 272 |
| 19. Capital Strategy and Budget 2023/24 to 2025/26 Report to follow | |
| 20. Treasury Management Strategy Statement 2023/24, including Borrowing Limits and Annual Investment Strategy Report to follow | |
| 21. Manchester Active Travel Strategy and Investment Plan Report of the Strategic Director (Growth and Development) attached | All Wards 273 - 334 |
| 22. Health and Care Integration: Establishment of Manchester Partnership Board as the Locality Board of Manchester Report of the Chief Executive and Place Based Lead attached | All Wards 335 - 340 |
| 23. Disposal of site of former Chorlton Leisure Centre for residential development (Part A) Report to follow | |
| 24. Exclusion of Press and Public The officers consider that the following item or items contains exempt information as provided for in the Local Government Access to Information Act and that the public interest in maintaining the exemption outweighs the public interest in disclosing the information. The Executive is recommended to agree the necessary resolutions excluding the public from the meeting during consideration of these items. At the time this | |

agenda is published no representations have been made that this Executive part of the meeting should be open to the public

- 25. Disposal of site of former Chorlton Leisure Centre for residential development (Part B)**
Report to follow

Information about the Executive

The Executive is made up of 10 Councillors: the Leader and two Deputy Leaders of the Council and 7 Executive Members with responsibility for: Early Years, Children and Young People; Health Manchester and Adult Social Care; Finance and Resources; Environment and Transport; Vibrant Neighbourhoods; Housing and Development; and Skills, Employment and Leisure. The Leader of the Council chairs the meetings of the Executive

The Executive has full authority for implementing the Council's Budgetary and Policy Framework, and this means that most of its decisions do not need approval by Council, although they may still be subject to detailed review through the Council's overview and scrutiny procedures.

It is the Council's policy 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.

The Council is concerned to ensure that its meetings are as open as possible and confidential business is kept to a strict minimum. When confidential items are involved these are considered at the end of the meeting at which point members of the public and the press are asked to leave.

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:

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Executive

Minutes of the meeting held on Wednesday, 18 January 2023

Present: Councillor Craig (Chair)

Councillors: Akbar, Bridges, Hacking, Igbon, Midgley, Rahman, Rawlins, T Robinson, and White

Also present as Members of the Standing Consultative Panel:

Councillors: Ahmed Ali, Butt, Douglas, Foley, Johnson, Leech, Lynch and Stanton

Apologies: Councillor Collins

Also present: Councillor Newman (Woodhouse Park Ward Member) and Councillor Reid (Gorton and Abbey Hey Ward Member)

Exe/23/1 Minutes

Decision

The Executive approved as a correct record the minutes of the meeting on 14 December 2022.

Exe/23/2 Our Manchester Progress Update

The Executive considered a report of the Chief Executive which provided an update on key areas of progress against the Our Manchester Strategy – Forward to 2025 which reset Manchester’s priorities for the next five years to ensure the Council could still achieve the city’s ambition set out in the Our Manchester Strategy 2016 – 2025.

The Leader reported that the Council had entered into legal agreements with development partner Allied London for the Grade II-listed Upper Campfield Market and Lower Campfield Market buildings on Liverpool Road. Campfield was one of two schemes which together formed the Culture In The City project which the Council secured almost £20m of Government Levelling Up funding in autumn 2021. The Campfield market buildings would provide 83,000 sq. ft. of modern workspace and over a 15-year period, it was anticipated that 1,600 jobs would be created and a further 2,400 jobs sustained.

The Leader also reported that Manchester Libraries would be providing support for residents who need it to help navigate through new voter ID rules which will come into force ahead of the 4 May local elections. All 22 libraries in the city would offer free internet and wifi which residents could use if they needed to apply for a Voter Authority Certificate. Staff would be able to advise which forms of photo identification could be used at polling stations to avoid people applying for a Certificate unnecessarily. A Greater Manchester-wide communications campaign to make people aware of the changes and the need to ensure they had voter ID to participate in elections would amplify and supplement a national campaign being led by the Electoral Commission.

The Executive Member for Children, Families and Young People reported that a Trust had been appointed to run what will be the first new primary school to open in the city centre in almost 20 years. The Laurus Trust would run the 210-place Crown Street Primary School. Building work was now well underway on its location at the end of Deansgate, with the first pupils expected through its doors in September 2024. The school would form an important part of the wider regenerations taking place in the Great Jackson Street area at the southern end of the city centre.

The Executive Member for Environment and Transport reported that strong progress had been made in reducing carbon emissions from the council's estate of more than 300 buildings. Emissions from the Council's operational estate had reduced by 7,161 tonnes CO2 per annum – a 29.7% cut – since 2019/20. It was referenced that a detailed report on the Decarbonisation of the Council's estate had been considered at the January meeting of Resources and Governance Scrutiny and the Executive Member for Environment and Transport encouraged members to read this report to get a fuller understanding of the work being done

Decision

The Executive note the report.

Exe/23/3 Capital Programme Update

The Executive considered a report of the Deputy Chief Executive and City Treasurer, which informed Members of requests to increase the capital programme, sought approval for those schemes that could be approved under authority delegated to the Executive.

The proposals which only required Executive approval were those which were funded by the use of external resources, use of capital receipts, use of reserves below £10.0m, where the proposal could be funded from existing revenue budgets or where the use of borrowing on a spend to save basis is required. The following proposals required Executive approval for changes to the City Council's capital programme:-

- Children's Services - New Secondary SEND School. A capital budget virement of £18.1m was requested, funded from Unallocated Special Educational Needs Grant to develop a new 150 place secondary SEND school for pupils aged 11-19 with an Education, Health, and Care Plan (EHCP) in north Manchester.
- Highways Services – Rochdale Canal. A capital budget virement of £0.230m in 2022/23 was requested, funded from borrowing to deliver improvements to the towpath in Newton Heath and Miles Platting, which would include patching and resurfacing to the towpath, repairs to the cobbled areas, new marker posts to indicate distances and new signage at accesses and exits to advertise local amenities.
- Highways Services – Safer Streets Manchester Cycleway. A capital budget increase of £0.030m in 2022/23 and £0.293m in 2023/24 was requested,

funded by External Contribution – Safer Streets Fund, alongside a capital budget virement of £0.220m in 2022/23, funded by borrowing via the Highways Project Delivery Fund, to deliver a number of improvements including landscaping, removal, and addition of new barriers, new access points and signage on the Manchester Cycleway (Fallowfield loop and Yellow Brick Road) to help improve safety and perception of safety along the route.

- ICT – Contract Management. A capital budget decrease of £0.109m was requested and approval of a corresponding transfer of £0.109m to the revenue budget, funded by Capital Fund to introduce an ICT system for managing contracts across the whole Council, providing numerous benefits, including a central repository of all contract information, enabling recording of risks and issues, and contract management and performance information to be recorded.

The report highlighted that there had been increases to the programme totalling £4.002m as a result of delegated approvals since the previous report to the Executive on 14 December 2022.

Approval had also been given for the following capital budget virements:-

- £0.490m for the installation of Carbon Monoxide Monitors in council properties to comply with the Smoke and Carbon Monoxide Alarm (Amendment) Regulations 2022, through the utilisation of Unallocated Public Sector Housing budget.
- £0.026m allocation from the Parks Development Programme for the predevelopment stage to commission the Capital Programmes and Procurement Team to progress scheme design to RIBA Stage 2 for the Heaton Park Orangery
- £0.110m funding for Cringle Park – Grounded Coffee Offer to improve the existing offer in the park
- £0.700m allocation from Education Basic Need funding of to provide additional funding to Our Lady's RC High School and Manchester Enterprise Academy to deliver additional school places

If the recommendations in the report were approved the General Fund capital budget would increase by £0.214m across financial years which would also result in an increase in the prudential indicator for Capital Expenditure in corresponding years.

Councillor Leech sought an assurance that the proposed budget for the new Secondary SEND School had taken account of any potential inflationary costs so to avoid the need to seek further funding at a future point.

Councillor Johnson sought assurance that the consideration of carbon reduction was taken into account with any ICT projects.

The Deputy Chief Executive commented that there was a substantial allowance for inflation and contingency associated with the new Secondary SEND School budget and that all ICT projects took account of how they could contribute to carbon reductions..

Decisions

The Executive:-

- (1) Approve the following changes to the Council's capital programme:
 - Children's Services - New Secondary Special Educational Needs and Disabilities (SEND) School – Varley Street. A capital budget virement of £18.1m, funded from Unallocated Special Educational Needs Grant.
 - Highways Services – Rochdale Canal. A capital budget virement of £0.230m funded from borrowing.
 - Highways Services – Safer Streets – Manchester Cycleway. A capital budget increase of £0.323m, funded by External Contribution and a capital budget virement of £0.220m, funded by borrowing via the Highways Project Delivery Fund.
 - ICT – Contract Management. A capital budget decrease of £0.109m and a corresponding transfer of £0.109m to the revenue budget, funded by Capital Fund.
- (2) Note the increases to the programme of £4.002m as a result of delegated approvals and the virements in the programme of £1.326m as a result of virements from approved budgets

Exe/23/4 Making Manchester Fairer - the Anti-Poverty Strategy 2023-2028

The Executive considered a report of the Strategic Director (Growth and Development), which provided an overview of the work undertaken to date to develop a refreshed poverty strategy for the city and set out the approach, evidence base and engagement process for developing the strategy. The report also outlined the relationship between the new strategy and existing work on Making Manchester Fairer, developing a more inclusive economy, tackling the Cost-of-Living Crisis and other linked areas of work.

The Deputy Leader reported that Manchester had long recognised the significant challenge of tackling and reducing poverty in the city. In 2017, a Family Poverty Strategy was launched which focused on families with children and young people up to the age of 19. A significant amount of partnership work was undertaken to deliver the Family Poverty Strategy in the last five years, against a backdrop of health and economic challenges which had highlighted and exacerbated poverty in Manchester.

The new Anti-Poverty Strategy provided an opportunity to take account of the impact of these challenges and extend the strategy to cover all households in the city to

include those without children. Extensive research and engagement work had taken place with residents and partners to determine the main themes and priorities for the new strategy:-

- Preventing Poverty
- Mitigating Poverty
- Pathways out of Poverty
- Inclusive and effective delivery

Learning from the experience with the Family Poverty Strategy 2017-2022 and considering the information that had been gathered from research and conversations with partners, there was an opportunity to make some changes to the governance for the new strategy to ensure that it was as effective as it could be. The strategy would be led by a Making Manchester Fairer and Anti-Poverty Programme Management Team made up of council officers and partners. Delivery would ultimately be accountable to the Making Manchester Fairer Programme Board and would be undertaken through partnership working and collaboration between Manchester's Voluntary and Community Sector organisations and public sector institutions with the support of the city's private sector.

Measuring the impact and success of the new strategy would be challenging due to external factors beyond the Council's control. The worsening economic context was likely to put pressure on household budgets in the medium term, whilst constraining the ability of the Council and our partners to deliver effective services. Additionally, the action that could be taken was already limited in scope when compared to the scale and complexity of the factors driving poverty in Manchester.

In response to these challenges, a series of indicators had been selected which would assist in identifying the risk of people experiencing poverty, and the volume and need of individuals accessing certain services. This would help the Council understand how external factors were likely to drive demand and adapt its collective approach in response to changing needs.

The current economic challenges and rising inflation meant that poverty was going to continue to be a significant issue in Manchester for several years to come. Manchester had a robust system and network of professionals and organisations who remained committed to this issue, and who worked together to ensure that everything possible was being done to reduce the number of people experiencing poverty.

It was also recognised that in some areas the Council's powers to tackle poverty were limited, and the Council was prepared to work with its partners to identify new solutions and ways of working to maximise the collective impact on this issue. Where the Council did not have the powers locally, it would continue to make the case to Government for the legislative changes that were required to create the right conditions to effectively reduce poverty in the city.

Councillor Leech questioned the impact of the Family Poverty Strategy and the measurements of success insofar as to how many people who had received help and support were no longer deemed to be living in poverty. He also made a suggestion that to help families living in poverty the Council should consider increasing the

amount of financial support available through the Council Tax Support Scheme from the current maximum of 82.5% to 100%.

The Director of Inclusive Economy explained how the Council measured the impact of the actions and initiatives put in place through the Strategy and the Deputy Chief Executive and City Treasurer explained that there was a significant lead in period to making changes to the Council Tax Support Scheme but it had been suggested by Government that for 2024/25 the Council should consider its current Council Tax Support Scheme and whether the threshold levels remained appropriate.

Councillor Johnson commented on the need to help ensure food banks had appropriate support and funding to continue to help those who relied on these through the cost of living crisis.

Decision

The Executive agree to adopt the new Anti-Poverty Strategy for Manchester.

Exe/23/5 Revised Policy for Residents Parking Schemes

The Executive considered a report of the Strategic Director (Neighbourhoods), which sought approval of a revised policy around the implementation and operation of Residents Parking Zones (RPZ) within the city. The revised policy reflected the feedback and issues that have been gathered during the process of extending the Christie Resident Parking Scheme and in the design of other planned schemes.

The Executive Member for Environment and Transport reported that the Residents Parking Scheme (RPS) Policy was last considered in September 2018. The existing policy had evolved over time in response to parking issues in neighbourhoods. The recent review had highlighted that the current policy created issues within the design of the schemes, primarily because of the approach taken to visitor parking.

The primary changes proposed were:-

- Provision of two (previously one) free (previously £45 per annum) digital visitor permits for all residents, that can be managed within the online system.
- Option for transferrable paper permits for those without digital access.
- Provision of physical temporary parking permits (scratch cards) to all residents in addition to the permits. A number of scratch cards would be provided free to each household per annum, with further scratch cards available at an additional charge.

It was explained that the overall approach was to promote the management of visitor permits online consistent with providing better and more efficient services through the Council's Digital Front Door. This also facilitated significant efficiencies within both enforcement activities and administration of the schemes.

The policy also amended the approach to businesses to ensure that each business impacted will be considered on a case-by-case basis. This was to reflect the potential diversity between businesses and their relative needs in order to operate sustainably.

The revised policy would be applied to all current and future resident parking zones. The enforcement of resident parking schemes would also be subject to review and monitoring. It was necessary to ensure that the resources deployed were proportionate to the scale of non-compliance, therefore, regular reviews would be conducted in each area to determine the level of non-compliance and the level of enforcement resource required.

Councillors Stanton welcomed the extension of the Christie Resident Parking Scheme and the fact that the Council had listened to feedback from local residents to ensure the scheme had been appropriately thought through.

Councillor Leech commented that he felt that issues that were now being resolved associated with extension of the Christie Resident Parking Scheme could have been avoided. He also welcomed the proposals around business permits and raised a concern that the scratch card system could be open to abuse if these were not parking scheme specific scratch cards.

The Strategic Director (Neighbourhoods) acknowledged the points made in association with the extension of the Christie Resident Parking Scheme and the concern around the scratch card system.

Decision

The Executive agree the revised policy.

Exe/23/6 Wythenshawe Civic Centre Development Framework

The Executive considered a report of the Strategic Director (Growth and Development), which provided an update on the next stages of the transformation of Wythenshawe Civic Centre.

The Executive Member for Growth and Development reported that the principles of the proposed Development Framework for Wythenshawe Civic Centre had been informed by the recent public consultations. The framework set out a long-term regeneration vision that would guide investment and would transform the Civic Centre,

The Development Framework had been prepared to guide future regeneration and redevelopment in the Civic Centre. This included long-term aspirations for the rebalancing between retail, community and residential functions, aimed at creating a sustainable Civic Centre that widened its uses and provided an improved environment.

The Council's aim was to create a vibrant centre that was appropriate for Wythenshawe in 2023 by increasing and diversifying its offer, driving new footfall, increasing visitors spend and capturing opportunities for considerable economic growth. Vacant and underused office and retail buildings would be brought back in to use as new business, community and creative spaces. A new food hall would be developed with access to local, affordable, sustainable produce and an evening food

and beverage economy would be introduced. New, improved public realm would be sustainably drained and naturally planted, designed to be accessible and to encourage walking and cycling.

The Development Framework would also act as the guide for future investment and elements also informed the Levelling Up Fund application submitted in 2022 with the outcome of the Round 2 bids expected at the end of January 2023

If approved, the Development Framework would be formally adopted to guide future investment and the regeneration of Wythenshawe Civic Centre. Work had commenced exploring procurement options in relation to an investment and development partner. A further report would be submitted to Executive once this implementation strategy had been finalised.

Councillor Newman (Ward Councillor) addressed the Executive, stating his complete support for the long-term aspirations for Wythenshawe and the Civic Centre, recognising that investment and improvement had been long overdue.

The Strategic Director (Growth and Development) advised that subject to approval, the Council would be progressing with the appointment of a development partner to help move the redevelopment forward and in the short term progressing a commercial lettings strategy to fill some of the remaining vacant units.

Councillor Johnson welcomed the proposals and commented on the level of responses to the consultation process and the need to ensure there would be more social housing provided for Wythenshawe residents.

Councillor Leech sought clarification on the mix tenure of social housing that would be delivered as part of this Development Framework.

Decisions

The Executive:-

- (1) Note the outcome of the results of the public consultation on the Development Framework for Wythenshawe Civic Centre.
- (2) Approve the Development Framework for Wythenshawe Civic Centre and that the Council take its Framework into account as a material consideration when considering planning applications for the site.

Exe/23/7 Gorton District Centre Development Framework

The Executive considered a report of the Strategic Director (Growth and Development), which provided an update on the on the future plans to regenerate Gorton District Centre and the outcome of the public consultation that had informed it.

The Executive Member for Growth and Development reported that the Development Framework was being prepared to guide future regeneration and redevelopment in the District Centre. This included, but was not limited to, long-term aspirations to

maximise the potential of the centre through creating a more attractive environment that was more comfortable for residents/visitors to dwell in, extending the periods of activity of residents and visitors within the centre, beyond the traditional Monday to Friday 9am-5pm, encouraging more diversity through an increased provision of commercial offers and opportunities to deliver 400 new homes on brownfield land with a mixed tenure approach that matches local housing demand.

Consultation with thirty local businesses was carried out October 2022 and a public consultation was held online from 9 December 2022 to 6 January 2023. Overall, the consultation feedback was very much supportive of the objectives for the Gorton district centre.

92% of responses supported the objective of creating a more attractive environment that was comfortable to spend time in. Several respondents felt that the indoor market, as an asset to Gorton, had a good selection of stalls, but that the exterior of the building was unwelcoming and needed improvement. The wider commercial offer was noted to be limited by available space and that a diversified retail offer was welcomed.

87.5% of responses were supportive of extending periods of activity with a particular aspiration for new uses during evenings and at weekends and supported the diversification of uses that would appeal to different communities and age groups with reference to a lack of space for younger people. 81.6% of respondents supported making the centre more accessible by walking and cycling, especially through the improvement of non-car dominated connections north to the surrounding housing estates, south to Sunny Brow Park and west to Debdale Park. Additional comments were made in support of safer road crossings and cycle lanes, especially when crossing Hyde Road and accessing the new Gorton Hub. Furthermore, 87.5% of respondents supported the objective to make the centre greener, with comments regarding aspirations for new tree planting.

Following this feedback a number of amendments had been made to the draft Framework:-

- Early engagement indicated strong community feeling regarding any plans for the redevelopment of the existing gymnastics site. Amendments had been made within the document that any redevelopment would be subject to identification and delivery of a new futureproofed facility.
- Aspirations were very clear about the ability for the redevelopment of the town centre to unlock opportunities to walk and cycle as appose to drive. Strong linear connections to the adjacent neighbourhoods had been incorporated, footpaths had been widened and Garratt Way now included a best-in-class segregated cycle way.
- Along with better pedestrian crossings across highways, the carriageway width on surrounding secondary roads had been narrowed. Improved lighting on all existing and new footpaths will improve perceptions along with improvements to the market frontage providing natural surveillance.

- Respondents agreed with the principle of promoting the historical Garratt Way as the new focus of the town centre and the framework proposes a new town square, reconnecting the indoor market back and providing opportunities for an outdoor makers market or facilitation of community events.
- It was also recognised that Gorton was well connected to the local public transport network yet the town centre currently felt disconnected to the nearest station. Improvements had been proposed to the public realm from Chapman Street along with new development investment to animate uses and build density running towards the new town square.

The feedback, engagement with stakeholders and local businesses had been invaluable in informing the formation of the future plans for Gorton District Centre. The interventions and future development opportunities outlined in the proposed framework would guide future investment in Gorton. And would provide a town centre that met the local community aspirations along with unlocking opportunities for new homes and employment.

Councillor Reid (Ward Councillor) addressed the Executive, stating her complete support for the long-term aspirations for Gorton District Centre, recognising that investment and improvement had been long overdue.

Decisions

The Executive:-

- (1) Note the outcome of the results of the public consultation on the Development Framework Gorton District Centre.
- (2) Approve the Development Framework for Gorton District Centre and request that Planning and Highways Committee take the Development Framework into account as a material consideration when considering planning applications with Gorton District Centre.

Exe/23/8 Large Scale Renewable Energy Generation - Solar Farm Purchase (Part A)

The Executive considered a report of the Deputy Chief Executive and City Treasurer, which provided an update on the progress of negotiation and Due Diligence for the purchase of a Large-Scale Renewable Energy Generation Project to help ensure the Council could achieve the CO2 savings as set out in the Council's Climate Change Action Plan 2020-2025.

In January 2022 Executive granted delegation for the Deputy Chief Executive and City Treasurer, in consultation with the Leader, Executive Member for Finance and the Executive Member for Environment to negotiate for the purchase of a solar asset / PPA and any associated corporate documentation to establish a Special Purpose Vehicle if required. The report also highlighted the need to seek further capital approvals to increase the Council's borrowing limit, via full council approval, if a binding offer were to be made to purchase a large-scale generation asset.

It was explained that the volatility in the energy markets linked to the war in Ukraine, combined with uncertain government energy policy over the summer and autumn of 2022 including a likely Government ban on new solar farm developments (since abandoned) plus the financial volatility arising from the UK Government's short-lived financial policies of September 2022 had all contributed to a volatile market over the past 12 months. During this period, the Council had tracked the market for suitable sites and explored potential options when they had become available. These events had also very much shifted the balance in favour of asset purchase as it offered a number of key advantages:

In November 2022, officers identified a suitable large scale solar PV facility available for purchase and submitted an initial non-binding offer to the developer. This offer had been accepted by the developer and the Council had been invited to submit a final offer. The developer required all bidders to clearly state that their internal approvals required were in place for their Final Offer. For the Council, this included Executive approval and for the capital budget increase and borrowing requirement, full Council approval. These approvals would be conditional on the outcomes of the due diligence and negotiations. If the Council's final offer was accepted, the Council would be granted exclusivity to complete full detailed due diligence following which a further report would be submitted to Executive

The Deputy Chief Executive and City Treasurer commented that the acquisition of a large-scale solar generation asset would give the early guarantee of long-term access to direct supply of renewable electricity generation, immediate overall CO2 reduction and significant financial certainty of future electricity prices to be paid by the Council.

Based on the projected energy demand assumptions, progress to both achieving the interim target of 50% reduction in carbon emissions by 2025 and to our long-term science-based target to be Zero Carbon by 2038 at the latest had been mapped. The modelling showed that, if the proposed solar farm was to come online as expected by the developer in early 2024 and generate the projected levels of electricity, the Council would meet its target to halve its CO2 emissions by 2025. The renewable electricity produced should also considerably accelerate the Council's progress to meeting its 2038 targets in the following years, particularly between 2025 and 2030. After 2025, the effect of the solar farm would become less pronounced, as government-projected decarbonisation of the National Grid reached a consistently high level, although progress on National Grid decarbonisation was a variable outside of the Council's control. Without a source of renewable energy, achievement of the Council's Zero Carbon 2038 objective would be largely dependent upon National Grid Decarbonisation.

In the event that this or another suitable solar farm purchase of c.50MW was not secured, the impact would need to be mitigated via seeking to purchase renewable electricity through other means such as via a PPA,. With energy markets currently in a state of high uncertainty PPA costs would have risen sharply and did not offer the same long term price hedge and security of supply offered by the large-scale generation option.

Decision

The Executive note the report and that further details and recommendations are set out in Part B to this report.

Exe/23/9 Exclusion of Press and Public

Exe/23/10 Large Scale Renewable Energy Generation - Solar Farm Purchase (Part B)

The Executive considered a report of the Deputy Chief Executive and City Treasurer, which provided details around the commercial, financial and legal arrangements in respect of the purchase of a Large-Scale Renewable Energy Generation Project.

Decisions

The Executive:-

- (1) Recommend to Council approval of a capital budget increase of a maximum of £50m funded by borrowing on an invest to save basis, noting that the purchase will only progress if the Council is successful in its submission and it can be demonstrated that there are sufficient revenue savings to fund the capital financing costs.
- (2) Endorse the proposal to submit a final offer for the purchase of a solar farm.
- (3) Note if the bid submission is successful the Council will enter into a period of exclusivity to undertake further detailed due diligence with a further report to be brought back to the Executive for approval at a later date
- (4) Note the indicative timetable for submission and completion of the transaction as set out in the report.
- (5) Note that should the bid be unsuccessful an update will be provided to Executive

**Manchester City Council
Report for Information**

Report to: Resources & Governance Scrutiny Committee – 7 February 2023
Executive – 15 February 2023

Subject: Corporate Core Budget 2023/24

Report of: Deputy Chief Executive and City Treasurer, City Solicitor and Assistant Chief Executive

Summary

Members will recall that at the November round of scrutiny meetings the Council was forecasting an estimated budget shortfall of £112m over the three years with £44m in 2023/24. As part of the action to address the budget shortfall officers identified potential savings options of £42.3m over three years, of which there were savings options of £10.26m within the remit of this scrutiny committee, including Corporate Core savings of £6.024m and Traded Services savings of £4.236m

The provisional financial settlement announced 19 December reflected a change in government policy in relation to funding inflation and social care pressures. This has given the opportunity to review the quantum and phasing of savings. It is now proposed that options of £36.2m are progressed, of which £7.712m is within the remit of this scrutiny committee.

This report provides a further update to members on the priorities for the services in the remit of this committee and details the changes to the initial revenue budget options proposed by officers in November 2022.

Each scrutiny committee is invited to consider the current proposed changes which are within its remit and to make recommendations to the Executive before it agrees to the final budget proposals on 15 February 2023.

Recommendations

The Committee is recommended to:

- (1) To consider and comment on the forecast medium term revenue budget
- (2) Consider the content of this report and comment on the proposed changes which are relevant to the remit of this scrutiny committee

The Executive is recommended to approve these budget proposals.

Wards Affected: All

Environmental Impact Assessment - the impact of the issues addressed in this report on achieving the zero-carbon target for the city

The budget reflects the fact that the Council has declared a climate emergency by making carbon reduction a key consideration in the Council's planning and budget proposals.

Equality, Diversity and Inclusion - the impact of the issues addressed in this report in meeting our Public Sector Equality Duty and broader equality commitments

Consideration has been given to how the proposed savings could impact on different protected or disadvantaged groups. Where applicable proposals will be subject to completion of an Equality Impact Assessment (EqIA) and an Anti-Poverty Assessment.

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

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

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

Financial Consequences – Revenue

The changes included within this report will, subject to Member comments and consultation, be included in the final 2023/24 revenue budget set by Council on 3 March.

Financial Consequences – Capital

None directly arising from this report.

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Background documents (available for public inspection):

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

[Revenue Budget Report - Executive Meeting 16 February 2022](#)
[Medium Term Financial Strategy 2022/23 to 2024/25 -Executive Meeting 16 February 2022](#)
[2022/23 Budget Overview and Section 25 Report – Executive 16 February 2022](#)
[Corporate Core Budget Report – 2022/23 – Executive 16 February 2022](#)
[Resource and Governance Scrutiny – 6 September 2022 and 10th January 2023](#)
[Revenue Monitoring to the end of July 2022 and Budget update 2023/24 to 2025/26 - Executive 14 September 2022](#)

1. Introduction and purpose

- 1.1. The report sets out an overview of the services within the remit of this scrutiny committee and their key priorities. It also contains the updated cuts and savings and investment proposals following the overall changes to the Council's budget position following the Autumn Statement and Provisional Finance Settlement in December. It should be read with the covering budget report to this committee. This report covers the services under the remit of the scrutiny committee, the Corporate Core and Operations and Commissioning services within the Neighbourhood Services Directorate.

2. Service overview and priorities

- 2.1 The Corporate Core has the following functions:

- Delivery of front-line services to residents and businesses including the customer service, revenues and benefits, coroners and registrars
- Delivery of support services to both the council and partners through the centre of excellence model. These include Finance and Procurement, Human Resources and Organisational Development, Legal Services and Policy, Performance and Reform.
- Delivery and support of the Capital Programme through the Capital Programmes team.
- Corporate Landlord and Facilities Management (FM)
- Ensuring effective governance, decision making and supporting the council as a democratic organisation. This includes the specific work of internal audit, commercial governance.
- Engine room for driving policy and strategy and the associated evidence base.

- 2.2 The Corporate Core is made up of Chief Executives and Corporate Services and has a gross budget of c.£317m and a net budget of c£98.9m and employs just short of 2,000 FTE. The Business Units which are traded services within Neighbourhood Services also fall within the remit of this scrutiny committee and details of their budgets and savings options are included within this report. The budget and FTE numbers for both the Corporate Core and Business Units are broken down by service in area in the three tables below.

Base budget 2022/23

| Chief Executives | 2022/23 Gross budget £'000 | 2022 / 23 Net Budget £'000 | 2022 / 23 Budgeted posts (FTE) |
|------------------------------------|--|--|---|
| Coroners & Registrars | 3,767 | 2,374 | 50 |
| Elections | 1,247 | 1,118 | 11 |
| Legal Services | 15,742 | 10,088 | 267 |
| Communications | 4,426 | 3,441 | 78 |
| Executive | 980 | 980 | 12 |
| Policy, Performance & Reform (PRI) | 18,241 | 14,493 | 155 |
| CEX Corporate Items | 1,255 | 1,215 | 0 |
| Total Chief Executives | 45,658 | 33,709 | 573 |

| Corporate Services | 2022/23 Gross budget £'000 | 2022 / 23 Net Budget £'000 | 2022 / 23 Budgeted posts (FTE) |
|--|--|--|---|
| Finance, Procurement & Commercial Gov | 9,090 | 8,191 | 219 |
| Revenues & Benefits and Customer Services | 213,096 | 12,955 | 531 |
| ICT | 15,596 | 15,596 | 158 |
| Human Resources & OD | 5,389 | 4,528 | 137 |
| Audit, Risk & Resilience | 1,641 | 1,468 | 39 |
| Capital Prog, Operational Prop & FM Services | 26,099 | 21,874 | 338 |
| Total Corporate Services | 270,911 | 64,612 | 1,422 |
| Grand Total Corporate Core | 316,570 | 98,321 | 1,995 |

The above budgets include:

- £3.6m discretionary welfare support budgets in Revenues and Benefits
- £2.9m grants to the Voluntary and Community sector in City Policy
- Operational Property and Facilities Management includes Utilities £9.2m, Business rates £2.9m, Security £2.8m and rents £1.6m
- £5.4m for ICT supplier contracts and licences
- Chief Executives Corporate items includes the AGMA contribution of £1.768m.

2.3 In addition to the Corporate Core, there are other services that are under the remit of the Resources and Governance Scrutiny Committee, these are traded services within Operations and Commissioning managed by the Neighbourhoods Directorate. The gross budget is £22.9m, with a net income budget of £13.7m and 126 employees. A breakdown of the services is shown below.

| Business Units, Advertising and Parking | 2022/23 Gross budget £'000 | 2022 / 23 Net Budget £'000 | 2022 / 23 Budgeted posts (FTE) £'000 |
|--|---|---|---|
| Business Units | 15,163 | (2,253) | 122 |
| Advertising | 63 | (4,400) | 1 |
| Parking Services and CCTV | 7,736 | (7,074) | 3 |
| Total | 22,962 | (13,727) | 126 |

- 2.4 These services aim to maximise the commercially generated income from services alongside the provision of a public amenity, with all funds raised recycled back into Council services and the assets used to deliver them.
- 2.5 The Business Units include key traded services:
- Markets – traditional, local, wholesale and specialist markets.
 - Pest Control - tailored service for domestic and business premises to treat, monitor and eradicate pests.
 - Bereavement Services - Manchester's five cemeteries and one crematorium (at Blackley) manage some 3,000 funerals a year, working seven days a week to meet the needs of the city's diverse cultural communities.
- 2.6 The Council sells advertising space on its land holdings across the city and this funding is used to support front line services. There are both small format and large format and includes the digital displays in and around the city centre.
- 2.7 Parking Services and CCTV directly support the transport strategy for the city and with the aim to keep the city's roads safe and moving. Work is ongoing to update the parking strategy and review of both on / off street pricing. The CCTV Service undertakes management of the city centre control room and the c.200 cameras across the public realm.

3 Service budget and proposed changes

- 3.1 In November this scrutiny committee was presented with cuts and savings options of £10.26m over the three years for consideration. With the improvement in the short-term budget position following the Autumn Statement and Provisional Finance Settlement there is the opportunity to review the quantum and phasing of cuts and savings and to consider targeted additional investment. Total proposed cuts and savings of £2.920m have been removed or deferred until later years and the key changes since the last committee are set out in the tables below:

| Service | Narrative | 2023/24 £000's | 2024/25 £000's | 2025/26 £000's | Total £000's |
|--|---|-------------------|-------------------|-------------------|-----------------|
| HROD | Reprofile front door savings by one year | (50) | (95) | 0 | (145) |
| PRI | Reprofile operating model savings by one year | (122) | (3) | (43) | (168) |
| Customer Services | Delay savings in line with system procurement timetable | 0 | (200) | (250) | (450) |
| Total Future Shape | | (172) | (298) | (293) | (763) |
| Registrars | Increase registrars' fees | (80) | 0 | 0 | (80) |
| Customer services | Additional clamping income | (50) | 0 | 0 | (50) |
| Corporate Core Housekeeping Savings | | (130) | 0 | 0 | (130) |
| Total Corporate Core Reductions | | (302) | (298) | (293) | (893) |

| Service | Narrative | 2023/24 £000's | 2024/25 £000's | 2025/26 £000's | Total £000's |
|-------------------------------------|--|-------------------|-------------------|-------------------|-----------------|
| Markets | Not introduce increased rents for market tenants | (83) | 0 | 0 | (83) |
| Parking | Do not increase income target for parking due to pressures following COVID | (250) | (750) | 0 | (1,000) |
| Advertising | Reduce advertising income target to prudent level. | 0 | (200) | 0 | (200) |
| Bereavements | Defer price increase due to cost-of-living crisis | (372) | (372) | 372 | (372) |
| Grand Total - Business Units | | (705) | (1,322) | 372 | (1,655) |

- 3.2 The revised core budget saving proposals will be delivered through a combination of:
- Transformation delivered through the Future Shape Programme.
 - Review of workforce structures and capacity alongside taking a realistic view on the ability to fill longstanding vacancies.
 - Good housekeeping and delivery of efficiencies. All Heads of Service have been asked to review their service areas to identify efficiencies or opportunities for income generation.
 - Delivering a corporate programme of work on ensuring the basics are right, sound and competitive procurement, approach to managing inflation, ensuring income budgets are maximised and charges appropriate.

Apart from the changes to the original proposed savings outlined in the table in para 3.1, these remain unchanged from those previously reported to November Committee.

Future Shape and Transformation Programme

3.2 Previous reports have been taken to this committee on the Future Shape programme which is a mix of internal and external facing service transformation. The objectives are to ensure that the quality of our services, resident experiences and outcomes are improved, whilst improving council efficiency and reducing costs. This is being delivered through the following workstreams;

- Resident and Business Digital Customer Experience (RBDXP)
- Digital Data and Insights
- A More Purposeful and Effective Core
- Our Ways of Working – including estates rationalisation

The ambition is to deliver almost £5m of savings over a five-year period.

Resident and Business Digital Customer Experience (RBDXP)

3.3 Work has already started with the revised customer centre offer and experience which delivered £0.6m of savings in 2021/22. The next phase focuses on the customer contact centre and replacement of the Customer Relationship Management system. This will improve how the council interacts with residents and businesses and is key to improving the current manual processes, enabling further channel shift, and targeting resources on providing support where it is most needed.

- Work is ongoing to procure the new technology and a partner to support with implementing the changes required and it is expected that once complete, phase one will achieve a further 20% channel shift, by moving c295k of non-digital contacts to digital. This shift is expected to release an initial £200k from Customer Services in 2025/26 through a reduction in staffing which will be achieved via natural turnover. Further savings will be achieved in 2026/27 onwards and these are estimated to be c£450k p.a. and will be included as future savings options.
- Phase Two will deliver further saving/efficiencies as additional services outside of the customer contact centre are transitioned to the new digital platform such as those used by Markets and Bereavement Services as they move to the new software.

3.4 It is currently too early to accurately quantify total savings from this programme over both phases. The aim is to achieve up to £1.5m through the further rationalisation of systems as more services and systems are included. In order to deliver this a small core digital team will be required, and the costs were included in the initial business case and will be paid for through the longer-term savings.

Digital Data and Insights

3.5 This workstream will implement new back-office digital technology and process changes required for the council to work smarter and more efficiently. The key deliverables include:

- The MCC ICT and Digital Strategy has now been approved by Executive in October 2022 and compliments the Council's external Digital Strategy. It is accompanied by a Technology Roadmap linked to the move to the hybrid cloud, with 50% of the ICT infrastructure to be in the cloud within two years.
- The development and implementation of the new Target Operating Model for ICT is due to be completed for approval in December 2022 with an implementation timeline of March 2023.
- A Data Management Policy was launched 3 October 2022. The policy will support strengthening of our corporate intelligence, embed data ownership and monitoring of data standards and move towards more standardised reporting

3.6 The above is accompanied by a programme of savings and efficiencies including:

- Further rationalisation of printers across the estate
- Energy savings through putting unused machines to sleep
- Strict inventory control and reducing the number of mobile phones etc.
- Rationalisation of software applications where possible and hardware with the move to the cloud.

These proposals are estimated to achieve £359k p.a. by the end of the initial three-year period and a further £0.6m p.a. by the fifth year. The most significant benefits will come from the implementation of the new technology roadmap that underpins the ICT strategy:

- Phase 1 will include savings from the hybrid cloud strategy. There will also be savings from the rationalisation of existing systems such as the move away from Citrix and turning off legacy email systems.
- Phase 2 will include further system rationalisation including the replacement of the current recruitment solution, and Finance and HR Solutions
- Finally, linked to the work to further rationalise the council's office estate will enable ICT savings from having fewer premises on the network.

3.7 The roll out of automation is being tested in two areas. Whilst not primarily about delivering efficiencies, it will enable the workforce to operate more effectively and manage existing/growing workloads within the available resources.

A More Purposeful and Effective Core

3.8 This workstream will reshape how the Core operates so that core services, systems and processes are customer-focussed incorporating self-service and digital functions where appropriate, mirroring the RBDXP work for the council's workforce.

The key deliverables include:

- The implementation of the new operating model with the move to digital first. This will ensure we realise the benefits from the implementation of the technology investment including the replacement of the current ERP (Finance, HR and procurement) system, which is end of life, to be implemented by 2025, new recruitment system in the current financial year, legal case management system in 2023 and contract management system.
- Whilst all service areas are working on this the following areas have been accelerated: ICT service desk, HROD Recruitment process and Legal casework, all to be completed in 2023 with the aim is to improve productivity /reduce costs through channel shift and reducing handovers and failure demand.

3.9 In total both phases are expected to achieve savings of £1.112m per annum by the 2025/26, with a further £0.8m per annum by 2027/28.

Further Budget Savings and Efficiencies

3.10 As stated in the introduction to the report work has also been carried out to:

- Review workforce budgets and capacity, taking a realistic view on the ability to fill longstanding vacancies.
- All Heads of Service have been asked to review their service areas to identify efficiencies or opportunities for income generation.
- Delivering a corporate programme of work on ensuring the basics are right, sound and competitive procurement, approach to managing inflation, ensuring income budgets are maximised and charges appropriate.

The resultant work has identified a further £3.46m made up of a combination of £170k additional income generation and £3.29m efficiencies, including the targeted investment of reserves, deletion of vacant posts and review of legacy pension budgets.

The table below sets out the total planned savings and efficiencies and the details are contained within Appendix 1.

Corporate Core - Savings proposals

| Future Shape Theme | 2023/24 £000's | 2024/25 £000's | 2025/26 £000's | 2026/27 £000's | 2027/28 £000's | Grand Total £000's |
|----------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-----------------------|
| Customer Experience (RBDXP) | 0 | 0 | 200 | 500 | 850 | 1,550 |
| More Purposeful & Effective Core | 200 | 422 | 490 | 400 | 400 | 1,912 |
| Digital Data Insights | 100 | 50 | 209 | 300 | 300 | 959 |
| Future Shape Total | 300 | 472 | 899 | 1,200 | 1,550 | 4,421 |
| Further Savings & Efficiencies | 3,065 | 205 | 190 | 0 | 0 | 3,460 |
| Total Corporate Core | 3,365 | 677 | 1,089 | 1,200 | 1,550 | 7,881 |

Operations and Commissioning Services Approach to Savings

- 3.11 As part of looking to identify possible savings to support the overall budget priority has been given to generating increased income, the total savings options identified total £2.581m over the three-year period and £2.531m is through increased income. The proposed savings options from across Operations and Commissioning are set out in table 3 of Appendix 1.

Investment Priorities

- 3.12 There were growth and investment pressures of £1.777m identified in November that needed to be considered as part of the budget setting process, and details are included in the table, along with narrative below:

| Description | 2023/24 £000's | 2024/25 £000's | 2025/26 £000's | Total £000's |
|--------------------------------------|-------------------|-------------------|-------------------|-----------------|
| Gorton Hub running costs | 500 | 0 | 0 | 500 |
| ICT – EUD refresh | 0 | 750 | 0 | 750 |
| ICT – Cyber licences | 461 | 0 | 0 | 461 |
| Finance – increased license costs | 10 | 10 | 0 | 20 |
| HR – reduced payroll income | 23 | 23 | 0 | 46 |
| Total Corporate Core Pressure | 994 | 783 | 0 | 1,777 |

- 3.13 The 2022/23 Corporate Core budget report identified pressures due to the Gorton Hub opening in 2022/23. The hub includes both City Council and Partner offices. There was an initial c£0.5m approved as part of the 2022/23 budget and a further £0.5m is proposed 2023/24 to cover a combination of increased costs due to higher specified accommodation, and to cover costs of vacant units until the Hub is fully let. The Hub includes additional quality space to meet future requirements for office space and feed into the wider ongoing review of office space.
- 3.14 There were also some new pressures that had been identified for 2023/24 and beyond that were highlighted in November and they included:
- Information Technology £0.75m - as part of the ICT strategy there have been including rolling out the end user device strategy. In order to provide an ongoing refresh of kit and additional revenue requirements of c£0.75m will be required from 2024/25.
 - Additional security software - there has also been increased requirements in respect of ensuring systems remain secure, and to avoid any security compromises and to aid this additional software has been installed in 2022/23 and the full year costs in 2023/24 will be c£461k per annum.
 - Financial Management increased licence software to support the implementation of Civica costs £20k

- HR/OD £46k reduced payroll income as schools use alternative providers.

3.15 In the report to this scrutiny committee in November identified additional £3.55m investment in direct response to the unprecedented pressures facing our residents from the current cost of living crisis the additional funding will provide additional provision to provide some additional targeted support to our residents and further detail is in the table below.

Cost of Living Response – New Investment 2023/24

| | 2023/24 Recom- mended £000 | Comments |
|------------------------------------|---|--|
| Food response | 1,000 | Working with the Community Food Partnership the majority will be invested in ambient stock and storage which all food providers in the city can access. In addition, there will be targeted support in the 11 priority wards where there is greatest need or vulnerability to the Cost-of-Living crisis. |
| Local Welfare Provision | 600 | Additional funding for the Local Welfare Provision scheme operated by the Revenues and Benefits Service. This scheme helps cover essential costs for households in crisis including one-off crisis cash payments and basic white goods & furniture for residents moving from temporary to permanent accommodation. |
| Other Welfare Schemes | 50 | Additional support for S17 payments to vulnerable families and for care leavers. |
| Discretionary Housing Payments | 1,000 | This is to reinstate the previous budget reduction in this area due to the growing demand for support. The primary aim to support people in their own tenancies and to stop people from becoming homeless. |
| CHEM | 200 | Covid Health Equity Manchester to support Communities experiencing racial inequality and other inequalities more likely to be impacted by the cost-of-living crisis |
| Support to VCSE | 500 | Additional support to increase the capacity of the VCSE sector to respond to the COL crisis in the wards most affected and citywide |
| Expand advice & debt support offer | 200 | Additional investment to expand the advice and debt support offer with a focus on residents who are in the private rented sector |
| Total | 3,550 | |

Other measures include the following:

- Establishment of the Community Advice Hub – an online and freephone helpline service to connect Manchester residents to the support available, which has been up and running since 3 October 2022.

- Advice and information to schools to poverty proof the school day and help families to ameliorate costs e.g., school uniforms at key points in the school year
- Team Around the Neighbourhoods focusing on cost of living and poverty in the 11 priority wards to bring together the local advice and support offer
- Communications and Engagement campaign across multiple channels to promote the Advice Hub and wider support offer for Manchester residents.
- Work with partners – Registered Providers, VCSE and MLCO to provide a coordinated offer, align resources and extend reach and impact
- Creation of warm spaces through Neighbourhood Living Rooms in Libraries and in community and faith venues where people can access information and support in warm settings. New Investment Proposals

3.16 The higher than forecast funding from the settlement has provided some scope to include additional targeted investments. The following table sets out details of new Corporate Core proposed investments in the Corporate Core, and there is further narrative below.

| Description | 2023/24 £000's | 2024/25 £000's | 2025/26 £000's | Total Investment £000's |
|--|-------------------|-------------------|-------------------|-------------------------------|
| ICT systems and security resources | 250 | 0 | 0 | 250 |
| HR disability hub | 250 | 0 | 0 | 250 |
| Target support for vulnerable residents and voluntary sector | 2,000 | 0 | 0 | 2,000 |
| Corporate Core New Investment | 2,500 | 0 | 0 | 2,500 |

- 3.17 Due to the increased security risks and the changing ICT environment investment of £250k is proposed to support additional resources in the systems and security team to ensure that council systems are secure.
- 3.18 The council workforce is its most important asset and £250k investment is planned to support the introduction of a disability hub. This will be a one stop shop for staff to access the support, equipment, or adaptations they need to be able to do their job. Establishing these resources was identified as a priority in the Workforce Equality Strategy and disabled staff and other relevant staff are being fully involved in the design of the hub.

Additional Support for Residents

- 3.19 The general council tax increase is required to cover inflation and other pressures the Council is facing. If the general precept is increased additional investment to provide targeted support for vulnerable residents and to the Voluntary, Community and Social Enterprise (VCSE) should be considered to protect our poorer residents. There will be the ability to reduce some of these costs in future years as the economy improves and inflation reduces.

- 3.20 An additional investment of £2m is proposed to provide additional targeted support for vulnerable residents and the voluntary sector and additional support to the most vulnerable residents suffering direct hardship.
- 3.21 Support will be made to Voluntary and Community groups that provide Community Hubs, Good Neighbours Groups and other locally focused activities that support residents in all parts of the city. This will be in addition to the programme of Our Manchester Voluntary and Community Sector (OMVCS) Grants and the Cost-of-Living response resources for the sector. A small amount of this funding will be used to fund two additional posts to help administer the cost-of-living support to residents.
- 3.22 In addition, it is proposed that additional resources are made available to provide support to the most vulnerable residents suffering direct hardship, this will be addition to existing welfare provision schemes but recognise the severity of the current economic climate on our residents. This will seek to achieve targeted support through:
- The ability to waive some or all of the costs for those at summons stage where they engage with a repayment plan. Historical costs could also be considered for write off to ease the debt burden on residents. The Council budgets for income from costs and the budget for this would need to be reduced.
 - Where there is evidence of hardship and there is engagement on a repayment plan with a commitment to maintain the current year instalments (eg by a direct debit) then the ability to suspend arrears recovery or write off all or part of the prior year debt could make a significant difference.
- 3.23 If these options are supported work will be carried out to develop a clear policy framework linked to the cost-of-living work reporting to the Deputy Leader responsible for reducing poverty and tackling inequalities.

This will supplement the Household Support Fund which is being extended by a further £1bn nationally to help with the cost of household essentials, for the 2023/24 financial year. If the allocation methodology remains in line with 2022/23 the Council will receive almost £13m. Alongside this is the £4.140m Holiday Activity Fund which will provide holiday clubs for eligible children in the main school holidays.

The Government has also announced £100m of additional funding for local authorities to support the most vulnerable households in England. The government provided guidance and provisional allocations on 23 December. Allocations are based on authorities' share of Local Council Tax Support (LCTS) claimants according to Q2 2022/23 data, and final allocations will be confirmed at the final Local Government Finance Settlement. The government

expects local authorities to use the majority of their funding allocations to reduce bills for current working age and pension age Local Council Tax Support (LCTS) claimants by up to £25. Councils can use their remaining allocation as they see fit to support vulnerable households with council tax bills. Manchester had 48,809 Council Tax Support Scheme claimants (CTSS) as at 30 September 2022 and has been allocated £1.286m.

For 2024/25 the Council should consider the current Council Tax Support Scheme and whether the threshold levels remain appropriate.

The above is in addition to the £3.55m of additional welfare support on an ongoing basis as set out in paragraph 3.15.

- 3.24 If the proposed changes are approved the three-year budget position is shown in Appendix 3.

Traded Services Investment

- 3.25 Off-street car parking forms part of the Operations and Commissioning budgets and whilst the number of car park users has increased in recent months, it has not returned to pre covid levels largely due to changes in peoples working arrangements and the move to hybrid working. Currently pay on the day ticket sales are back to around 80% of the pre covid levels, but season ticket sales are only at around 24% of pre covid levels. There has been a recent price change, and this came into effect in December 2022. Based on the most up to date information and projections, the likely shortfall in car parking income in 2023/23 is likely to be around £1.9m and it is proposed that this will be mitigated through bringing together off street and on street parking and making a reduced contribution to the parking reserve. The parking reserve is forecast to be c£6.3m at the close of 2022/23, although based on current activity levels it would reduce to nil by 2027/28. The support for off street parking is proposed for two years in order to provide time to develop and implement a revised parking strategy that will ensure on street and off-street parking complement each other and that parking income is maximised in the context of the overall priorities to reduce car usage in the city centre.

4. Workforce Implications

- 4.1 Corporate Services currently has 1,995 budgeted FTE, the savings proposals outlined in appendix one indicates a reduction of 27 FTE over the 3-year period. This will be managed through natural turnover and management of vacancies.
- 4.2 Operations and Commissioning has 126 FTE and the savings proposals include deleting 1 currently vacant post in markets.
- 4.3 Vacancy Factor

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

5. Equality and Anti-Poverty Impact

- 5.1 Each saving proposal will be supported by robust business cases where consideration has been given to how the proposed savings could impact on different protected or disadvantaged groups. Where applicable proposals will be subject to completion of an Equality Impact Assessment (EqIA) and a Poverty Impact Assessment as part of the detailed planning and implementation. Work is also underway on the way in which equalities data is collected across the Council, supporting the ability to be better informed on the impact of changes being made to services.
- 5.2 The current saving proposals in the core directorate focus on delivering efficiencies and implementing new ways of working with limited impact on services which directly deliver to residents. However, the major projects within these proposals, such as RBDXP, have equality and inclusion at their heart and have embedded this in their design stages with robust EqIAs in place at a project level. Due to this diligence at the design stage of these projects, no direct impacts on people and specifically MCC priority protected characteristics have been identified. This will remain under review throughout the further development of these proposals.
- 5.3 The work that will be carried out on individual business cases will be complemented by work to consider the collective impact of the options proposed and how the overall budget changes will impact on equalities, poverty and ultimately our residents. The Core Directorate will review how the use of their budget as a whole, not just that of budget savings/reductions, might mitigate or positively impact on equality, anti-poverty, and how social value can be maximised.

6. Future opportunities and Risks

- 6.1. Whilst there is some provision proposed as part of the budget options the longer-term impacts of the current economic climate are still unknown, and this is likely to have ongoing impacts in terms of both increased demands for direct financial support but also increased demands on service areas across the Council. In addition to the support for residents the current economic uncertainty is likely to continue resulting in increased contractual costs for

goods and services because of higher inflationary pressures across all services.

7. Appendices

Appendix 1 – Savings Schedule

Appendix 2 – Growth and Investment Schedule

Appendix 3 - Indicative Medium-Term budgets by service

Appendix 4 - Indicative Medium-Term budgets by type of spend and income

Appendix 1 - Savings Schedule

| Corporate Core | Description of Saving | Type of Saving | RAG Impact | Amount of Saving | | | | Indicative FTE Impact |
|------------------------------------|---|----------------|--|------------------|---------|---------|-------|-----------------------|
| | | | | 2023/24 | 2024/25 | 2025/26 | Total | |
| | | | | £'000 | £'000 | £'000 | £'000 | |
| Customer Experience (RBDXP) | | | | | | | | |
| Customer Services & Transactions | ICT investment will make digital access easier and increase no of residents using digital channels rather than traditional channels for contact | Efficiency | Reduced staffing requirement due to increased digital access, staffing reduction will be managed through turnover. | 0 | 0 | 200 | 200 | 7 |
| Digital Data Insights | | | | | | | | |
| ICT | Due to increased flexible working and access to MS teams, reduce number of telephones (mobiles and landlines) across the council | Efficiency | Link to EUD reduce mobile phones and 8x8 | 5 | 25 | 25 | 55 | 0 |
| ICT | ICT software change that provides staff authentication to use MCC systems | Efficiency | Minimal impact, staff will authenticate access using different software | 90 | 0 | 0 | 90 | 0 |
| ICT | Rationalise Wi-Fi providers | Efficiency | Reduce number of wifi providers across the estate | 0 | 0 | 184 | 184 | 0 |

| Corporate Core | Description of Saving | Type of Saving | RAG Impact | Amount of Saving | | | | Indicative FTE Impact |
|--|---|----------------|--|------------------|---------|---------|-------|-----------------------|
| | | | | 2023/24 | 2024/25 | 2025/26 | Total | |
| | | | | £'000 | £'000 | £'000 | £'000 | |
| ICT | Due to changes in working arrangements, reduce both the number of printers across the estate and the volume of prints. | Efficiency | Re procure new print supplier and reduce number of printers across the estate to reflect new flexible working | 5 | 25 | 0 | 30 | 0 |
| A More Purposeful Effective Core | | | | | | | | |
| Finance, Procurement & Commercial Governance | As part of the planned change in ERP system there will be increased efficiency through standardisation of processes, training of budget holders and self-service. | Efficiency | Look to manage and plan staffing reductions through changed processes and enabling head count reduction through natural turnover and management of vacancies | 200 | 200 | 200 | 600 | 12 |
| HR/OD | Replace existing ATS software to improve recruitment processes and new front Door implementation. | Efficiency | Look to manage and plan staffing reductions through natural turnover and management of vacancies | 0 | 50 | 65 | 115 | 3 |

| Corporate Core | Description of Saving | Type of Saving | RAG Impact | Amount of Saving | | | | Indicative FTE Impact |
|-------------------------------------|---|-------------------|--|------------------|------------|------------|--------------|-----------------------|
| | | | | 2023/24 | 2024/25 | 2025/26 | Total | |
| | | | | £'000 | £'000 | £'000 | £'000 | |
| Performance research & Intelligence | Review service operating model with greater emphasis on proactive work to improve our data and develop self-serve capacity and greater prioritisation of requests from services | Efficiency | Reduced staffing. Stakeholders improve data quality, agree to reduce the volume of requests and commit to self-serve as systems improve to enable this | 0 | 122 | 125 | 247 | 5 |
| Legal Services | Increased income through review of fees and charges | Income Generation | Increased fees for legal services to third parties | 0 | 50 | 100 | 150 | 0 |
| Total Future Shape Programme | | | | 300 | 472 | 899 | 1,671 | 27 |

| Corporate Core | Description of Saving | Type of Saving | RAG Impact | Amount of Saving | | | | Indicative FTE Impact |
|---------------------|--|----------------|-----------------------------|------------------|---------|---------|-------|-----------------------|
| | | | | 2023/24 | 2024/25 | 2025/26 | Total | |
| | | | | £'000 | £'000 | £'000 | £'000 | |
| Housekeeping | | | | | | | | |
| City Policy | Reduce strategic cultural grant to NFM | Efficiency | Reduce grant support to NFM | 50 | 50 | 0 | 100 | 0 |

| Corporate Core | Description of Saving | Type of Saving | RAG Impact | Amount of Saving | | | | Indicative FTE Impact |
|----------------------------------|--|-------------------|---|------------------|---------|---------|-------|-----------------------|
| | | | | 2023/24 | 2024/25 | 2025/26 | Total | |
| | | | | £'000 | £'000 | £'000 | £'000 | |
| Reform & Innovation | Workforce review | Efficiency | Reduction in staffing budget through vacant posts | 20 | 0 | 0 | 20 | 0 |
| Communications | Review print and mailroom processes | Efficiency | Reduce print sites, introduce digital scanner solution and reduce courier costs | 15 | 35 | 70 | 120 | 0 |
| Communications | Review subscription and software licenses | Efficiency | Reduce annual subscriptions, software and reputation research | 30 | 0 | 0 | 30 | 0 |
| Registrars | Review existing fees and charges to align with other Core Cities | Income Generation | Increased fees for ceremonies and certificates | 0 | 20 | 0 | 20 | 0 |
| Customer Services & Transactions | Review annual income targets for clamping budgets | Income Generation | Increased income because of activity levels | 150 | 0 | 0 | 150 | 0 |
| Corporate | NI and Superannuation savings through introduction of electric car leasing | Efficiency | Employees will access ULEV through salary sacrifice | 0 | 100 | 120 | 220 | 0 |
| Corporate | Savings against historic pension costs | Efficiency | Historic budget reduced to reflect current needs | 500 | 0 | 0 | 500 | 0 |

| Corporate Core | Description of Saving | Type of Saving | RAG Impact | Amount of Saving | | | | Indicative FTE Impact |
|-----------------------------------|--|----------------|---|------------------|------------|--------------|--------------|-----------------------|
| | | | | 2023/24 | 2024/25 | 2025/26 | Total | |
| | | | | £'000 | £'000 | £'000 | £'000 | |
| Parking | Review existing parking and bus lane reserve | Efficiency | Review forecast bus lane and parking reserves to ensure investment opportunities are maximised. The funding will be used a year in arrears to contribute to funding the road safety elements funded through the transport levy. | 2,300 | 0 | 0 | 2,300 | 0 |
| Total Housekeeping Savings | | | | 3,065 | 205 | 190 | 3,460 | 0 |
| Grand Total Corporate Core | | | | 3,365 | 677 | 1,089 | 5,131 | 27 |

Operations and Commissioning Savings Proposals

| Description of Saving | Impact | Type of Saving | Amount of Saving | | | | Indicative FTE Impact |
|--|--|-------------------|------------------|--------------|--------------|--------------|-----------------------|
| | | | 2023/24 | 2024/25 | 2025/26 | Total | |
| | | | £'000 | £'000 | £'000 | £'000 | |
| Bereavement Services - Income charges, increase of 10% on all fees and charges | Impact on funeral poverty for Manchester Residents | Income Generation | 0 | 0 | 372 | 372 | - |
| New advertising hoardings on Chester Road roundabout | The delivery of the scheme is subject to planning approval, considerable engagement has already taken place to ensure that the planning application addresses all the requirements and concerns. | Income Generation | 0 | 100 | 0 | 100 | - |
| Increased traffic enforcement – Moving Traffic Offences - new scheme / Bus Lanes - full enforcement of all bus lanes and bus gates | Will generate additional revenue income that will be used for investment and release existing mainstream budgets | Income Generation | 0 | 1,000 | 1,000 | 2,000 | - |
| Increase to the fees and charges for a Pest Control Service | A 10% increase in prices charged to customers. | Income Generation | 59 | 0 | 0 | 59 | - |
| Reduction in pest control supplies budget | Will require more efficient purchasing | Service reduction | 20 | 0 | 0 | 20 | - |
| City Centre and Specialist Markets Saving Delivery Proposal. Disestablish G4 vacant post | Increased flexible working between City Centre and Specialist Market delivery teams. | Efficiency | 30 | 0 | 0 | 30 | 1.00 |
| | | | 109 | 1,100 | 1,372 | 2,581 | 1 |

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Appendix 2 – Growth and Investment Schedule

| Service | Description of Pressure | Pressure / Growth Amount | | | |
|--|--|--------------------------|------------|----------|--------------|
| | | 2023/24 | 2024/25 | 2025/26 | Total |
| | | £'000 | £'000 | £'000 | £'000 |
| Investment and growth included in the 2022/23 MTFP: | | | | | |
| Operational Property | Revenue support for costs of Gorton Hub as reported in the 2022/23 budget process. | 500 | 0 | 0 | 500 |
| ICT | Additional software licenses there has also been increased requirements in respect of ensuring systems remain secure, to avoid any security compromises and to aid this additional software has been installed in 2022/23 and the full year costs in 2023/24 will be c£461k per annum. | 461 | 0 | 0 | 461 |
| Financial management | Increased costs of licenses with the implementation of the new Civica finance system. | 10 | 10 | 0 | 20 |
| HROD | Reduced income – reduction in use of the school payroll service | 23 | 23 | 0 | 46 |
| ICT | Costs of ICT hardware refresh. In order to provide an ongoing refresh of kit and additional revenue requirements of c£0.75m will be required from 2024/25. | 0 | 750 | 0 | 750 |
| Sub Total | | 994 | 783 | 0 | 1,777 |
| Investment and growth added since the 2022/23 MTFP: | | | | | |
| ICT | ICT systems and security resources | 250 | 0 | 0 | 250 |
| HROD | HR investment in disability hub | 250 | 0 | 0 | 250 |
| | Target support for vulnerable residents and voluntary sector | 2,000 | 0 | 0 | 2,000 |
| Sub Total | | 2,500 | 0 | 0 | 2,500 |
| Total Corporate Core Investment | | 3,494 | 783 | 0 | 4,277 |

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Appendix 3: Indicative Medium-term budgets by service

| Service Area Chief Executives | 2022/2023 Budget £'000 | 2023/2024 Indicative Budget £'000 | 2024/2025 Indicative Budget £'000 | 2025/2026 Indicative Budget £'000 |
|--|---------------------------------------|--|--|--|
| Coroners & Registrars | 2,374 | 2,374 | 2,354 | 2,354 |
| Elections | 1,118 | 1,118 | 1,118 | 1,118 |
| Legal | 10,088 | 10,088 | 10,038 | 9,938 |
| Communications | 3,441 | 3,396 | 3,361 | 3,291 |
| Executive | 980 | 980 | 980 | 980 |
| Policy, Performance & Reform | 14,493 | 15,223 | 15,051 | 14,926 |
| CEX Corporate Items | 1,215 | 1,215 | 1,215 | 1,215 |
| Total Chief Executives | 33,709 | 34,394 | 34,117 | 33,822 |

| Service Area Corporate Services | 2022/2023 Budget £'000 | 2023/2024 Indicative Budget £'000 | 2024/2025 Indicative Budget £'000 | 2025/2026 Indicative Budget £'000 |
|--|---------------------------------------|--|--|--|
| Finance, Procurement & Commercial Gov | 8,191 | 8,001 | 7,711 | 7,391 |
| Customer Services | 12,955 | 17,555 | 16,555 | 15,535 |
| ICT | 15,596 | 16,207 | 16,907 | 16,698 |
| Human Resources & OD | 4,528 | 4,801 | 4,774 | 4,709 |
| Audit, Risk & Resilience | 1,468 | 1,468 | 1,468 | 1,468 |
| Capital Prog, Op Prop & FM Services | 21,874 | 22,070 | 22,975 | 22,975 |
| Total Corporate Services | 64,612 | 70,102 | 70,390 | 68,596 |
| Corporate Core Grand Total | 98,321 | 104,496 | 104,507 | 102,418 |

| Service Area Business Units, Advertising and Parking | 2022/2023 Budget £'000 | 2023/2024 Indicative Budget £'000 | 2024/2025 Indicative Budget £'000 | 2025/2026 Indicative Budget £'000 |
|---|---------------------------------------|--|--|--|
| Business Units | (2,253) | (2,362) | (2,362) | (2,734) |
| Advertising | (4,400) | (4,400) | (4,500) | (4,500) |
| Parking Services & CCTV | (7,074) | (7,074) | (7,074) | (7,074) |
| Total | (13,727) | (13,836) | (13,936) | (14,308) |

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

| Corporate Core | 2022/2023 Budget £'000 | 2023/2024 Indicative Budget £'000 | 2024/2025 Indicative Budget £'000 | 2025/2026 Indicative Budget £'000 |
|--|---------------------------------------|--|--|--|
| Expenditure: | | | | |
| Employees | 86,276 | 86,076 | 85,704 | 85,114 |
| Running Expenses | 235,007 | 241,509 | 242,962 | 242,563 |
| Capital Financing Costs | 166 | 166 | 166 | 166 |
| Contribution to reserves | 9,905 | 9,905 | 9,905 | 9,905 |
| Sub Total Subjective Expenditure | 331,354 | 337,656 | 338,737 | 337,748 |
| Less: | | | | |
| Other Internal sales | (14,795) | (14,795) | (14,795) | (14,795) |
| Gross Expenditure | 316,559 | 322,861 | 323,942 | 322,953 |
| Income: | | | | |
| Government Grants | (161,258) | (161,258) | (161,258) | (161,258) |
| Contributions from Reserves | (7,151) | (7,151) | (7,151) | (7,151) |
| Other Grants Reimbursements and Contributions | (4,224) | (4,224) | (4,224) | (4,224) |
| Customer and Client Receipts | (33,834) | (33,985) | (34,055) | (34,055) |
| Other Income | (11,771) | (11,747) | (11,747) | (11,847) |
| Gross Income | (218,238) | (218,365) | (218,435) | (218,535) |
| Total Corporate Core Net Budget | 98,321 | 104,496 | 105,507 | 104,418 |

| Business Units, Advertising and Parking | 2022/2023 Budget £'000 | 2023/2024 Indicative Budget £'000 | 2024/2025 Indicative Budget £'000 | 2025/2026 Indicative Budget £'000 |
|---|-----------------------------------|--|--|--|
| Expenditure: | | | | |
| Employees | 4,969 | 4,939 | 4,939 | 4,939 |
| Running Expenses | 20,557 | 20,963 | 20,963 | 20,963 |
| Capital Financing Costs | 116 | 116 | 116 | 116 |
| Contribution to reserves | 28 | 28 | 28 | 28 |
| Sub Total Subjective Expenditure | 25,670 | 26,046 | 26,046 | 26,046 |
| Less: | | | | |
| Other Internal sales | (2,696) | (2,696) | (2,696) | (2,696) |
| Gross Expenditure | 22,974 | 23,350 | 23,350 | 23,350 |
| Income: | | | | |
| Government Grants | | | | |
| Contributions from Reserves | | | | |
| Other Grants Reimbursements and Contributions | | | | |
| Customer and Client Receipts | (36,701) | (37,186) | (37,286) | (37,658) |
| Other Income | | | | |
| Gross Income | (36,701) | (37,186) | (37,286) | (37,658) |
| Total Business Units, Advertising and Parking Net Budget | (13,727) | (13,836) | (13,936) | (14,308) |

**Manchester City Council
Report for Resolution**

Report to: Children and Young People Scrutiny Committee – 8 February 2023
Executive - 15 February 2023

Subject: Children and Education Services Budget 2023/24

Report of: Strategic Director for Children’s and Education Services

Summary

Members will recall that at the November round of scrutiny meetings the Council was forecasting an estimated budget shortfall of £112m over the three years with £44m in 2023/24. As part of the action to address the budget shortfall officers identified potential savings options of £42.3m over three years, of which there were savings options of £11.8m within the remit of this scrutiny committee. The provisional financial settlement announced 19 December reflected a change in government policy in relation to funding inflation and social care pressures. This has given the opportunity to review the quantum and phasing of savings. It is now proposed that options of £36.2m are progressed, of which £11.725m is within the remit of this scrutiny committee.

This report provides a further update to members on the priorities for the services in the remit of this committee and details the changes to the initial revenue budget options proposed by officers in November 2022.

Each scrutiny committee is invited to consider the current proposed changes which are within its remit and to make recommendations to the Executive before it agrees to the final budget proposals on 15 February 2023.

Recommendations

The Committee is recommended to:-

1. To consider and comment on the forecast medium term revenue budget
2. Consider the content of this report and comment on the proposed changes which are relevant to the remit of this scrutiny committee

The Executive is recommended to approve these budget proposals.

Wards Affected: All

| |
|---|
| Environmental Impact Assessment - the impact of the issues addressed in this report on achieving the zero-carbon target for the city |
|---|

The budget reflects the fact that the Council has declared a climate emergency by making carbon reduction a key consideration in the Council's planning and budget proposals.

Equality, Diversity and Inclusion - the impact of the issues addressed in this report in meeting our Public Sector Equality Duty and broader equality commitments

Consideration has been given to how the proposed savings could impact on different protected or disadvantaged groups. Where applicable proposals will be subject to completion of an Equality Impact Assessment (EqIA) and an Anti Poverty Assessment.

| Manchester Strategy outcomes | Summary of how this report aligns to the OMS/Contribution to the Strategy |
|---|---|
| A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities | The effective use of resources underpins the Council's activities in support of its strategic priorities as set out in the Corporate Plan which is underpinned by the Our Manchester Strategy. |
| A highly skilled city: world class and home-grown talent sustaining the city's economic success | Ensuring children and young people are supported and afforded the opportunity to access and achieve in the city; empowered and supported by the delivery of a strong and cohesive system that works for all children. |
| A progressive and equitable city: making a positive contribution by unlocking the potential of our communities | Improving education and social care services that are connected to the wider partnership build the resilience of children and families needed to achieve their potential and be integrated into their communities |
| A liveable and low carbon city: a destination of choice to live, visit, work | |
| A connected city: world class infrastructure and connectivity to drive growth | |

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

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

Financial Consequences – Revenue

The changes included within this report will, subject to Member comments and consultation, be included in the final 2023/24 revenue budget set by Council on 3 March.

Financial Consequences – Capital

None directly arising from this report.

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Background documents (available for public inspection):

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

[Revenue Budget Report - Executive Meeting 16 February 2022](#)

[Medium Term Financial Strategy 2022/23 to 2024/25 -Executive Meeting 16 February 2022](#)

[Children and Education Services Budget 2022/23 - Executive 16 February 2022](#)

[Resource and Governance Scrutiny – 6 September 2022](#)

[Revenue Monitoring to the end of July 2022 and Budget update 2023/24 to 2025/26 - Executive 14 September 2022](#)

[Children and Young People Budget Report 2023-26 - Scrutiny Committee 9th November 2022](#)

1. Introduction and Purpose

- 1.1 The report sets out an overview of the services within the remit of this scrutiny committee and their key priorities. This report provides a draft set of proposals for further savings and investments for 2023-26, developed in the context of the financial challenge facing the Council.
- 1.2 This report which for ease of reference is structured as follows.
 - Section 1 Introduction
 - Section 2 Service overview and priorities
 - Section 3 Service budget and proposed changes
 - Section 4 Use of Grants and Reserves
 - Section 5 Workforce

2. Service overview and priorities

- 2.1 The Children and Education Services Directorate is responsible for delivering the Council's statutory duties and responsibilities in respect of children in need of help, support, and protection. Whilst at the same time ensuring they have access to a high-quality education and learning experience.
- 2.2 **Children's social care services budget** - The Directorate brings together the Council's duties in relation to children identified and assessed to be in need of help, support, protection, looked after by the council and young people with care experience (leaving care service). It includes a range of services targeted to support families and help to avoid their needs escalating and services for those who need to become 'looked after' and Youth Justice Services. 57% of the overall Children's Social Care budget is committed to meeting the costs of caring for our Looked after Children; linked to the cost of placements. The remaining balance of the budget is allocated to Children's Social Care Services such as: Leaving Care, Early Years, Early Help and Youth Justice.
- 2.3 Illustration one provides an overview of children and young people supported by the Education system, as at October 2022 census, unless stated otherwise. Illustration two sets out the range and profile of children and young people population in the city and those who are supported by the Directorate as of January 2023. There are a total of 1,350 Looked After Children (LAC), of which 152 were Unaccompanied Asylum-Seeking Children (UASC), representing 11.3% of LAC, the highest ever proportion of UASC supported in Manchester.

Illustration1: Manchester’s Children and Young People Population

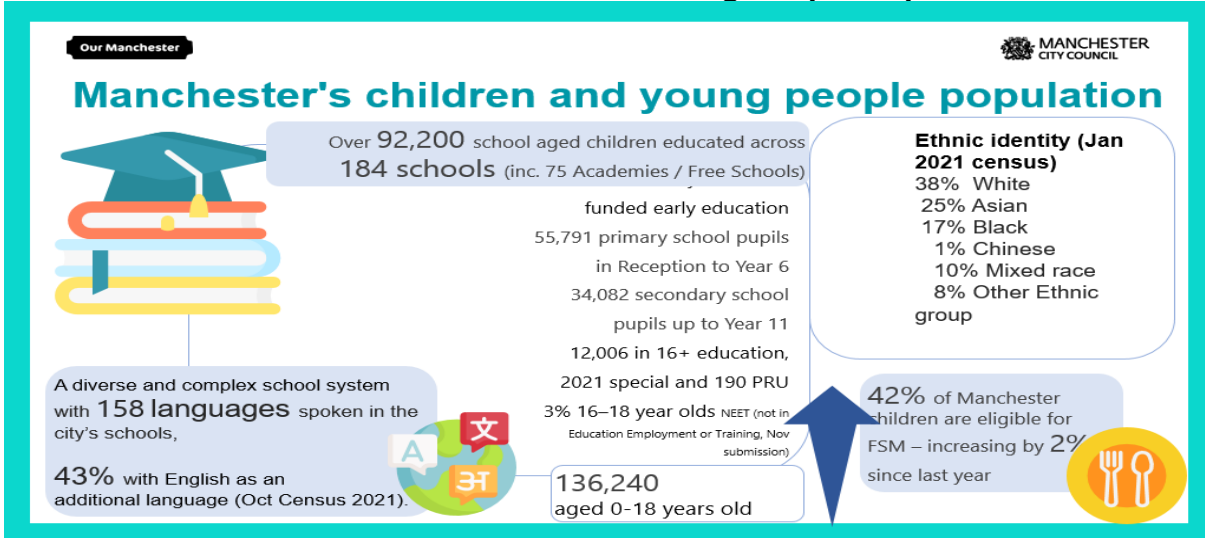
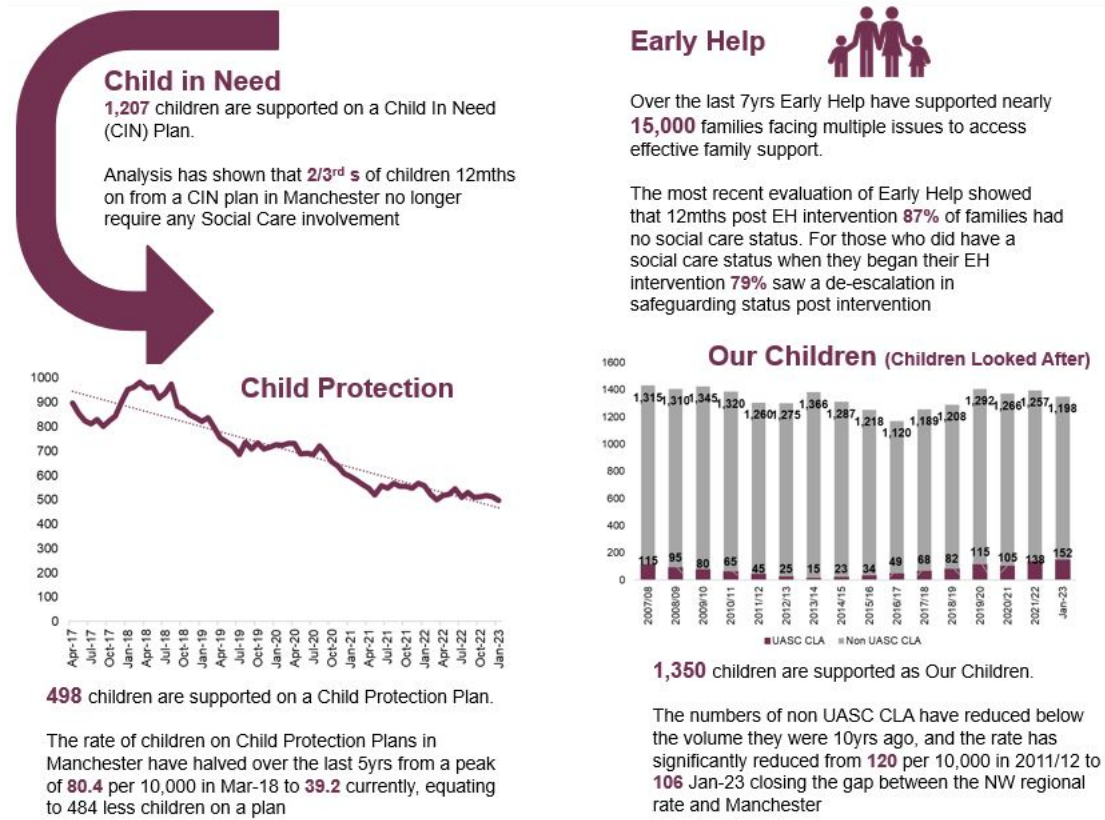


Illustration2: Children’s Social Care



2.4 Directorate’s planned use of reserves planned for the next few years is outlined in section 4, of note are:

- **Our Year** - In last’s year budget process Youth received an extra £500k per year budget. Proposals that were presented to Scrutiny in November 2023 was to reduce that investment by £75k, this saving has now been withdrawn. The £0.5m investment is on-going. There is also a commitment to the legacy of Our Year. The legacy commitments plan spans over the next two years and amounts to £250k per year. Manchester seeks to embed and build upon the

number of UNICEF rights respecting schools and supplementary schools, this will help in our ambition to accreditation as a child friendly city.

- **Kickstart** – This scheme will implement a ‘task force’ of services able to provide intensive support and intervention around a cohort of children in Early Years including year 1 in a school working with a cluster of schools where Early year’s data shows a significant and widening gap compared to the national/local data and where high levels of deprivation and/or low engagement with services are a predominant factor. The total drawdown from reserve will be £1m and will be over a two year period.

- 2.5 **Education Services** - This service budget represents the Council's responsibilities for education and learning funded by the Dedicated Schools Grant and Council budget (the vast majority of which is passported directly to schools). Included on this agenda is a report outlining the position on the Dedicated School Grant (DSG) which sets out the £671m grant settlement for next year
- 2.6 The Council’s Education Services budget is £25m and provides effective and efficient school admissions, place planning, home to school transport services as well as school crossing patrols.
- 2.7 Transport services makes up 57% of Education Services budget, alongside a further 18% to support children with SEND such as short breaks including overnight stays. The remaining budget is allocated to deliver services such as school attendance and education psychology.
- 2.8 Education Services also supports and promotes the inclusion of key groups such as the education of children looked after. This is overseen and delivered via a ‘virtual school’.
- 2.9 The improvements in both Children’s and Education Services have been associated with a clear ambition and vision to build a safe, healthy, happy and successful future, delivered through continued and strengthening partnerships that support even greater collaboration and robust leadership; underpinned by an effective performance/assurance framework.
- 2.10 In April 2022, Ofsted Inspected and judged Manchester’s Children’s Services overall effectiveness as Good. Inspectors found that services had improved since the last inspection in 2017. Of note was Ofsted’s judgement of leadership and management was ‘good’ and identified several areas supporting this judgement, including ongoing financial commitment to the recruitment and retention of social workers, effective quality assurance and performance management arrangements and strong political and professional leadership.
- 2.11 In January 2022 Inspectors praised services for children with Special Educational Needs (SEND) following an Area SEND Inspection that was undertaken during November 2021. Inspectors noted the ability of city leaders to make any changes necessary in the few areas shown for further improvement - all of which had already been shown by leaders themselves and have robust improvement plans in place.

2.12 The Children and Young People's Plan 2020 - 2024 - translates the Our Manchester priorities into a vision for 'building a safe, happy, healthy and successful future for children and young people'. The Council are passionate about children and young people. This is reflected not only in the way the Directorate work with them, but in all aspects of our service planning, commissioning and delivery of services. This is a value-based approach that involves a relentless drive and focus on improving all areas of children's and young people's lives, underpinned by a strength based, can do attitude.

2.13 To support the delivery of the city's strategic priorities the Children and Education Directorate Plan outlines the following key priorities:

- Recognise and value the voices of children and young people in all areas of our work, listening to them and responding to what they tell us;
- Support and develop children's readiness for school and adulthood embedded in an approach to early intervention and early help;
- Everyone's a leader - an empowered, capable, confident, and stable workforce; effective in the management of risk, performance and planning for children;
- Continually improve outcomes for all children and 'close the gap' against the national attainment averages;
- Greater collaboration and partnerships consolidate children's services locality model to support and promote children living in stable, safe and loving homes - achieving 'permanency' to safely reduce the number of children looked after and/or in need of a statutory service;
- Ensure there is a sufficient range and choice of high-quality early years, school, college and youth provision for all children and young people;
- Develop and implement a specialist service/offer for children with complex needs;
- A timely intervention preventing the unnecessary escalation of children's needs is still a key Directorate priority, as is the range and choice of provision for those children who are looked after by the Council and our care leavers. The Directorate runs within a national context of a changing regulatory framework which has an increased focus on;
- Leading the education system to deliver excellent schools and settings with good attendance and support to meet the needs of all learners.

2.14 The Directorate priorities are reviewed annually to ensure they remain contemporaneous with feedback received, changes in national and local policies and priorities. This requires the Directorate to adapt, anticipate and respond to the challenges with purpose and focus.

3. Service budget and proposed changes

3.1 The gross 2022/23 budget detailed in the table below is £528.598m, which includes DSG delegated to maintained schools. Full details of the proposed savings, investment, demographic and inflation pressures are detailed in Appendix 1 and 2 of this report. The net budget is £132.052m.

Table 1: Base budget 2022/23

| Service Area | 2022/23 Gross budget | 2022 / 23 Net Budget | 2022 / 23 Budgeted posts (FTE) |
|--|----------------------------|----------------------------|---|
| | £'000 | £'000 | |
| LAC Placements | 55,842 | 48,433 | 40 |
| LAC Placement Services | 7,210 | 7,210 | 137 |
| Cared 4 Children & Leaving Care | 24,753 | 14,533 | 15 |
| Children Safeguarding Service Areas | 43,394 | 36,723 | 779 |
| Education Services (Includes DSG) | 378,788 | 6,668 | 202 |
| Home to School Transport | 11,949 | 11,883 | 126 |
| Targeted Youth Support Services | 841 | 841 | 0 |
| Children's Strategic Management and Business Support | 5,821 | 5,761 | 138 |
| Total | 528,598 | 132,052 | 1,437 |

- 3.2 Full details of the proposed savings, investment, demographic and inflation pressures are detailed in Appendix 1 and 2 of this report.
- 3.3 In November 2022 this scrutiny Committee was presented with a set of financial savings proposals totalling £11.8m by 2025/26, relating to services within the remit of this committee for consideration. The provisional settlement on 19 December 2022 reflected a significant change in government policy and associated funding than was much better than initially expected. This alongside observations and challenge from committee members, has given the opportunity to review both the quantum and phasing of savings. As a result, the £75k Youth saving proposal has been removed and inflation assumptions have been reviewed. In addition, due to increasing Looked After Placement and Permanence placement costs the Managing Demand saving has been delayed and reprofiled. Furthermore, the School Crossing Patrol savings proposal has also been rephased, the Council does not believe there is sufficient Parking and Bus Lane reserve to meet the costs of it. Whilst it is proposed that savings of £11.725m savings are progressed, the timing of these have been deferred to later years. Table 2 below shows total of savings, reprofiling of them. Appendix 1 sets out savings schedule.

Table 2: Savings Profile in scope of this Committee

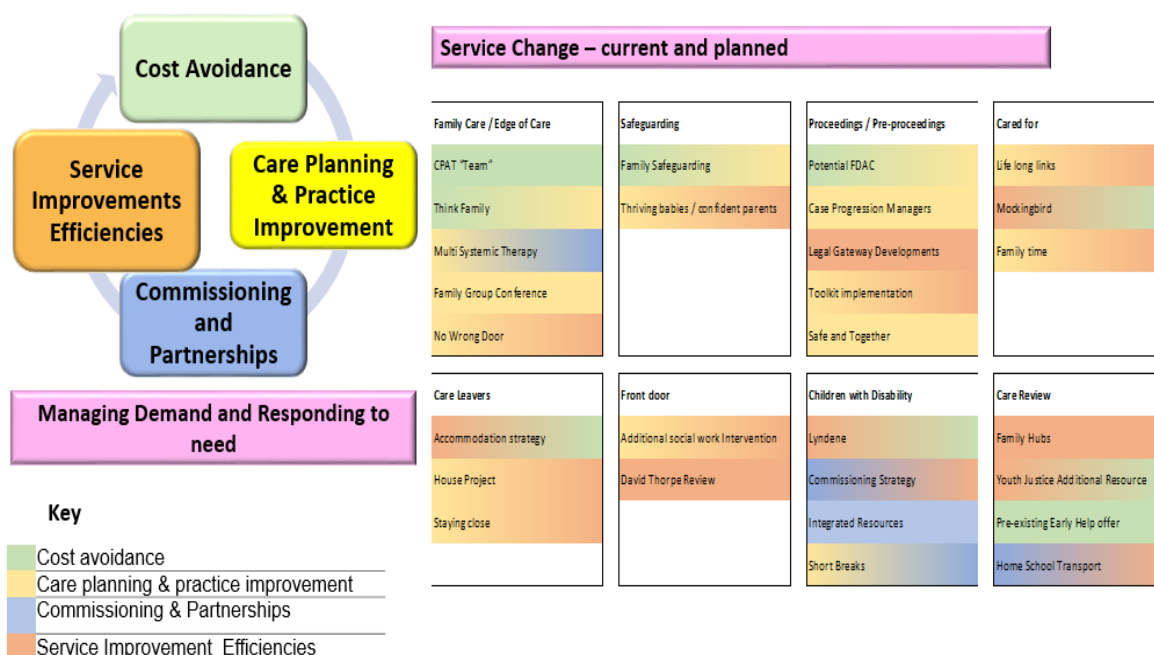
| | 2023/24 | 2024/26 | 2025/26 | Total |
|--|---------|---------|---------|-------|
| | £000 | £000 | £000 | £000 |
| | | | | |

| | | | | |
|--------------------------|--------------|------------|------------|-------------|
| Revised Savings Profile | 4,411 | 3,920 | 3,394 | 11,725 |
| Original Savings Profile | 5,372 | 3,320 | 3,108 | 11,800 |
| Change | (961) | 600 | 286 | (75) |

- 3.4 The settlement also gave some scope for some targeted additional investments focused on preventing and managing future demand to leave the council in a more sustainable position in 2025/26 when the current spending review period ends. Investments relevant to this committee are detailed in Appendix 2 of this report. The Children's Directorate is committed to increasing the pace of implementing (already-shown) reforms and continuous service improvements within the Directorate; delivering safe, effective and efficient services as a vehicle to deliver financial savings. This will be achieved by reducing demand for expensive services through, but not limited to, investment in Manchester's Early Help, Family Group Conferencing, Thriving Babies - Think Family, Multi-Systemic Therapy, and the Adolescent Support Unit.
- 3.5 As in previous years the budget options for savings have been informed by the Directorate Budget approach to deliver safe, effective and efficient services, the progress and impact of the services to date. This approach has been developed by thinking through the way in which the Directorate can meet its statutory duties and make the maximum contribution to the priorities for the city. This includes increasing the pace of implementing already identified reforms and services improvements as a way of making financial savings by reducing avoidable demand for expensive, reactive services and ensuring those being delivered are achieving the best outcomes for the best value.
- 3.6 In other cases, this is by choosing use of alternative funding sources and, or service reductions which will have the least detrimental impact on the achievement of our priorities. The 2023-26 savings proposals mostly focus on further strengthening our partnerships, collaboration and shared service efficiencies and improvements.

3.7 Illustration three: Budget Approach Proposals 2023-24

Budget Approach – Safe, Effective and Efficient



Developing partnerships, service efficiencies and improvements

- 3.8 The progress made by the Directorate is directly attributable to the above approach. When comparing the spend in 2021/22 to the previous year contrary to the national trend, the overall net expenditure in Manchester's children's social care services decreased by 5% (c£5.5m). This was due to the effective partnership working at a locality level and purposeful focus from services when they become involved with a family, leading to a reduction in the need for a statutory intervention with children and their families, rather than 'cuts' to services.
- 3.9 The approach adopted has contributed to overall looked after children numbers (rates) reducing and remaining relatively stable in Manchester. Cost reductions have been driven by a reduction in the number of expensive external residential placements. Part of the explanation for this reduction is a commitment to securing a plan of permanence for children and a clear sufficiency strategy (range and choice of provision to meet children's needs) and delivering at pace the implementation of reforms and service improvements. This includes, but is not limited to: Early Help investment, Family Group Conferencing, think 'whole' Family initiatives, Multi-Systemic Therapy and the Adolescent Support Unit, as outlined in illustration 3. It is expected the impact of these reforms and improvements will be embedded and sustained into 2023/24 and beyond.
- 3.10 Key aspects of Manchester's Sufficiency Strategy that has had a tangible impact on financial expenditure include;
- Effective and targeted use of semi-independent living provision. This reflects a concerted effort in transition planning, substantial market development work in partnership with residential housing providers,
 - A commissioned preferred providers framework

- Adoption and development of the National House Project, this provides a group of (up to) 10 care leavers with the opportunity to take ownership of their accommodation from the start, for example from furnishing/ decorating, minor structural changes to managing their own tenancy with specialist support from the House Project Team.
- Development of Staying close scheme
- Increased recruitment and use of supported lodgings
- Development of a post 16 accommodation hub - making the best use of provision through effective coordination and allocation.
- Transitional accommodation options. Block contracts have been agreed with existing providers and this will further contribute to the existing overall reduction in unit cost for (semi-) independent living options of around 25%.

3.11 There has also been a parallel reduction in spend on external foster placements (12% reduction year on year, equating to £2.1m p.a. reduction in spend). There is a greater proportion of foster placements now made in-house.

3.12 Children are presenting in Accident and Emergency/paediatrics with self-harming behaviours, who are assessed to need specialist services but not 'mentally ill'. There are limitations in the current provider market to meet the needs of these children, which in turn has led to inflated costs and risks associated with the use of an 'unregistered' arrangement, it is proposed through investment to develop a 'Take a Breath' model. Take a Breath constitutes two small residential provisions which will provide a bespoke and specialist 6-month placements for up to 4 children. The aim is to achieve this as soon as possible.

3.13 An analysis of the investment in prevention by the Directorate and current placement stability has led to some confidence that placement numbers are not going to increase at the rate assumed in the 2022/23 budget setting process, 'Managing Demand' savings proposal is partly achieved. Going forward Manchester remains committed to innovation, promote practice creativity to continually improve the experiences and outcomes of children. We are confident approach outlined this can also deliver financial savings. Subsequently the new service reforms and innovative approaches are detailed in Appendix 1 and 2 and are summarised below:

- Mockingbird - new model of support to internal foster carers.
- Thriving Families – strengths-based, multi-disciplinary and co-located approach to delivering a statutory child protection service.
- Thriving Babies – promoting health, well-being and safeguarding
- Family Group Conferencing
- Development of Social Work Bursary Scheme
- Foster Care recruitment campaigns
- Development of Staying close scheme
- Development of Specialist Short Breaks
- Participation in a Greater Manchester Family Drugs and Alcohol Court

3.14 Whilst at the time of writing and is imminent, the Government's response to the Independent Review of Children's Social Care has yet to be published.

However, it is anticipated the approach adopted to date and initiatives outlined in paragraph 3.14 will align very well. The subsequent savings, which are expected to be achieved through fewer and reduced placement costs, total £10.615m. Placement investments from the above innovations as outlined above total £2.454m, both savings and investment relate to preventing specialist intervention/children becoming looked after, stability in the care of children and overall service improvements. The Directorate is committed to prioritising investment to where it leads to service improvements and a return. Evaluation of these investments is scheduled to be undertaken in 18 months.

Service Efficiencies

- 3.15 Of the savings proposals, £1.110m focus on charging of existing services to grant, reserves, ceasing activity that it is not achieving planned outcomes or applying different set of budget assumptions.
- 3.16 In March 2022 Ofsted's judged Manchester's leadership and Management identified one of the areas supporting this judgement, included the ongoing financial commitment to the recruitment and retention of social workers. £0.748m of the investment proposals ensures there is sufficient budget to support Children's Social Work recruitment and retention requirements.

Demography and Inflation Pressures 2023-26

Demography

- 3.17 Looked after Children placements and Home to School Transport demographic demand was determined based on the placement numbers on which the budget was set compared to the current position and potential increase in demand informed by 3% population growth predictions. Subsequently it is proposed that the Children and Education Services cash limit budget will increase by £2.357m, £2.419m and £2.479m in 2023/24, 2024/25 and 2025/26 respectively as estimated in the 2021/22 budget setting process.

Inflation

- 3.18 Usually, budgets set aside for price inflation are held corporately and allocated in year once they materialise. These are subject to consideration by the Deputy Chief Executive and City Treasurer, before being recommended to Executive to be released to Directorates. The high and volatile inflationary environment has seen an increase to the corporate inflation allowance and immediate pressures affecting budgets in 2023/24 have already been identified and are deemed unavoidable. Requirements are highlighted in Appendix 2 of this report illustrate that there are £2.687m of known and confirmed inflation pressures, this will be allocated to the budget at the start of the year and £1.515m will be set aside Corporately for price inflation and will be drawn down, if needed. Known funding and the corporate inflation provision will be reviewed later date in order to ensure that it can support likely fee increases for external providers and foster carers.

3.19 Approved budget and proposed changes are provided in the budget Table

Table 3: Budget Movements Approved and Proposed

| | 2023/24 | 2024/25 | 2025/26 | Total |
|--|----------------|----------------|----------------|----------------|
| Approved Budget Movements | £,000 | | | |
| | 132,052 | 138,234 | 136,633 | 406,919 |
| Early Years Saving | -100 | -100 | 0 | -200 |
| Reversal of one off Saving from 22/23 | 1,409 | 0 | 0 | 1,409 |
| Budget adj. Early Years | 940 | 0 | 0 | 940 |
| Demography | 2,357 | 2,419 | 2,479 | 7,255 |
| Sub-total | 136,658 | 140,553 | 139,112 | 416,323 |
| Less New savings proposals | | | | |
| Managing Demand | 3,000 | 3,000 | 2,000 | 8,000 |
| Use of Reserves | 500 | (500) | | 0 |
| Mockingbird | 47 | 219 | 257 | 523 |
| Thriving Families (Formerly Family Safeguarding) | | 500 | 500 | 1,000 |
| Thriving Babies | 300 | 90 | 0 | 390 |
| Shared Care | | 351 | 351 | 702 |
| School Crossing Patrols | | 100 | 286 | 386 |
| Early Help | 430 | 160 | | 590 |
| Vacancy Factor | 134 | | | 134 |
| Sub-total | 4,411 | 3,920 | 3,394 | 11,725 |
| New Investment | | | | |
| Take a Breath | 915 | | | 915 |
| Short Breaks | 125 | | | 125 |
| Social Work Recruitment and Retention | 748 | | | 748 |
| Family Group Conferencing | 250 | | | 250 |
| Foster Recruitment | 98 | | | 98 |
| Placement Pressures and Home to School Transport | 1,000 | | | 1,000 |
| Family, Drug, Alcohol Courts | 164 | | | 164 |
| Sub-total | 3,300 | | | 3,300 |
| Funded Inflation Pressures | | | | |
| Internal Placements | 1,966 | | | 1,966 |
| Home to School Transport | 500 | | | 500 |
| Care Leavers – First Home & Winter payment | 221 | | | 221 |
| Sub-total | 2,687 | | | 2,687 |
| Total | 138,234 | 136,633 | 135,718 | 410,585 |

4. Use of Reserves and New Grants

- 4.1 Reserves are a corporate resource and planned use of the resource needs to be to cross reference to the Reserves Strategy as part of the medium-term financial plan, in line with the reserves policy.

Reserves

- 4.2 **Our Year** – Celebrates Manchester’s children and young people with a whole-city approach to help them shape a future that’s safe, happy, healthy and successful. 2022/23 has been a year of action, together to create more activities, opportunities, experiences and support for our children and young people. There are a few ‘Our Year’ legacy commitments plan that span over the next two years, the proposal is to fund £250k per annum from a designated children’s reserve.
- 4.3 **Thriving Families** – is a whole family, strengths-based approach to child protection. Work is undertaken by children’s social workers, adult mental health practitioners, substance misuse and probation officers, working together as one team. Joint knowledge and expertise are used to assess the needs of the whole family, supplying services to meet those needs and supporting parents to achieve sustained change for themselves and their children. At this stage whilst the structures requirements to support this approach is still being finalised the staffing requirement will be around 27.5fte. In the short term to establish the team and embed this approach the service is looking to fund the service from the Supporting Families reserve over the next two years. If successful to sustain the service after this use of reserves 22 placements per annum would be avoided because of this intervention. As savings cumulate, they would both cover the cost of the service and provide a saving by year three of the program. It is proposed that Thriving Families is supported by the Supporting Families reserve by £0.8m in year one, £1.2m in year two and £0.4m in year three of the programme. Support would taper in year three as savings are generated from the work being undertaken. The reserve will be fully used by year three.
- 4.4 **Kickstart Programme** - Children, young people and their families particularly those most impacted by the pandemic, cost-of-living crisis and those from communities that experience racial inequality. The Kickstart task force will comprise professionals from multi – agency/voluntary community services who can provide interventions to accelerate progress of children through working within the school, partners and community assets to address some of the developmental gaps and to provide different holistic family support. In addition to direct intervention provided to children through the additional resources delegated to the school and specialist advice and support allocated to the cluster of schools, support will include help for families such as financial advice/signposting, work and skills support, Early Help, mental health, support for home learning and health and well-being needs. The membership of the task force will vary depending on the school, community and identifying needs but will build on the existing Early Years integrated delivery model and successful outreach service. The reserve requirements are over two years, whereby £0.6m is needed 2023/24 and £0.4m will be called upon the year after.

- 4.5 **Social Work Bursaries** - Manchester has shown an ongoing financial commitment to the recruitment and retention of social workers. Whilst this is an ongoing challenge nationally, the support and approach taken to date has led to an increasingly stable and confident workforce. To further develop Manchester's future approach, it proposed that £30k per annum bursary is created to support and encourage staff who have experience of working with children and their families seek a social work qualification via a Social Work Apprenticeship Scheme delivered by the Greater Manchester Social Work Academy. The Social Work Apprenticeship Scheme is a three program, whereby students attend University one day a week, in recognition that it will take a period of time to scale up the plans. Drawn down on investment will phased over 2 years, £0.6m next year and a further £0.6m the year after. £0.8m of the support will come from a Children's reserve, the balance is yet to be worked through.
- 4.6 **School Crossing Patrols** – November's scrutiny report included the proposal to charge all the School Crossing Patrol (SCP) service to a reserve going forward. In accordance with the reserve's conditions road safety measures can be charged to the reserve. Capital support will also be provided, however, it is not expected that this will significantly reduce the need for school cross patrols. Further work is required to develop the longer-term funding and approach. In order to progress this work and make further improvements to management of the SCP it is proposed £124k is drawn down from the Road Parking and Bus Lane Penalties Reserve in the short to medium term.

Grants

- 4.7 **Family Hub** – the Council has received confirmation of grant funding of £5.3m over three years. Family hubs make effective, integrated early help easily accessible to families. This programme will fund a network of Family Hubs, Start for Life and family help services, including breastfeeding services, parenting programmes and parent-infant mental health support. To deliver the programme it is planned that the grant will be spent over workforce and commissions, plans are yet to be finalised.
- 4.8 **Staying Close** – after a successful bid grant notification of £1.4m over three years has been received. Under this scheme the narrative is that young people determine their transition to independence. They decide what support will help them the most and work with staff to come up with a care plan. This means care leavers know they have someone who they can rely on for when they need a bit of help.
- 4.9 A summary of Children Social Care and Education services grants are provided in Appendix 5 of this report.

5. Workforce Implications

- 5.1 The Children and Educations Directorate currently has a gross budgeted workforce of 1,437 fte, of which 1,310 fte are funded by Council budget, and the remainder through grants and external income. There is no projected workforce impact of activity to deliver the savings. There are workforce implications

underlying investment and use of reserves of approximately 51fte. Effective and robust workforce planning arrangements are in place to ensure that, as functions and roles change, the skills and focus of the workforce are effectively developed to ensure the Directorate can meet its strategic priorities.

- 5.2 The workforce implications for children's and education services represent a continuation and improvement of existing priorities as expressed in the workforce strategy; which is to achieve a stable, confident and talented workforce through a culture of success, strengths-based approach and strong and effective leadership and management which will be achieved through:
- The continuing development and implementation of the Children's improvement plan
 - Implementation of the Children's Locality Model programme
 - Developing strong and effective leaders and managers; enabling them to create high performing and motivated team
 - Effective recruitment and retention; to ensure the Directorate has the skills to meet current and future needs.
 - Managing and improving the health and wellbeing of the workforce; with a specific focus on reducing absence and improving attendance.
 - Building a high impact learning culture which ensures staff feel empowered and equipped to practice to high standards.
 - Ensuring professionals that work with children and young people have manageable workloads
 - Continue to reduce the reliance on interim and agency worker
- 5.3 The Council's establishment is fully budgeted for at the top of the grade. However, there are to be expected vacancies caused by staff turnover, recruitment difficulties and staff employed throughout the grade scale. To avoid budgeting for costs that will not be required and making bigger cuts elsewhere, adjustments are being made to reflect these issues by applying a vacancy factor to recognise that vacancies will always exist in an organisation of Manchester's size. The continued challenges in filling posts also means that the council is working hard on ensuring we are an employer of choice and can attract people and minimise the pressures on our existing workforce.

Appendix 1 - Savings Schedule

| Service | Description of Saving | Type | RAG Impact | Amount of Saving | | | | FTE Impact Indicative |
|---|--|------------|---|------------------|---------|---------|-------|------------------------------|
| | | | | 2023/24 | 2024/25 | 2025/26 | Total | |
| | | | | £'000 | | | | |
| Developing partnerships, service efficiencies and improvements | | | | | | | | |
| Children's Safeguarding | Managing Demand – Saving assumes that growth of placement numbers will be at a rate of 78 per annum across Looked After Children and Permanence placements, whereby average cost of placement is £25k p.a. | Efficiency | Potential to improve outcomes through prevention and more appropriate placements. | 3,000 | 3,000 | 2,000 | 8,000 | None |
| | Mockingbird - Programme nurtures the relationships between children, young people and foster families supporting them to build a resilient and caring community of six to ten satellite families called a constellation. The Mockingbird constellation builds links with other families and individuals important to the children's care plans and to resources in the wider community which can provide them with enhanced opportunities to learn, develop and succeed. This model has been applied elsewhere and has led to greater placement stability and carer retention. It is expected that over a three-year period 2 external residential placements and 4 external fostering placements can be avoided. | Efficiency | | 47 | 219 | 257 | 523 | None |

| | | | | | | | | |
|-------------------------|--|-----------------|--|-----|-------|-----|-------|------|
| | <p>Use of Reserve – to off-set recent increase in cost of external residential placements, one year only.</p> | Use of Reserves | | 500 | (500) | | 0 | |
| | <p>Thriving Families - is a whole family, strengths-based approach to child protection. Work is undertaken by children’s social workers, adult mental health practitioners, substance misuse and probation officers, working together as one team. Joint knowledge and expertise are used to assess the needs of the whole family, supplying services to meet those needs, and supporting parents to achieve sustained change for themselves and their children. There is empirical evidence that risks to children can reduce, reducing the need for children to come into care and requiring child protection planning. The cost benefit analysis shows that 22 placements can be avoided 2024/25 to 2025/26.</p> | Efficiency | | | 500 | 500 | 1,000 | None |
| Children’s Safeguarding | <p>Shared Care - It was found that an edge of care service supporting children who have a learning disability and/or autism is needed. The plan is to support six children, splitting the week between the children to ensure there is only three children at home at any one time. Where needed the service will offer outreach support to children’s families. It will promote education, health, and activities. Clothing will be provided by the family, foster carer/guardian etc. Children will be collected dropped off, as well as transported to education on the days children are at the home. The plan is to develop and test this in in 2023/24. The savings proposal assumes cost avoidance of 4.5 external residential placements and a further 1.5 placement external fostering placements.</p> | Efficiency | Improving outcomes through more optimal approach to supporting Child with Disability | | 351 | 351 | 702 | None |

| | | | | | | | | |
|------------------------------------|--|-------------------|---|------------|-----------|--|------------|-------------|
| <p>Children's Safeguarding</p> | <p>The Thriving Babies - Confident Parents Project is about promoting the health, wellbeing and safeguarding of children through working differently with their parents during pregnancy to improving outcomes for babies so they can thrive by having safe, stable, permanent homes, still being with their families and communities. The proof of concepts has been trailed and will be rolled out throughout the city. To date the program has worked with 118 cases, 110 babies have remained in the care of their family and 8 have become looked after - to date. The 118 primary care givers had previously 81 children removed from their care prior to working with Thriving Babies showing the complexity of this cohort. Numbers of babies taken into care across the city have reduced since the implementation of Thriving Babies in Jun-21. Based on this evaluation and after taking account of savings proposal outlined in it is proposed a further £200k savings can be made from the project, this equates to 15 internal foster care placements over the course of the year and a further 4.5 internal foster care placements thereafter.</p> | <p>Efficiency</p> | <p>Potential to improve outcomes through prevention</p> | <p>300</p> | <p>90</p> | | <p>390</p> | <p>None</p> |
| <p>Service Efficiencies</p> | | | | | | | | |

| | | | | | | | | |
|-------------------------|---|------------|---|-----|-----|-----|-----|------|
| Education | <p>School Crossing Patrols – There are 90 school crossing patrols. The patrols are rated red, amber or green in terms of road safety. 21 are rated as red, 36 rated as amber and 33 rated as green. The Council undertook significant capital investment from 2018 to 2022 in total £6.18m. This work has led to eight crossing changing their rating to green. Council policy is that it funds staffing for red and amber locations. If a crossing location is green, or is regarded as green, the school is given the choice to fund the patrols costing £6k per year. Whilst SCP (School Crossing Patrols) are not a statutory service they are key road safety measure. It is proposed that SCP are financed by the Road Parking and Bus Lane Penalties Reserve instead of Council budget on an on-going basis. In accordance with the reserve's conditions road safety measures can be charged to the reserve. Further capital support will be provided to support the investment in school crossing patrols to reduce the call on future reserves.</p> | Efficiency | These savings have been identified as deliverable without impacting on delivery | | 100 | 286 | 386 | None |
| Children's Safeguarding | <p>Early Help - the service's gross budget is £8.9m, it is funded by grant and Council budget. The grant supporting the service is set to increase by £2m, it will receive additional Family Hub (£1.5m) and Supporting Families grant (£0.5m) next year. This extra targeted investment has allowed services to be reviewed and streamlined to release £0.590m. Following a line-by-line review of the £0.550m of the proposed saving will be achieved through reducing contingencies built into the existing budget. £50k of 2023/24 saving will be achieved through the ending of a contract. This approach will not impact on service delivery or expected outcomes as savings are being made through service efficiencies.</p> | Efficiency | These savings have been identified as deliverable without impacting | 430 | 160 | | 590 | None |

| | | | | | | | | |
|-------------|--|------------|-------------|-------|-------|-------|--------|------|
| Directorate | <p>Vacancy Factor - There are 1,437 full time equivalent staff in the Directorate. A key budget assumption underpinning the financial plan is that staff are assumed to be at top of their pay scale minus a percentage ranging between 2.5% - 10%. New staff typically start on the bottom of their post's pay-scale. After reviewing the last three years staff turnover, it is proposed that an added 0.2% vacancy factor can be applied to workforce budgeting.</p> | Efficiency | on delivery | 134 | | | 134 | None |
| | | | | 4,411 | 3,920 | 3,394 | 11,725 | |

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Appendix 2 – Pressures/Investment/Inflation/Demography

| Service | Description of Pressure | 2023/24 | 2024/25 | 2025/26 | Total | FTE Impact |
|-------------------------|--|---------|---------|---------|-------|------------|
| | | £'000 | £'000 | £'000 | £'000 | Indicative |
| Children's Safeguarding | Early Years - The Dedicated Schools Grant (DSG) is significantly overspent and is subject to a recovery plan. Following a line-by-line review of spend and to reduce pressures it is proposed that £0.940m commissioned training support in relation to early years high needs will no longer be charged to the high needs block and charged to Early Years council budget instead, additional Council budget will be allocated to accommodate this transfer. | 940 | | | 940 | |
| Children's Safeguarding | Reversal one year saving – one year use of reserve reverses in 2023/24 £1,409m and £100k Early Years saving 2023/24 and 2024/25 | 1,309 | -100 | | 1,209 | |
| Investment | | | | | | |
| Children's Safeguarding | Take a Breath - it is proposed that both in-house solutions and longer term enhanced solo residential provision is developed. Two/three multi-building registrations are proposed. One to apply additional capacity to an existing Manchester in-house residential resource and the others with a commissioned provision with a trusted provider. These would be delivered as an internal service and that the commissions would be a direct award. These services would support children presenting in A&E/paediatrics, current admitted on ward and or in tier 4 acute provision with unstable placement/no place to return up to 18 years. The cost of this investment is £1.4m in total, in line with current Multi-Agency Resourcing Arrangements circa the revenue cost of the provisions will be met by the Council, £1m and the balance will be supported by Health. It is anticipated that this provision will reduce the need for high-cost | 915 | | | 915 | 15 |

| | | | | | |
|-------------------------|---|-----|--|--|-----|
| | external residential placements, the cost saving is estimated to be £366k per annum. | | | | |
| Children's Safeguarding | Short Breaks - Provides disabled children and young people with a chance to spend time away from their parents, relax with friends and have fun. They also provide families with a break from their caring responsibilities. Not all children and families will need the same level of short breaks, and some will need more than others because of the impact of their child's disability or their individual family circumstances. If a child qualifies for a specialist's short break they can receive support via a grant, a direct payment for the cost of the child's activities and services. The current short break's budget is overspent due to a rise in the number of children that qualify and want a direct payment. | 125 | | | 125 |
| Children's Safeguarding | Social Work International Recruitment - In March 2020, Children's Services introduced a 5-year workforce strategy which set out the ambition to develop, build and maintain a stable, talented, and confident workforce which is key to supporting the Council to be judged 'good to better' by Ofsted. The strategy included a range of proposals including service redesign, stronger performance management, workforce initiatives and the application of market rate supplements. Implementation of the strategy has led to a reduction the staff turnover. However, nationally there is a growing shortage of children's social workers in the UK, this in turn has led to nationally councils' spending on agency staff has increased sharply in five years. Whilst number of agency workers has not reached levels it has in many councils Manchester has had to increase its use children agency workers this year, the current position is not sustainable. To attract diverse and experienced social workers the city is looking to recruit from abroad. Social Work Vacancy Factor - In 2022/23 the Council proposed an additional 1% workforce saving. This saving was arrived at by increasing budget assumptions on rate of vacancies and not assuming employees would be at the top of their salary scale. The budget assumptions applied to Children's Social Work need to be adjusted | 748 | | | 748 |

| | | | | | |
|---------------------------------------|--|-----|--|-----|--------------------|
| Children's Safeguarding | Family Group Conferencing - Is a family-led meeting in which the family and friends network come together to plan for a child. The process is supported by an independent coordinator who helps the family prepare for the family group conference. Children are usually involved in their own family group conference, often with support from an advocate. It is a voluntary process and families cannot be forced into one. Where successful it helps children remain within their families whilst improving their lived experience. Research confirms that placing children in kinship foster care helps them maintain important family and community connections. The Directorate is looking to set-up another FGC team. | 250 | | 250 | 8 |
| Children's Safeguarding and Education | Foster Care Recruitment and Project Management - Mockingbird scheme enables foster parents are to support other foster parents, this is a critical strategy for foster parent retention. Carers cite that they quit because they feel a lack of support for the responsibility they have taken on. FGC and Mockingbird outlined in are just two measures the Fostering service is looking to develop to promote kinship care and increase the number of internal foster care placements over a period. The service plans that future recruitment campaigns will focus on utilizing existing foster parents to help recruit additional foster homes. Rather than relying on general marketing campaigns and setting up tables at fairs – which increase public awareness but have not always been effective recruitment strategies. The service's focus is on supporting existing foster parents as partners to recruit prospective foster parents from their own networks. This is known to work. Additional budget is required to publicise, and project manage this approach. | 98 | | 98 | 1 |
| Children's Safeguarding | Family, Drugs, Alcohol Courts - Parental substance misuse is a common reason for families becoming involved with children's social care in England. FDAC aims to help parents address their substance misuse issues, improve family functioning and reduce the need for children to enter care. This is a multi-disciplinary service model which aims to improve the coordination of services for families, such as social services, substance abuse treatment, | 164 | | 164 | Appendix 2, Item 9 |

| | | | | | | |
|-------------------------|--|--------------|----------|--|--------------|-----------|
| | therapeutic services, domestic abuse intervention, employment, and housing. This package of support is overseen by a court, which monitors parent's compliance and administers rewards and sanctions. Manchester is looking to invest in this alternative to traditional care proceedings with other Greater Manchester Combined Authorities. | | | | | |
| Children's Safeguarding | Placement and Home to School Transport pressures - Due to national shortage of placements the Local Authority where appropriate is having to place children in external residential provision, this is adding pressure to the placement's budget. Manchester is looking to increase capacity through Take a Breath and development of local residential provision. Delay in implementation of route planning software may lead to pressures in bringing the HTST budget back into balance. | 1,000 | | | 1,000 | |
| Total | | 3,300 | 0 | | 3,300 | 24 |
| Inflation | | | | | | |
| Education | Home to School Transport – This is a statutory service and provides transport to eligible children at the start and end of the school day. The total budget for this service is £9.7m p.a. The increasing number of pupils with Education, Health, and Care plans (EHCP) because of increasing levels of need have resulted in more individualised and specialised packages of support being put in place. In addition, the extension of Education, Health, and Care Plans (EHCPs) to young people aged up to the age of 25 has seen an increasing number of young people eligible and requiring transport for longer. The service is currently overspent by £2.5m, of which £1m is inflation, relating to: fuel costs, driver availability and vehicle maintenance costs. The full year effect of inflation is expected to be an additional £0.5m next financial year. The service is planning to manage the balance of the pressure, estimated to be £1.1m, by working with parents and carers to co-design the response and through route planning, re-commissioning of routes, and the promotion and support of independent travel training, where appropriate. In order to balance | 500 | | | 500 | |

| | | | | | | |
|-------------------------|---|--------------|-------|-------|--------------|--------------------|
| | the budget next year, it is of paramount importance that the route planning software is implemented in time for the new academic year. | | | | | |
| Children's Safeguarding | Internal placements - Manchester has always sought to internal foster carers. Current inflation and cost of living pressures will need to be recognised in order to support carers. | 1,966 | | | 1,966 | |
| Children's Safeguarding | First Home Grant for Carer Leavers - is aimed to help young care leavers establish themselves independently for the first time. Currently the grant can be to a maximum of £2k, the impact of inflation has not been recognised for several years. Following an assessment on the rising cost associated with the move to independence it is the Directorate's view that the grant be uplifted to £3k, the impact of this proposal is estimated to be £113k. Winter Payment for Care Leavers - about 413 Care Leavers live in their own tenancy and or are responsible for paying utility bills. It is proposed that they would receive £10 per week for 6 months winter payment, at cost of £108k. Feedback received from Care Leavers that received this payment this year and is that it has made a huge difference to young people. This payment has been paid this year from a grant, at this stage MCC is not expecting the grant next year. | 221 | | | 221 | |
| Total | | 2,687 | | | 2,687 | |
| Demography | | | | | | |
| Children's Safeguarding | Budget identified for demographic growth in Children's and Education Services. The demand has been determined based on the demographic numbers on which the 2020/21 budget was set compared to the current | 2,072 | 2,125 | 2,174 | 6,596 | Appendix 2, Item 9 |
| Education | | 285 | 294 | 305 | 884 | |

| | | | | | | |
|--------------|---|--------------|--------------|--------------|--------------|--|
| | position and potential increase in demand informed by 3% population growth predictions. | | | | | |
| Total | | 2,357 | 2,419 | 2,479 | 7,225 | |

Appendix 3: Indicative Medium-term budgets by service

| Service Area | 2022/2023 Budget | 2023/2024 Indicative Budget | 2024/2025 Indicative Budget | 2025/2026 Indicative Budget |
|--|-----------------------------|--|--|--|
| | £'000 | £'000 | £'000 | £'000 |
| LAC Placements | 48,433 | 51,593 | 50,508 | 49,945 |
| LAC Placement Services | 7,210 | 7,478 | 7,478 | 7,478 |
| Cared 4 Children & Leaving Care | 14,533 | 15,623 | 15,623 | 15,623 |
| Children Safeguarding Service Areas | 36,723 | 37,477 | 37,127 | 37,127 |
| Education Services | 6,668 | 6,793 | 6,442 | 6,091 |
| Home to School Transport | 11,883 | 12,668 | 12,853 | 12,852 |
| Targeted Youth Support Services | 841 | 841 | 841 | 841 |
| Children's Strategic Management and Business Support | 5,761 | 5,761 | 5,761 | 5,761 |
| Total | 132,052 | 138,234 | 136,633 | 135,718 |

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

| Children and Education Services Budget | 2022/2023 £000 | 2023/2024 Indicative £000 | 2024/2025 Indicative £000 | 2025/2026 Indicative £000 |
|---|---------------------------|--------------------------------------|--------------------------------------|--|
| Expenditure: | | | | |
| Employees | 64,395 | 70,814 | 70,850 | 70,535 |
| Running Expenses | 463,552 | 530,011 | 527,848 | 522,964 |
| Capital Financing Costs | 358 | 358 | 358 | 358 |
| Contribution to reserves | 1,402 | 1,748 | 48 | 48 |
| | 529,707 | 602,931 | 599,104 | 593,905 |
| Sub Total Subjective Expenditure | | | | |
| Less: | | | | |
| Other Internal sales | 1,109 | 1,109 | 1,109 | 1,109 |
| Gross Expenditure | 528,598 | 601,822 | 597,995 | 592,796 |
| Income: | | | | |
| Government Grants | 386,955 | 451,144 | 451,512 | 448,361 |
| Contributions from Reserves | 2,966 | 4,760 | 2,166 | 1,033 |
| Other Grants Reimbursements and Contributions | 5,162 | 6,221 | 6,221 | 6,221 |
| Customer and Client Receipts | 1,415 | 1,415 | 1,415 | 1,415 |
| Other Income | 48 | 48 | 48 | 48 |
| Gross Income | 396,546 | 463,588 | 461,362 | 457,078 |
| Total Net Budget | 132,052 | 138,234 | 136,633 | 135,718 |

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Appendix 5: Grant Summary

| Grant Description | Service Area | 2022/2023 £000 | 2023/2024 Indicative £000 | 2024/2025 Indicative £000 | 2025/2026 Indicative £000 |
|---|---------------------|---------------------------|--|--|--|
| Dedicated Schools Grant | Schools | 342,750 | 365,990 | 382,990 | 382,990 |
| Pupil Premium | Schools | 24,099 | 24,646 | 24,646 | 24,646 |
| School Improvement Grant | Schools | 424 | - | - | - |
| Universal Infant Free Schools | Schools | 3,798 | 3,748 | 3,748 | 3,748 |
| Youth Justice Board | Children's | 1,161 | 1,419 | 1,419 | 1,419 |
| Unaccompanied Asylum Seekers | Children's | 9,693 | 9,683 | 9,683 | 9,683 |
| LASPO – Remand | Children's | 687 | 657 | 657 | 657 |
| Childrens Workforce Dvpt Council | Children's | 25 | - | - | - |
| Troubled (Supported) Families Grant | Children's | 3,782 | 3,782 | 3,782 | 3,782 |
| Key Stage Two Stat Moderation Grant | Education | 17 | - | - | - |
| Staying Put Grant | Children's | 517 | 517 | 517 | - |
| Adoption Support Fund | Children's | - | 3 | 3 | 3 |
| Assessed and Supported Year of Employment Grant | Children's | - | 116 | 116 | 116 |
| Devolved Formula Capital (DFC) | Schools | - | 637 | 637 | 637 |
| Extended PA Grant | Children's | - | 191 | 191 | 191 |
| Family Hubs | Children's | - | 1,546 | 1,895 | 1,895 |
| Keeping Children & Young People Safe: Drama Therapy | Children's | - | 73 | 73 | 73 |
| Mainstream Schools Additional Grant (MSAG) | Schools | - | 17,000 | - | - |
| Music Grant incl. Add Funds Re TPS Relief | Schools | - | 967 | 967 | 967 |
| National Probation Service (NPS) | Children's | - | 10 | 10 | 10 |
| NIHR 302070 Fellowship Award | Children's | - | 31 | 31 | 31 |
| PE & Sports Grant | Schools | - | 1,889 | 1,889 | 1,889 |
| PFI Grant Wright Robinson | Schools | - | 3,290 | 3,290 | 3,290 |
| PFI Grant Oasis Temple | Schools | - | 373 | 373 | 373 |

| | | | | | |
|--|------------|---|----------------|----------------|----------------|
| Post-16 Pupil Premium Plus - Virtual Schools Pilot | Education | - | 325 | 325 | 325 |
| Pupil Premium Grant (PPG) LAC | Schools | - | 2,415 | 2,415 | 2,415 |
| Recovery Premium | Schools | - | 3,541 | 3,541 | 3,541 |
| Rough Sleeping Grant | Children's | - | 116 | 116 | |
| Reducing Parental Conflict | Children's | - | 96 | 96 | |
| Safe Taskforce | Schools | - | 1,427 | 1,427 | |
| School-led Tutoring Grant | Schools | - | 5,682 | 5,682 | 5,682 |
| Staying Close | Children's | - | 471 | 490 | |
| Transformation Grant (YJ) | Children's | - | 100 | 100 | |
| Turnaround Grant | Children's | - | 376 | 376 | |
| Young Women's & Girls Fund | Children's | - | 29 | 29 | |
| Government Grants Totals | | | 386,955 | 451,512 | 448,361 |

**Manchester City Council
Report for Information**

Report to: Health Scrutiny Committee – 8 February 2023
Executive – 15 February 2023

Subject: Public Health Budget 2023-26

Report of: Director Public Health

Summary

Members will recall that at the November round of scrutiny meetings the Council was forecasting an estimated budget shortfall of £112m over the three years with £44m in 2023/24. As part of the action to address the budget shortfall officers identified potential savings options of £42.3m over three years, of which there were savings options of £1m within the remit of this scrutiny committee.

The provisional financial settlement announced 19 December reflected a change in government policy in relation to funding inflation and Social care pressures. This has given the opportunity to review the quantum and phasing of savings. It is now proposed that options of £36.2m are progressed, of which £0.730m is within the remit of this scrutiny committee.

This report provides a further update to members on the priorities for the services in the remit of this committee and details the changes to the initial revenue budget options proposed by officers in November 2022.

Each scrutiny committee is invited to consider the current proposed changes which are within its remit and to make recommendations to the Executive before it agrees to the final budget proposals on 15 February 2023.

Recommendations

The Health Scrutiny Committee is recommended to:-

1. To consider and comment on the forecast medium term revenue budget; and
2. Consider the content of this report and comment on the proposed changes which are relevant to the remit of this scrutiny committee.

The Executive is recommended to approve these budget proposals.

Wards Affected: All

Environmental Impact Assessment - the impact of the issues addressed in this report on achieving the zero-carbon target for the city

The budget reflects the fact that the Council has declared a climate emergency by making carbon reduction a key consideration in the Council's planning and budget proposals.

Equality, Diversity and Inclusion - the impact of the issues addressed in this report in meeting our Public Sector Equality Duty and broader equality commitments

Consideration has been given to how the proposed savings could impact on different protected or disadvantaged groups. Where applicable proposals will be subject to completion of an Equality Impact Assessment (EqIA) and an Anti Poverty Assessment.

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

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

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

Financial Consequences – Revenue

The changes included within this report will, subject to Member comments and consultation, be included in the final 2023/24 revenue budget set by Council on 3 March.

Financial Consequences – Capital

None directly arising from this report.

Contact Officers:

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Background documents (available for public inspection):

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

[Revenue Budget Report - Executive Meeting 16 February 2022](#)

[Medium Term Financial Strategy 2022/23 to 2024/25 -Executive Meeting 16 February 2022](#)

[Health and Social Care – Adults Social Care and Population Health Budget 2022/23 - Executive 16 February 2022](#)

[Resource and Governance Scrutiny – 6 September 2022](#)

[Revenue Monitoring to the end of July 2022 and Budget update 2023/24 to 2025/26 - Executive 14 September 2022](#)

1. Introduction and Purpose

- 1.1. The report sets out the final proposals for the Public Health budget programme 2023-26. It sets out an overview of the services within the remit of this scrutiny committee and the key priorities. The budget growth assumptions in the Medium Term Financial Plan (MTFP) are set out. The report provides an updated set of proposals for further savings for 2023-26, developed in the context of the financial challenge facing the Council, for final comments by Health Scrutiny.

2. Service Overview and Priorities

- 2.1. The Manchester Public Health Team is responsible for commissioning Children's Public Health (including Health Visiting and School Nursing Services), Wellbeing (addressing wider determinants such as housing and work alongside support to reduce smoking, reduce levels of obesity and increase physical activity), Sexual Health (treatment and prevention), and Drug and Alcohol (treatment and prevention) Services for the city. In addition, the Public Health Team leads the delivery of the city's Age Friendly Manchester programme. The team is also responsible for leading and contributing to strategic partnership work to reduce inequalities in the city and leading the city's Health Protection (infection control, immunisation programmes) and Health Intelligence (Joint Strategic Needs Assessment) functions.
- 2.2. Following the publication of 'Build Back Fairer in Greater Manchester: Health Equity and Dignified Lives' (University College London Institute of Health Equity) the Public Health team led the development of Manchester's own action plan - Making Manchester Fairer (MMF) - that describes the actions that the city will take to reduce health inequalities in the aftermath of the pandemic, with a focus on the social determinants of health: the conditions in which people are born, grow, live, work and age.
- 2.3. MMF is made up of eight themes:
- Early Years, Children and Young People
 - Poverty, Income and Debt
 - Work and Employment
 - Prevention of Ill- Health and Preventable Deaths
 - Homes and Housing
 - Places, Transport and Climate Change
 - Systemic and Structural Racism and Discrimination
 - Communities and Power
- 2.4. Investment of £3m has been identified from Council Public Health reserves (£1m is contained within the Childrens Services budget report). The expectation is schemes will deliver savings to the health and social care system and wider including Education, Work and Skills and Homelessness. The use of reserves is within the overall Reserves Strategy, as part of the MTFP, with the recommended drawdown in line with reserves policy.

- 2.5. Two kickstarter schemes have been prioritised for investment for phase 1 of the Making Manchester Fairer Investment Fund. The schemes are challenged with delivering the MMF plan's principles, improving health equity and also demonstrating an 'invest to save' approach. The schemes prioritised for investment are (i) Improving Health Equity for Children and Young People, and (ii) Early Help for Adults Experiencing Multiple and Complex Disadvantage. The Making Manchester Fairer Investment Sub-Group has continued to meet during this period to consider and support the development of these business cases.
- 2.6. The first scheme, Improving Health Equity for Children and Young People will focus on children, young people and their families who are most affected by health inequalities including those most affected by the cost of living crisis, communities that experience inequalities and young people who are at increased risk of mental ill-health as a result of their lived experiences and/or identity. The scheme is expected to address the widening gap in school readiness for children in early years, through a holistic approach working with schools and families. It will also engage with young people, communities, and wider partners to identify issues in mental wellbeing support and the opportunities for prevention of mental ill-health in order to reduce inequalities.
- 2.7. The second scheme, Early Help for Adults Experiencing Multiple and Complex Disadvantage, is being delivered in the context of Bringing Services Together for People in Places, and the delivery of multi-agency case management. The target group is adults experiencing multiple barriers to health and wellbeing including homelessness, mental ill health, substance misuse, unemployment. A significant number of this cohort will also have experienced adverse childhood experiences compounding these factors, by growing up in challenging social conditions. The scheme will build on learning from the Changing Futures Pilot and will develop the service design and delivery to expand the programme to ensure that the kickstarter works with cohorts and groups that were missed in the first pilot. In the short-term individuals should see successful engagement with other support services, and improvement in individuals' physical and mental wellbeing. The long-term goal is for individuals to thrive independently within their own communities.
- 2.8. The priority for 2022/23 has been to provide continued support for commissioned services in their recovery from the impact of the pandemic on their service delivery and their clients. The key metrics for commissioned services include:

| Metric | Q2 2022/23 | Q2 2021/22 |
|---|-----------------------|-----------------------|
| % of smokers who successfully quit at 4 weeks of interventions (NICE target 35%) | 62.20% | 45.50% |
| % of health visitor visits to new births (within 2 weeks) (England average 88%) | 88.00% | 87.00% |
| % of dependent alcohol users who successfully complete treatment (Comparable local authorities average 40%) | 33.90% | 31.50% |
| % of adults attending 10-12 weeks of Tier 2 weight management interventions | 69.00% | 71.40% |

| | | |
|--|--------|--------|
| % of NHS Health Checks received by the total eligible population | 42.00% | 27.00% |
|--|--------|--------|

2.9. In Q2 2022/23, 62.2% of smokers in contact with services had successfully quit 4 weeks after the intervention which is higher than the figure for the equivalent period in 2021/22 (45.5%) and the NICE recommended level of 35%. The percentage of new births visited by a health visitor within 2 weeks in Q2 2022/23 (88.0%) was slightly higher than that seen in Q2 2021/22 (87.0%). The performance of weight management services as measured by the percentage of adults attending 10-12 weeks of Tier 2 weight management interventions has fallen slightly from 71.4% in Q2 2021/22 to 69.0% in Q2 2022/23*. The percentage of dependent alcohol users in treatment who successfully completed treatment in Q2 2022/23 (33.9%) was higher than that seen in the equivalent period in 2021/22 (31.5%). In Q2 2022/23, 42% of the total eligible population in Manchester received an NHS Health Check. This compares with 27.0% of the eligible population in the equivalent period of 2021/22 suggesting that delivery has increased since the drop due to COVID pressures. Manchester is the 3rd highest ranked authority in the Northwest region (out of 23 LAs) for delivering NHS Health Checks and the 9th highest ranked nationally (out of 152 authorities) **.

*The higher-than-average performance achieved by the Weight Management Service in 2021/22 was linked to the receipt of a substantial grant from Office of Health Improvement and Disparities (OHID). By Q1 2022/23, this grant was withdrawn.

**NHS Health Check delivery is low nationally and has been slowly recovering post COVID. The NW region is the best performing region in England for delivering NHS Health Checks.

2.10. The health of the people in Manchester has generally been worse than the England average across a range of outcome measures with a worsening of health outcomes in Manchester starting to become apparent in the years prior to the start of the Coronavirus (COVID-19) pandemic in 2020. The pandemic has had the effect of accelerating and strengthening that pre-existing trend. Recently published data on life expectancy at birth over time in Manchester compared with England shows that life expectancy has fallen, i.e. got worse for both males and females in Manchester in the 3-year period 2019-21 compared with the previous period of 2018-20.

2.11. In addition, we have developed a Population Health Recovery Framework based on the following three pillars:

- Healthy People (recognises the impact of social disadvantage and socio-economic circumstances on health outcomes)
- Healthy Places (recognises the geographical inequalities within Manchester and between Manchester and other parts of the region and country)
- Health Equity (recognises the groups of people and communities that face additional multiple and compounding barriers, prejudice or discrimination)

owing to factors such as race, sexual orientation, disability, and migrant status)

Each pillar has a “flagship” programme of activity to address the root causes and wider determinants of health inequalities alongside the broader partnership working to create the conditions for healthy lives.

2.12. The three “flagship” programmes are:

- Healthy People - Manchester’s Wellbeing Model to improve the wellbeing of Manchester’s residents based on the level of support people need to look after their own health and wellbeing
- Healthy Places - Winning Hearts and Minds to work in, and with, communities to improve heart and mental health across the city, with a particular focus on North Manchester
- Health Equity- COVID-19 Health Equity Manchester to address the disproportionate adverse impact of COVID-19 on specific communities in Manchester and ensure the legacy of COVID-19 is that lessons learned are implemented and improve the broader health outcomes of these communities

2.13. The flagship programmes are integral to the Making Manchester Fairer Action Plan.

3. Service Budget and Proposed Changes

3.1. The service has a gross 2022/23 budget of £45.989m and a net budget of £42.685m. Income of £3.304m includes Better Care Fund £0.960m, contributions from health £1.290m and other income of £1.054m which includes grants.

3.2. Public Health is funded nationally through a specific ringfenced grant. However Greater Manchester locality has been part of a government pilot for a number of years whereby the funding ringfence is removed and an equivalent allocation received as an adjustment to business rates.

3.3. The position in 2022/23 regarding the public health contracts with local authorities and the associated pay costs with the NHS pay rises is that the 2022/23 Public Health Grant included an uplift to pay agreed cost increases to contracted NHS providers

Table 1: Base budget 2022/23

| Service Area | 2022/23 Gross budget | 2022/23 Net Budget | 2022/23 Budgeted posts (FTE) |
|-------------------------------------|----------------------------|-----------------------|------------------------------------|
| | £'000 | £'000 | £'000 |
| Public Health Core | 4,229 | 3,300 | 57.30 |
| Public Health - Children's Services | 4,222 | 4,222 | |
| Early years - Health Visitors | 10,676 | 10,676 | |
| Drugs and Alcohol | 9,384 | 8,989 | |
| Sexual Health | 9,214 | 8,295 | |
| Wellbeing (includes ZEST) | 7,819 | 6,758 | |
| Other | 445 | 445 | 12.00 |
| Total | 45,989 | 42,685 | 69.30 |

- 3.4. In November 2022, this Scrutiny Committee was presented with £1m of cuts and saving options relating to services within the remit of this committee, for consideration. The provisional settlement on 19 December reflected a significant change in government policy and provided more funding than initially expected. This has given the opportunity to review the quantum and phasing of savings. It is now proposed options of £0.730m are progressed which are detailed in **Appendix 1**.
- 3.5. In the context of austerity and the national public health challenges post pandemic, the approach to the development of savings has been extremely difficult. The work has been informed by:
- (i) The challenging position across a range of Public Health outcome measures with a worsening of health outcomes in Manchester since the pandemic;
 - (ii) Reducing pressures on the wider health and social care system by ensuring that upstream cost effective prevention programmes are maintained;
 - (iii) The need to protect the Drug and Alcohol service budget linked to new national investment conditions relating to the new national 10-year Drug Strategy, From Harm to Hope; and
 - (iv) The scale of previous Public Health savings programmes.
- 3.6. The proposals detailed have been identified as deliverable without impacting on delivery of public health commissioned services in the city. The proposed savings programme (£0.730m) is detailed in **Appendix 1** and summarised in the table below

Table 2: Proposed Savings Programme

| | 2023/24 £'000 | 2024/25 £'000 | 2025/26 £000 | Total £'000 |
|---|------------------|------------------|-----------------|----------------|
| November Scrutiny | 1,000 | 0 | 0 | 1,000 |
| Savings withdrawn | -270 | 0 | 0 | -270 |
| Revised Target | 730 | 0 | 0 | 730 |
| Comprising: | | | | |
| Disestablish Public Health Vacancies | 90 | | | 90 |
| Use of 2022/23 underspend | 330 | (330) | | 0 |
| MCR Active | 30 | | | 30 |
| Headroom in budget set aside for contract uplifts | 280 | 330 | | 610 |
| Total | 730 | 0 | 0 | 730 |

3.7. The following savings have been withdrawn:

(i) Children's (£0.270m) – the savings proposed is withdrawn.

3.8. The emerging pressures are detailed in **Appendix 2**. There are no budget pressures currently reflected in the MTFP. As per the Spending Review, it was announced the public health grant will remain the same in real terms which will significantly undermine the ability of local systems to reduce health inequalities without further investment in prevention by the NHS. However current levels of inflation will significantly erode spending power unless a further increase in grant is confirmed. The Public Health financial settlement has not yet been announced.

3.9. If the proposed changes are approved, the three-year budget position is shown in **Appendix 3**. **Appendix 4** also provides a subjective analysis of expenditure and income.

4. Workforce Implications

4.1. The savings proposals outlined at **Appendix 1** will have a limited internal workforce impact due to the roles being disestablished being vacant and planned. This is part of the wider review of roles and responsibilities as resource is shifting back to business as usual after the heightened focus on COVID-19 for the last three years.

4.2. Vacancy Factor

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

5. Equality and Anti Poverty Impact

- 5.1. Consideration has been given to how the proposed savings could impact on different protected or disadvantaged groups. Where applicable proposals will be subject to completion of an Equality Impact Assessment (EqIA) and an Anti Poverty Assessment as part of the detailed planning and implementation. At this stage no direct impacts on people and specifically MCC priority protected characteristics have been identified.

6. Future opportunities and Risks

MMF Action Plan

- 6.1. The MMF Action Plan (above) focuses on the social determinants of health and requires all agencies to contribute to improving the conditions in which Manchester's residents are born, grow, live, work and age. The implications and impact of the cost-of-living crisis, in 2022 initially, will affect the lives of many residents in the city and may reduce the scale of the outcomes intended to be achieved through the MMF Action Plan in the short-term.

Drug and Alcohol Programmes

- 6.2. The new national 10-year Drug Strategy, From Harm to Hope, plans to cut crime and save lives and is underpinned by a clear recognition that illegal drugs cause damage to our society, affecting both individuals and neighbourhoods. The collective ambition of the strategy is to achieve a generational shift in the country's relationship with drugs and to reduce overall drug use through three overarching priorities:
- Break supply chains
 - Deliver a world class treatment and recovery service
 - Achieve a shift in the demand for recreational drugs
- 6.3. From Harm to Hope recognises the need for alignment between national expectations and local delivery. A local outcomes framework will be introduced to sit alongside the national outcome framework detailed in the strategy and will cover all three of the strategic priorities. The £780m national funding also includes the extension of the time limited Office of Health Improvement and Disparities (OHID) Section 31 Grant for reducing crime, reducing harm, and reducing drug related deaths.
- 6.4. In April 2022, OHID announced the Supplementary Substance Misuse Treatment and Recovery Grant (SSMTRG) funding scheme, to support local delivery of the strategy. Local authorities' use of the SSMTRG should directly address the aims of the treatment and recovery section of the drug strategy. The outcomes are ambitious, and on a national basis, the additional funding aims to deliver:
- 54,500 new high-quality treatment places including:
 - 24,000 more people in long-term recovery from substance dependency

- 800 more medical, mental health and other professionals
- 950 additional drug and alcohol and criminal justice workers
- Adequate commissioning and co-ordinator capacity in every local authority

6.5. Local delivery of these ambitions aims to drive an improvement in the quality of the service for Manchester residents, ensure more people can access our community treatment services, and support a reduction in the number of caseloads of our practitioners and clinicians delivering substance misuse services. Manchester has been identified as an 'enhanced area', benefitting from greater investment in year 1 with 51 new full time posts to be added to the workforce. The table below outlines the funding allocation for Manchester:

| | 2022/23 Confirmed | 2023/24 Indicative | 2024/25 Indicative |
|--------------------------------|------------------------------|-------------------------------|-------------------------------|
| SSMTRG | £1,461,249 | £2,394,242 | £4,621,419 |
| Inpatient Detoxification Grant | £138,535 | £138,535 | £138,535 |

6.6. Challenges in the specialist substance misuse workforce have seen delays to recruitment in Year 1 (2022/23) of the SSMTRG. This is a local position reflected nationally. The Office of Health Improvement and Disparities (OHID) have established a regional working group to support recruitment and retention in the sector. Challenges also prevail in expanding the estate of the substance misuse provider to respond to the increased workforce within the allocated timelines, as grant underspends cannot be carried forward year on year.

6.7. Manchester has been awarded a Section 31 Grant for delivery of 'Individual Placement Support' (IPS) to provide employment support within alcohol and drug treatment services. The funding is from the Department of Work & Pensions (DWP) and OHID and will support Manchester citizens engaged in treatment services to secure employment.

The table below outlines the funding allocation for Manchester:

| | 2022/23 Confirmed | 2023/24 Confirmed | 2024/25 Confirmed |
|------------------------------|------------------------------|------------------------------|------------------------------|
| Individual Placement Support | £84,606 | £162,073 | £167,077 |

6.8. Additional funding has also been made available over the next three years (Year 1 2022/23) to fund a menu of housing support options to improve the recovery outcomes for people in treatment (or in contact with the treatment system) with a range of housing support needs. The grant will be funded by the Department of Levelling up, Housing & Communities and OHID. Manchester is awaiting official confirmation of our allocation.

Wellbeing Services

6.9. We intend to re-visit work on the Citywide Wellbeing and Prevention Model (paused due the COVID-19) to review and revise, in collaboration with commissioned community services, the delivery of community prevention

services to achieve better alignment and avoid duplication in service delivery across the city. As a first stage of this work the buzz Community Development Team transferred from Greater Manchester Mental Health NHS Trust (GMMH) into MCC Neighbourhoods Directorate on 1.1.23.

Children's Public Health Services

- 6.10. The current contract for the School Health Service (5-19 years programme) expires in April 2023. We intend to extend for twelve months under current arrangement. In the period Nov 22-April 24 we intend to co-design a new service specification that consolidates the current separate contracts (Healthy Schools, School Nurse, Healthy Weight, Accident Prevention, School Immunisations) into a single 5-19 Healthy Child Programme (HCP) School Health Service. The new service specification will have new KPIs, a service model that reflects available resource and post pandemic priorities, and will be co-designed with stakeholders including the Local Care Organisation and the Strategic Director of Children and Education Services.

Appendix 1 - Savings Schedule

| Service | Description of Saving | Type of Saving | RAG Impact | Amount of Saving | | | | Indicative FTE Impact |
|--------------|---|----------------|--|------------------|----------|----------|------------|-----------------------|
| | | | | 2023/24 | 2024/25 | 2025/26 | Total | |
| | | | | £'000 | £'000 | £'000 | £'000 | |
| Directorate | Disestablish Public Health Vacancies | Efficiency | These savings have been identified as deliverable without impacting on delivery of public health commissioned services in the city | 90 | | | 90 | 3 |
| Directorate | Use of 2022/23 underspend | Efficiency | | 330 | (330) | | 0 | None |
| Children's | Children's PH 5-19- due to changing and challenging circumstances regarding staffing, service delivery and finance it is the commissioning intention to review and revise the service model and specification | Efficiency | | Withdrawn | | | | None |
| Directorate | MCR Active - removal of budget intended to contribute to the development, implementation and licensing of the digital single pathway to design a 'one stop shop' for ALL Sport & Physical Activity opportunities. Whilst this causes a delay, MCR are confident in securing alternative financing arrangements for this development | Efficiency | | 30 | | | 30 | None |
| Directorate | Headroom in budget set aside for contract uplifts | Efficiency | | 280 | 330 | | 610 | None |
| Total | | | | 730 | - | - | 730 | 3 |

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Appendix 2 - Pressures / Growth Schedule

| Service | Description of Pressure | Amount of Pressure | | | |
|--------------|-------------------------|--------------------|----------|----------|----------|
| | | 2023/24 | 2024/25 | 2025/26 | Total |
| | | £'000 | £'000 | £'000 | £'000 |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| Total | | 0 | 0 | 0 | 0 |

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Appendix 3: Indicative Medium term budgets by service

| Service Area | 2022/2023 Budget | 2023/2024 Indicative Budget | 2024/2025 Indicative Budget | 2025/2026 Indicative Budget |
|-------------------------------------|-----------------------------|--|--|--|
| | £'000 | £'000 | £'000 | £'000 |
| Public Health Core | 3,300 | 3,210 | 3,210 | 3,210 |
| Public Health - Children's Services | 4,222 | 4,222 | 4,222 | 4,222 |
| Early years - Health Visitors | 10,676 | 10,676 | 10,676 | 10,676 |
| Drugs and Alcohol | 8,989 | 8,989 | 8,989 | 8,989 |
| Sexual Health | 8,295 | 8,295 | 8,295 | 8,295 |
| Wellbeing (includes ZEST) | 6,758 | 6,758 | 6,758 | 6,758 |
| Other | 445 | - 195 | - 195 | - 195 |
| Total | 42,685 | 41,955 | 41,955 | 41,955 |

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

| Corporate Core | 2022/2023 Budget | 2023/2024 Indicative Budget | 2024/2025 Indicative Budget | 2025/2026 Indicative Budget |
|---|---------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| | £'000 | £'000 | £'000 | £'000 |
| Expenditure: | | | | |
| Employees | 2,575 | 2,485 | 2,485 | 2,485 |
| Running Expenses | 43,414 | 44,574 | 43,274 | 42,774 |
| Sub Total Subjective Expenditure | 45,989 | 47,059 | 45,759 | 45,259 |
| Less: | | | | |
| Other Internal sales | | | | |
| Gross Expenditure | 45,989 | 47,059 | 45,759 | 45,259 |
| | | | | |
| Income: | | | | |
| Contributions from Reserves | - | - 1,800 | - 500 | - |
| Other Grants Reimbursements and Contributions | - 1,054 | - 1,054 | - 1,054 | - 1,054 |
| Other Income | - 2,250 | - 2,250 | - 2,250 | - 2,250 |
| Gross Income | - 3,304 | - 5,104 | - 3,804 | - 3,304 |
| Total Net Budget | 42,685 | 41,955 | 41,955 | 41,955 |

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**Manchester City Council
Report for Resolution**

Report to: Health Scrutiny Committee – 8 February 2023
Executive – 15 February 2023

Subject: Adult Social Care Budget 2023-26

Report of: Executive Director of Adult Social Services

Summary

Members will recall that at the November round of scrutiny meetings the Council was forecasting an estimated budget shortfall of £112m over the three years with £44m in 2023/24. As part of the action to address the budget shortfall officers identified potential savings options of £42.3m over three years, of which there were savings options of £10.025m within the remit of this scrutiny committee.

The provisional financial settlement announced 19 December reflected a change in government policy in relation to funding inflation and social care pressures. This has given the opportunity to review the quantum and phasing of savings. It is now proposed that options of £36.2m are progressed, of which £8.542m is within the remit of this scrutiny committee.

This report provides a further update to members on the priorities for the services in the remit of this committee and details the changes to the initial revenue budget options proposed by officers in November 2022.

Each scrutiny committee is invited to consider the current proposed changes which are within its remit and to make recommendations to the Executive before it agrees to the final budget proposals on 15 February 2023.

Recommendations

The Committee is recommended to:

- (1) To consider and comment on the forecast medium term revenue budget; and
- (2) Consider the content of this report and comment on the proposed changes which are relevant to the remit of this scrutiny committee.

The Executive is recommended to approve these budget proposals

Wards Affected: All

| | |
|--|---|
| Environmental Impact Assessment - the impact of the issues addressed in this report on achieving the zero-carbon target for the city | |
| The budget reflects the fact that the Council has declared a climate emergency by making carbon reduction a key consideration in the Council's planning and budget proposals. | |
| Equality, Diversity and Inclusion - the impact of the issues addressed in this report in meeting our Public Sector Equality Duty and broader equality commitments | |
| Consideration has been given to how the proposed savings could impact on different protected or disadvantaged groups. Where applicable proposals will be subject to completion of an Equality Impact Assessment (EqIA) and an Anti Poverty Assessment. as part of the detailed planning and implementation. Further detail is provided at section 5. | |
| Manchester Strategy outcomes | Summary of how this report aligns to the OMS/Contribution to the Strategy |
| A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities | The effective use of resources underpins the Council's activities in support of its strategic priorities as set out in the Corporate Plan which is underpinned by the Our Manchester Strategy |
| A highly skilled city: world class and home grown talent sustaining the city's economic success | Our work to strengthen the care market includes a focus on recruitment and retention, supported by a continued commitment to enable the care market to pay the Real Living Wage in 2023/24 |
| A progressive and equitable city: making a positive contribution by unlocking the potential of our communities | Our work to deliver Better Outcomes Better Lives is designed in particular to make a contribution to creating a progressive and equitable city – through working with our communities, our people and assets to improve outcomes for those who need support |
| A liveable and low carbon city: a destination of choice to live, visit, work | |
| A connected city: world class infrastructure and connectivity to drive growth | |

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

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

Financial Consequences – Revenue

The changes included within this report will, subject to Member comments and consultation, be included in the final 2023/24 revenue budget set by Council on 3 March.

Financial Consequences – Capital

None directly arising from this report.

Contact Officers:

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Background documents (available for public inspection):

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

[Revenue Budget Report - Executive Meeting 16 February 2022](#)

[Medium Term Financial Strategy 2022/23 to 2024/25 -Executive Meeting 16 February 2022](#)

[Health and Social Care – Adults Social Care and Population Health Budget 2022/23 - Executive 16 February 2022](#)

[Resource and Governance Scrutiny – 6 September 2022](#)

[Revenue Monitoring to the end of July 2022 and Budget update 2023/24 to 2025/26 - Executive 14 September 2022](#)

1. Introduction and Purpose

1.1. The report sets out the final proposals for the Adults Social Care budget for 2023/24 to 2025/26. It provides:

- (i) An overview of Adult Social Care services and key priorities
- (ii) A detailed overview of the budget, including:
 - the financial requirements to conclude the existing three-year Better Outcomes Better Lives savings programme;
 - the budget growth assumptions for the service as set out in the Council's Medium Term Financial Plan (MTFP);
 - an updated set of proposals for the necessary savings for 2023-26, developed in the context of the financial challenge facing the Council, for final comments by Health Scrutiny, with notable changes from the previous proposals; and
 - Detail of the additional funding announcements made in the Autumn Statement and included in the provisional finance settlement and the recommendations made for how this funding is deployed.

1.2. Whilst the focus of this report is on adult social care, the positioning within Manchester Local Care Organisation (MLCO) is of key importance because of the integrated and maturing approach to joined-up operational service planning. The key components of the financial plan have been developed together, to mitigate and collaboratively manage the need to deliver financial targets in social care and health. Joint financial planning ensures the impact of any plans in health or social care work across the system. This overall approach is beginning to show benefits, evidenced through the stable financial position in 2022/23 relative to many other localities.

1.3. Strong joint financial leadership is ensuring the process and the outcomes of the joint financial planning work better in Manchester. There is also a significant financial challenge within health contracts. The discipline and approach through Better Outcomes Better Lives (BOBL) is now being applied to wider system change and used to deliver the Resilient Discharge Programme through driving strengths based, person centred practice with a real focus on home first when leaving hospital.

2. Service Overview and Priorities

2.1. Manchester City Council's Adult Social Care (ASC) services support people who have been assessed and meet the national eligibility criteria for care and support under the Care Act 2014. Following an assessment, a support plan sets out how the needs of people will be met and services are arranged to meet that need and help people to continue to live as independently as possible.

2.2. This support ranges from advice and information (minimal cost) to very intensive services. Whilst the Care Act 2014 places a statutory duty on ASC to

meet assessed needs and outcomes it does not prescribe how these should be met. In discharging its statutory duty ASC retains discretion to determine how an individual's needs and outcomes should be met within available resources. Adults Eligibility: The Care and Support (Eligibility Criteria) Regulations 2014 sets out the eligibility criteria and determines the circumstances in which an adult meets the eligibility criteria.

- 2.3. In Manchester, we support a large number of Manchester residents with social care needs. At 31st December 2022 (latest complete figures) we supported:

| | 31st Dec 2021 | 31st Dec 2022 |
|---|-------------------------------------|-------------------------------------|
| Older people (long term support to 65+) | 2,995 | 2,945 |
| Younger adults (long term support to 18-64) | 2,371 | 2,350 |

These figures include:

| | 31st Dec 2021 | 31st Dec 2022 |
|---|-------------------------------------|-------------------------------------|
| Adults with learning disabilities (long term support) | 1,220 | 1,189 |
| Adults with mental health needs (long term support) | 738 | 774 |
| People we support are living in the community | 3,735 | 3,812 |
| People in residential care | 1,072 | 971 |
| People in nursing care | 575 | 516 |

We provide:

| | 31st Dec 2021 | 31st Dec 2022 |
|---|-------------------------------------|-------------------------------------|
| Homecare to | 1,863 | 1,933 |
| Homecare commissioned hours (weekly) | 29,516 | 31,234 |
| Supported accommodation to | 680 | 691 |
| Support via shared lives schemes to | 182 | 184 |
| Support via an extra care scheme or apartment | 113 | 121 |
| Cash personal budget or Individual Service Fund | 650 | 642 |

Rolling 12 months:

| | 31st Dec 2021 | 31st Dec 2022 |
|--|-------------------------------------|-------------------------------------|
| Items of equipment and adaptations were installed/provided | 10,207 | 10,989 |
| Blue badges were issued | 7,270 | 8,162 |
| People benefitted from our core reablement service | 1,612 | 1,610 |
| Carers were assessed | 1,512 | 1,675 |
| Safeguarding enquiries were opened for individuals | 6,203 | 5,803 |

- 2.4. The adult social care budget is invested in ensuring that Manchester citizens can stay independent, safe and well. In Manchester, we organise our investment into:
- (i) *Long-term care supporting older and more vulnerable people* in the most appropriate arrangements to support independence, better outcome and better lives This includes investment in services including supported accommodation settings, care homes, home care services and day services;
 - (ii) *Short-term care interventions*, which are very much focused on preventing, reducing and delaying long-term support through maximising independent. This includes investment in equipment and adaptations, technology-enabled care and our in house reablement services. Over 60% of citizens accessing our reablement services don't have an ongoing care need following the short term intervention. Our carers pathway ensures that we work closely with partners to provide help earlier in a carer's 'caring journey' to equip them with knowledge, information, resources and advice they need to help them continue caring and avoid going into crisis;
 - (iii) *The supporting social worker/assessment and management infrastructure* which we have invested in to ensure that all assessments and reviews are focused on strengths and that our statutory duties are met.
- 2.5. Whilst the fundamental priority for Adult Social Care in 2023/24 remains the safe, effective delivery of our statutory duties as outlined above in the Care Act 2014 as well as our duties in the Mental Capacity Act and the Mental Health Act, we always put citizens at the centre of everything we do.

Service Transformation and Priorities

- 2.6. In January 2021 we commenced delivery of a major transformation programme, building on the Adult Social Care Improvement Programme – Better Outcomes, Better Lives (BOBL). BOBL is a long-term programme of practice led strengths based change, which aims to enable the people of Manchester to achieve better outcomes with the result of less dependence on formal care. The programme has been essential to delivering the 2021-2024 savings programme, and progress has been regularly reported to Health Scrutiny committee.
- 2.7. Given the positive work so far, and the continued opportunities, our work on Better Outcomes, Better Lives will continue in 2023/24 through phase 4 of the programme with a focus on:
- (i) **Front Door** - Work to change how services are configured at the front door, following initial contact via the Contact Centre, is progressing citywide, with the new model launching July 2023. This will ensure that we are effectively reducing, delaying and preventing demand through

further embedding the strength-based approach to practice-led change at every opportunity. Opportunities which will be realised include offering earlier interventions, reducing demand for care act assessments and a shift of workload from the Integrated Neighbourhood teams and other community teams, all resulting in a more timely offer and better outcomes.

- (ii) **TEC/Digital** – further increasing the number of people given the opportunity to access Technology-Enabled Care (TEC). TEC helps people to remain in their own homes, maintain their independence and improve their personal safety. Work is ongoing to drive further uptake in certain parts of the city and continue to embed the ‘think TEC and digital first’ approach across the organisation.
 - (iii) **Continuing to progress strength-based review** work including focused work in learning disability services.
- 2.8. In addition, working across the work and health care system we are focused on delivering the **Resilient Discharge Programme** – focused on maximising the impact on patient flow, from hospital settings, with increased ‘safe’ discharge rates and a consistent Home First offer building on the learning from BOB.
- 2.9. Aligned to our work on BOBL we will continue to be focused on:
- (i) Ensuring we have the right internal capacity to support all of our work, recognising our staff are our most valued asset and are key to supporting our wider change programme and delivery of statutory duties;
 - (ii) Strengthening our work to safeguard adults in Manchester;
 - (iii) Strengthening our partnership arrangements and governance with GMMH through the new section 75 arrangements;
 - (iv) Implementation of Liberty Protection Safeguards;
 - (v) Preparation for the forthcoming CQC regulation and inspection;
 - (vi) Working with colleagues in Housing and other partners to ensure the right supply of accommodation for vulnerable adults in the city; and
 - (vii) Continuing to support the care market intensively, aligned to our Commissioning Plan and performance and quality regime. Our approach to fees including annual fee uplifts will be critical to this.
- 2.10. Additionally, as set out in section 4 below and Appendix 1 we will now be progressing at pace with a set of additional transformation opportunities including work on our day services offer (internally and externally) and our wider in house provider services (including supported accommodation and short breaks). These are significant additional change programmes which will require the right planning and engagement over a sustained period.
- 2.11. In July 2022 Manchester Health and Care Commissioning (MHCC) – the CCG in Manchester, ceased to exist with responsibility for health commissioning moving to the newly formed Greater Manchester Integrated Care System

(ICS). ASC within the MLCO will be working with colleagues to ensure that this change is beneficial for Manchester residents and that we are continuing to work to strengthen the MLCO and maximising opportunities for integration including in our collective commissioning of the external market.

Funding Reforms Update

- 2.12. Key elements of the ASC reform programme, notably the funding reforms (new financial cap and thresholds), have been delayed for two years (until October 2025). Local authorities are still required to submit and publish their final Market Sustainability Plans (submission and publications dates are to be confirmed at the time of writing by DHSC). The output of the Fair Cost of Care exercise was required to be published by 1 February, which has now been completed.
- 2.13. The Government has reconfirmed the outcome of the Fair Cost of Care exercise is not intended to be a replacement for the fee-setting element of local authority commissioning processes or individual contract negotiation. However local authorities are expected to use the insight gained from their cost of care exercises to support their commissioning and contract negotiation for the relevant services in practice. The approach to fee setting for 2023/24 will be informed by the outcome of the Fair Cost of Care research and also with due regard to the requirements of the Care Act and DHSC's 2022 policy, "Market Sustainability and the Fair Cost of Care Fund guidance", with a view to ensuring a stable market.

Further Integration of Health and Adult Social Care through the Manchester Local Care Organisation (MLCO)

- 2.14. The MLCO is the partnership vehicle in Manchester for the delivery of health, care and wellbeing services. Through the MLCO, services have been able to work in a more integrated way to support people with a learning disability and the delivery of services in our neighbourhoods.
- 2.15. The s75 agreement between Manchester Foundation Trust and the Council enables joint accountability for service design and delivery and to support an increasing integrated approach where that adds value for our staff and residents.
- 2.16. During 2023/24, the MLCO Executive will continue to explore and mobilise these opportunities and some of the priority areas are:
- (i) Embed a Population Health Management methodology through the INTs working with Primary Care Networks (PCNs) and wider community partners to address key population health challenges (such as diabetes, hypertension, Cardio-Vascular Disease (CVD) and bowel cancer screening take up);
 - (ii) Mobilise the refreshed INT Operating model maximising integration opportunities across health and care and working collaboratively at the

service interface with wider neighbourhood partners, such as development of joint and blended roles and trusted assessment;

- (iii) Support hospital discharge through the Resilient Discharge Programme (RDP) including development of the Transfer of Care Hub, control room, the development of the new model of bedded care and Virtual Wards;
- (iv) Explore the opportunities to align the provision of therapy services and equipment services to support people to remain in their own homes, as well as opportunities to secure safe and timely discharge through D2A and step-down bedded care;
- (v) Develop an aligned support services offer across our teams and explore opportunities provided by automated processes;
- (vi) Deliver the MLCO Commissioning Plan, aligning the work across the deployed ASC and community health commissioning teams, as well as opportunities to work collaboratively across the commissioning of LD and autism, CHC and children's services;
- (vii) Build on the work started with the Children's Directorate to proactively support the transition of children through to adults services, as well as embedding the Think Family approach into the MLCO service offer through Early Help and family safeguarding;
- (viii) Provide joined up workforce support to our health and social care teams reducing vacancies through bespoke recruitment processes with strengthened connections to communities and reducing avoidable absence through proactive health and wellbeing support and case management; and
- (ix) Agree, mobilise and measure the impact of actions delivered by community services to contribute to zero carbon including route mapping, prescribing practices, sharing of good practice approaches and opportunities to support sustainable travel.

3. Service Budget and Proposed Changes

- 3.1. The gross 2022/23 budget detailed in the table below is £258.615m and the net budget of £191.198m. Income of £67.417m includes client fees £24.997m, Better Care Fund £16.782m, contributions from health £7.513m and other income of £18.125m which includes grants and use of reserves. This includes the integration reserve, which is drawn down in accordance with the plan agreed for the year with NHS Greater Manchester – Manchester locality.

Table 1: Latest Approved Base budget 2022/23

| Service Area | 2022/23 Gross budget | 2022/23 Net Budget | 2022/23 Budgeted posts (FTE) |
|---|----------------------------|-----------------------|---------------------------------------|
| | £'000 | £'000 | £'000 |
| Long Term Care: | | | |
| Older People/Physical Disability | 75,960 | 45,617 | - |
| Learning Disability | 62,513 | 56,451 | - |
| Mental Health | 28,661 | 24,735 | - |
| Disability Supported Accommodation Service | 17,942 | 15,467 | 462.00 |
| Investment funding | 3,071 | 3,070 | - |
| Sub Total | 188,147 | 145,339 | 462.00 |
| Short Term Care: | | | |
| Reablement/Short Term Intervention Team | 9,555 | 7,408 | 270.00 |
| Short Breaks/Respite/Day Centres/Neighbourhood Apartments | 5,961 | 5,646 | 126.00 |
| Equipment & Adaptations (inc TEC) | 7,225 | 4,960 | 130.00 |
| Carers/Voluntary Sector | 3,591 | 3,292 | - |
| Sub Total | 26,332 | 21,306 | 526.00 |
| Infrastructure and Back Office: | | | |
| Social Work Teams | 21,081 | 16,557 | 377.00 |
| Safeguarding/Emergency Duty | 3,914 | 3,420 | 74.00 |
| Brokerage/Care Home Teams | 1,528 | 1,477 | - |
| Management and support | 17,613 | 3,098 | 157.00 |
| Sub Total | 44,136 | 24,552 | 608.00 |
| Total | 258,615 | 191,197 | 1,596.00 |

Winter Discharge Fund 2022/23

- 3.2. The government announcement of the winter discharge fund is to be deployed on relieving the pressures across hospital services through the resilient discharge programme. Winter planning arrangements have been implemented. The next three months are a critical period and it is expected all of the funding available (£2.2m direct to the Council and £3.8m through the GM ICS) will be deployed by 31st March in accordance with the plan agreed with partners.

Three Year Better Outcomes, Better Lives Financial Plan 2020-23

- 3.3. 2023/24 is the final year of the three-year BOBL savings programme with an agreed saving target of £3.477m. To support the planned phased delivery of the savings, a one-off use of reserves of £5.5m supported the budget in 2022/23. This leaves an already approved savings target of £8.977m to be delivered in 2023/24, plus proposals for a further £4.142m (within a proposed 3 year programme of £8.542m) outlined in this report. Proposals detailed later in Appendix 1 are in addition to pre-approved savings.
- 3.4. The BOBL programme has been successful in reducing demand and the remaining target is being met through:
- £0.5m from continuing the successful work programme focused on strength-based reviews in the Older People citizen group working to reduce demand;
 - £2m targeted review in Learning Disabilities service to reduce demand through the optimisation of packages of care through enhanced use of TEC and reductions in emergency placements. A dedicated review team is being established;
 - For Mental Health a range of priorities have been confirmed including reviewing discharge support planning and community inclusion services with Greater Manchester Mental Health Trust, a review programme aimed at step down and a specific GM funded pilot 'move on' programme within supported accommodation. In total a £1.5m target has been set;
 - The 2022/23 budget included financial arrangements to invest in Discharge to Assess (D2A) beds in care homes, following completion of the hospital discharge programme funding on 31 March 2022. This care model is helping to reduce long term care home admissions and with the D2A intervention help facilitate citizens to return to their homes following a stay in hospital, some with a home care package. The expectation is for further benefits into ASC into 2023/24 estimated at £1.5m.
- The total across these areas is £5.5m.
- 3.5. There is expected to be no call on funding set aside for the demographic growth in citizen numbers in 2022/23 and a reduced call on the 2023/24 allocation. Together this is expected to contribute £3m towards closing the budget gap. Nationally it is reported that demographics are averaging 4% of net Adult Social Care budget. This gives a sense of the success of the BOBL programme in Manchester on demand management and the need to continue to have a strong grip on this programme of work to ensure continue delivery.
- 3.6. The balance of the existing savings (£0.477m) alongside emerging budget pressures (£1.889m) arising in 2022/23 are detailed within Appendix 2 and will be addressed through the expected headroom against long term care budgets in 2022/23.

- 3.7. The challenges facing Adult Social Care are reported and recognised nationally. As a result of the significant investment in the improvement programme and the transformation of the service through Better Outcomes Better Lives, the current financial outlook is relatively stable and in a good position to look at the next stage of service change and additional savings.

Savings Plan 2023-26

- 3.8. In November 2022, this Scrutiny Committee was presented with £10.025m of cuts and saving options relating to services within the remit of this committee, for consideration, as part of the effort to balance the Council's overall budget. The provisional settlement on 19 December reflected a significant change in government policy and provided more funding than initially expected. This has given the opportunity to review the quantum and phasing of savings. It is now proposed options of £8.542m are progressed which are detailed in Appendix 1.
- 3.9. In the context of austerity and the national challenges and ASC reform programme underway, the approach to the development of savings builds upon the previous work done to date and is cognisant of:
- (i) BOBL as the underpinning strategy and the commitments already made to deliver the 2021-24 target, detailed earlier in the report and which in itself will be challenging to deliver;
 - (ii) Preventing potential for a negative impact on the wider health and social care system; and
 - (iii) The imperative to maintain the progress against the ASC improvement plan for social work infrastructure and improved practice to support and safeguard our most vulnerable citizens.
- 3.10. The proposals detailed are all considered deliverable but will be challenging to deliver, requiring significant service redesign, reconfiguration and effective change management. The proposals do enable citizen independence and outcomes to be protected or potentially improved but there will need to be an understanding by citizens, families and carers that in some cases care arrangements will have to change and needs may be met in alternative ways. This is integral if the budget strategy is to be achieved. A draft Equalities Impact Assessment has been for the Provider Services review work as the major programme of work delivering the majority of the savings areas which will impact in 2023/24, alongside the existing Better Outcomes, Better Lives programme. This builds on engagement work already completed on day services, and further engagement work underway and planned. In considering proposals, it is critical to be cognisant of the duty to meet eligible needs in cost effective ways.
- 3.11. The proposed savings programme (£8.542m) is detailed in Appendix 1 and summarised in the table below

Table 2: Proposed Savings Programme

| | 2023/24 £'000 | 2024/2 5 £'000 | 2025/2 6 £000 | Total £'000 |
|-------------------|--------------------------|-------------------------------|------------------------------|------------------------|
| Provider Services | 150 | 1,650 | 1,450 | 3,250 |
| Workforce | 1,217 | | | 1,217 |
| Charges | | 50 | | 50 |
| Demand Management | 2,275 | | | 2,275 |
| Other | 500 | 500 | 750 | 1,750 |
| Total | 4,142 | 2,200 | 2,200 | 8,542 |

- 3.12. The amendments to the savings programme from November 2022 are summarised in the table below. Following Scrutiny feedback and further work, a number of changes have been made, with the financial impact negated from additional resources available and detailed later in the report:

Table 3: Amendments to Additional Savings Programme

| Item | Rationale | 2023/24 £'000 | 2024/25 £000 | 2025/26 £000 |
|---|---|------------------|-----------------|-----------------|
| November Scrutiny | | 5,575 | 2,250 | 2,200 |
| Extra care (wellbeing charge) | Defer. Substantial planning and consultation programme with users and landlords. New planned start date 1/4/24. | -50 | 50 | |
| Community Alarms income | Delete. Cost of living crisis and potential impact of clients withdrawing from scheme on ambulance call outs and potential increase in social care need | -150 | | |
| Reduce Vacancy Factor | Reduce. Given extensive recruitment programme and use of agency in key roles, 6% is considered to be a more optimal vacancy factor | -383 | | |
| Day services – focus on complex clients | Defer. Substantial review and assessment programme required. Requires full planning through 2023/24 and alignment to provider services review | -250 | 250 | |
| Day services – Supported Accommodation | Delete. Further analysis of cohort indicates insignificant opportunity. Focus will be on day services opportunity as above, and alignment to Provider Review | -250 | -250 | |
| Transport | Reduce. In the context of new funding, proposed to take a more cautious approach to the programme development, reducing the target to £0.150m per year 2023-25 | -100 | -100 | |
| CHC | Delete. Delete 2023/24 target allowing further twelve months for partners to develop integrated approach to this area and joint commissioning improvements | -250 | | |
| Total | | -1,433 | -50 | |
| Revised Savings Target | | 4,142 | 2,200 | 2,200 |

3.13. The proposed savings programme is grouped into key themes as follows:

(i) Provider Services (£3.250m)

This is a substantial redesign programme including in-house Supported Accommodation, Day Services, Transport arrangements and Short Breaks. The overall direction is to enable the service to support citizens with the most complex needs, whilst ensuring care arrangements for lower level needs are met in the most appropriate ways. It is intended to develop a new integrated multi-disciplinary MLCO offer for emergency placements preventing the use of the in-house short breaks service for supporting crisis situations. With regards to Transport, a number of options are under consideration with the key ones being to encourage independence through travel training initiatives, potential new criteria for accessing transport and set a charge for the service in line with service cost. The work on provider services has begun with the day services review over the last few months which included extensive engagement with citizens and their carers/families as well as data analysis. Further engagement work has now been completed on our wider Learning Disability commissioning priorities at the end of 2022 which will also feed into our work on provider services.

(ii) Workforce (£1.694m less £0.477m pressures £1.217m net)

Use of a vacancy factor is a normal budgeting practice. At any point in time, there is never a full establishment (vacancy data for 2019/20, 2020/21, 2021/22 and the current position, shows that Adult Social Care has never fallen below 150 FTE vacancies at any one time and can be significantly more) and a level of turnover is a healthy necessity. The increase of £1.694m results in a vacancy factor of 6%. For Grades 1 to 12 budgeting practice is at the top of the grade and it is unlikely that the whole of the ASC workforce will be at the top of the grade, providing some flexibility in terms of funding. The £0.477m workforce pressures relates to the full year effect of an increase in response officers capacity within Community Alarms (£0.114m) and a shortfall in the funding for social work capacity (£0.363m) implemented as part of the Covid-19 response in the 2022/23 budget.

(iii) Charges (£0.050m)

The choices on the budget are especially difficult this time and the impact of the cost of living situation is well understood and specific Council financial support is being directed. Where increases to charges are proposed, they have been carefully considered and significant subsidy arrangements maintained. Adult social care policy will continue to support the most vulnerable and especially those with disabilities through the Disability Related Expenditures scheme. The Care and Support (Charging and Assessment of Resources) Regulations 2014 set out examples of Disability Related Expenditure. The overall aim is to allow for reasonable expenditure needed for independent living.

- Extra care well being charge (£0.050m) - this is an additional amount on top of the rent, service charge and any care charges that apply. It is a charge that every resident in the scheme would pay. The proposal is for a wellbeing charge of £5-10 per person per week. This proposal is deferred one year whilst further work is undertaken.
- The proposal relating to Community Alarms has been withdrawn as per the table at 3.11.

(iv) Demand Management (£2.275m)

This target has been set for 2025/26 on the basis that the programme has delivered evidenced demand reductions to date and that there will continue to be opportunities to improve outcomes and independence of Manchester citizens and many of the Better Outcomes Better Lives arrangements will be fully embedded by then. This target will be the subject of more detailed consideration and review in the 2024/25 budget cycle and is in effect a commitment at this stage. Reserves will be used to cover the period 2023-25. The use of reserves is within the overall Reserves Strategy, as part of the MTFP, with the recommended drawdown in line with reserves policy.

(v) Other (£1.750m)

There are two components:

- Disabled Facilities Grant – the delivery of the major adaptations require input of occupational therapists, which can be charged to the grant - it is proposed to charge £0.5m to Disabled Facilities Grant and there is headroom within the programme to do so recurrently; and
- High cost joint funded packages - working with partners on opportunities to improve joint commissioning. In addition, there are a number of citizens within long term placements that are at or near the Continuing Health Care (CHC) threshold. If assessed to be eligible for CHC, funding the cost moves to health and citizens are not eligible for charges. Of key importance is ensuring citizens get the right level of care. A revised target of £1.250m has been set with no requirement to deliver savings in 2023/24.

Growth and Pressures 2023-26

As part of the budget process it is important that as well as having to find savings to balance the budget, that any service pressures are recognised and where unavoidable are correctly budgeted for, this allows for the better on going management of the service and budgets. These pressures are included in Appendix 2. They include the standard increases approved annually for demographic pressures and the uplift to care costs driven by the Council's commitment to pay the Real Living Wage to care staff. Current pressures reported in 2022/23 which have recurrent budget implications are also

included and cover in-house supported accommodation, advocacy costs and deprivation of liberty standards (DOLS) best interest assessments.

- 3.14. The Council budgets for pay and prices inflation corporately and these will be allocated to Directorate budgets when known. An estimate of pay and price inflation is included at Table 5 below.
- 3.15. An investment of £1.3m per year 2023-26 will sustain the social work infrastructure and reablement capacity, supporting care models covering Crisis, Discharge to Assess and Manchester Case Management.

New Funding and Additional Investment Priorities

- 3.16. The Autumn Statement included a number of funding announcements of specific importance to social care and further details have been received as part of the provisional financial settlement and through the health announcements for the Better Care Fund (BCF). The key headlines are:
- ASC Discharge Fund (£4.451m 2023/24 increasing to £7.420m 2024/25) - this is intended to form part of BCF plans, aimed at reducing delayed transfers of care and the funding will need to be pooled with the NHS. The NHS is receiving the same amount to also put into BCF plans. The grant conditions are expected to be heavily focused on how they will support the NHS. The full deployment recommendations will be reported through Health and Wellbeing Board in line with the governance for the Section 75 agreement covering the BCF;
 - Market Sustainability and Improvement Grant – Manchester received £1.800m in 2022/23, this is rolled forward and there is an additional £4.443m 2023/24 rising to £7.548m 2024/25. This grant is intended to assist local authorities to make tangible improvements to adult social care, and in particular to address: discharge delays; social care waiting times; low fee rates; workforce pressures; and to promote technological innovation in the sector;
 - Social Care Grant (£18.8m 2023/24 rising to £25.7m 2024/25) - ringfenced for adults and children's social care. This is funded nationally from the funding earmarked to fund the social care reforms which have been deferred until October 2025. The position post 2025 remains unclear and this allocation is not guaranteed;
 - Social Care Precept - The council tax referendum limit will be 2.99% for local authorities, with social care authorities allowed an additional 2% social care precept. Within the overall budget recommendations it is proposed the ASC precept be used to support the adult social care market; and
 - Better Care Fund – The BCF will continue in 2023/24 and 2024/25. Government will publish a policy framework in due course. The planning assumption is the minimum BCF contribution to social care will rise by a

flat 5.66% at a health and well-being board level. This equates to £1.023m. The iBCF is not being increased for inflation.

- 3.17. The detailed budget recommendations on the use of the ASC Discharge Fund and Market Sustainability and Improvement Grant cannot be specific until further information from Government is released on objectives and conditions. At this stage indicative priorities are outlined.
- 3.18. ASC Discharge Fund – whilst further details on the grant conditions are awaited, the key priority areas identified are:
- (i) To strengthen the Brokerage team and the Control Room;
 - (ii) To further invest in Discharge to Assess beds and new models of bedded care;
 - (iii) Investment in therapy reflecting the benefits of rehabilitation and functional support to promoting independence;
 - (iv) Funding for extra care schemes into the supporting care hours and the expansion programme in order that they can also be a key option supporting discharge;
 - (v) Further investment in Reablement to ensure continued positive outcomes from the delivery of the reablement service as it continues to grow and focuses on P1 discharges, alongside community support preventing admissions; and
 - (vi) To ensure the full year effect of discharge care packages Dec-Mar 2023 is fully funded in the base budget for 2023/24 and for on-going discharges into long term care.
- 3.19. The NHS is receiving the same amount to also put into BCF plans. Discussions are ongoing around shared priorities for discharge through the Resilient Discharge Programme.
- 3.20. Market Sustainability and Improvement Grant - reporting requirements regarding performance and use of funding to support improvement against the objectives are still to be announced. For financial planning purposes, the funding will be deployed in its entirety as part of the approach to the 2023/24 care costs uplift. The Social Care Precept will be similarly deployed.
- 3.21. Social Care Grant – the additional grant enables the overall budget recommendations to the Executive to strike a better balance on use of Council reserves. It will therefore be deployed in part to support the key pressures including demographics, the independent living fund, resources for which were rolled into the grant, and part of the funding package in development for the 2023/24 care costs uplift. In addition, the funding allows for some rephasing and amendment of the savings programme, detailed above, to reduce risk and reflect the further work undertaken since the initial proposals.
- 3.22. Finally, a number of key investments are recommended by the Director of Adult Social Services and summarised into areas of focus in the table below. It is proposed these are funded using the increase in BCF £1.023m with the balance allocated from the Social Care Grant. Overall, this will sustain and

continue the improvement journey for adult social care, critically the work on effective demand management and ensuring care packages are appropriate and every opportunity to maximise individuals independence is considered and of note will also respond to the recommendations of the recent CQC test and learn pilot.

- 3.23. Recruitment to additional posts continues to pose challenges, particularly in certain role profiles, and until full recruitment is completed, there will be some headroom within the funding allocation that can provide some smoothing provision against the savings programme. Governance arrangements for the investment programme will be through BOBL Programme Board.

Table 4: Summary of Investment

| | 2023/24 £'000 | 2024/25 £'000 | 2025/26 £'000 |
|--|--------------------------|--------------------------|--------------------------|
| Strengthening statutory functions | 1,166 | 1,023 | 1,023 |
| Effective demand management and supporting completion of the BOBL 3 year savings programme | 717 | 703 | 655 |
| Supporting the delivery of the new savings programme | 189 | 386 | 306 |
| Areas of demand pressures | 1,046 | 896 | 971 |
| Total | 3,118 | 3,008 | 2,955 |

- (i) **Strengthening statutory functions** – Supports the delivery of statutory duties in service areas where there is increasing complexity of case load, ensuring delivery of safe, effective services alongside supporting focus on BOBL and demand management through dedicated review capacity. Key areas are investment in learning disability teams, complex services including sensory and autism and the transitions team (also includes social work capacity for provider review). Overall 16.5 FTE. Funding will also sustain the carers pathway after depletion of reserves, which is critical to delivery of statutory duties in relation to carers as well as supporting demand management and cost avoidance. There is intent to look at investment in Mental Health subject to on-going discussions with partners.
- (ii) **Effective demand management and supporting completion of the BOBL 3 year savings programme** – the focus is investment in the redesign of the front door. Expansion of prototype of the early support team, strengthening the front door, preventing and reducing care demand as well as demand for assessments and long-term interventions through community teams. This is recognised as integral to effective demand management and completion of the BOBL savings programme. There is also provision for on-going expansion in use of TEC and some refurbishment of short break facilities.
- (iii) **Supporting the delivery of the new savings programme** - the project management and specialist expertise to deliver extensive service

redesign of Provider Services in-house. Directly linked to the delivery of most significant savings programme for 2023/24 and beyond, ensuring programme grip and momentum, accountability, development of new model including complexity of estates, HR and housing issues as well as smooth transition of care arrangements for citizens currently supported in house and externally.

- (iv) **Areas of demand pressures**– Manchester Equipment and Adaptations Partnership (MEAP) capacity to support increase in demand linked to increased uptake of TEC, operational capacity to support increase in demand for equipment and adaptations. Also some investment in Client Finance Services which has significant backlogs and investment is overdue to expand capacity. HR and programme capacity aimed at implementing recruitment strategies and continued strong BOBL governance and delivery respectively.

3.24. If the proposed changes detailed in paragraphs 3.3 - 3.6, 3.10 - 3.12 and 3.14 - 3.24 above are approved the three-year budget position is shown in Appendix 3). A summary of the key movements is shown in the table below.

Table 5: Summary of Proposed Budget Changes

| Adult Social Care | 2023/2024 Indicative Budget | 2024/2025 Indicative Budget | 2025/2026 Indicative Budget |
|--|--|--|--|
| | £'000 | £'000 | £'000 |
| Opening Budget | 191,197 | 211,947 | 227,172 |
| 2022/23 RLW from Corporate Inflation | 3,500 | | |
| Removal of one-off reserves to support phased delivery of BOBL savings | 5,500 | | |
| Budget pressures (Appendix 2) | 1,889 | | |
| Integrated New Care Models | 1,300 | | |
| Independent Living Fund | 2,000 | | |
| Demographics | 2,329 | 2,636 | 2,936 |
| | | | |
| Market Sustainability Fund | 4,443 | 3,105 | |
| Adult Discharge Fund | 4,451 | 2,969 | |
| ASC Precept | 2,027 | 2,274 | 0 |
| Additional funding - Real Living Wage / FCoC | 3,495 | 6,093 | 4,053 |
| | | | |
| Investment Plan | 3,118 | -110 | -53 |
| BCF Uplift 23/24 | -1,023 | | |
| Corporate inflation allocation | 2,729 | 457 | 2,011 |
| <u>Demand Management and New Savings:</u> | | | |
| Long term care budgets | -5,500 | | |
| Savings approved in 2021/22 budget setting (BOBL Year 3) | -3,477 | | |
| Headroom within 2022/23 budget assumptions | -1,889 | | |
| Amended Additional Savings Programme | -4,142 | -2,200 | -2,200 |
| Total Changes | 20,750 | 15,224 | 6,747 |
| Total Cashlimit | 211,947 | 227,171 | 233,919 |
| Estimated Pay Inflation | 5,437 | 3,868 | 3,938 |
| Total Adult Social Care | 217,384 | 231,039 | 237,857 |

- 3.25. Appendix 4 provides a subjective analysis of expenditure and income and Appendix 5 provide an objective analysis of the 2023/24 budget to also set out the key areas of income.
- 3.26. In line with the approach introduced 2022/23, long-term care budgets will be reset and realigned to reflect the full year effect of client numbers as at 31 March 2023 and the impact of winter, specifically the volume of discharges

coming through the hospital system. It is expected the financial impact will be met from within the funding available in 2023/24 from the adult discharge fund. This has not been forecast at this stage, due to the uncertainty and potential volatility within the health and social care system presently and will be reported and incorporated into the 2023/24 base budget early in the new financial year.

4. Workforce Implications

- 4.1. The Recruitment Programme led by HROD is ongoing with a focus on facilitating recruiting to vacancies at pace. This includes innovative ways of advertising and recruiting to ensure we are positioned in the market as an attractive employer. Whilst there has been some success, recruitment progress remains challenging due to the competitive and limited labour market, alongside the high number of vacancies we have sought to fill during this time. The number of vacancies reflects the increase in establishment due to previous investment monies alongside turnover. There are also a number of vacancies currently being held (see below at 4.5). We expect recruitment to remain challenging in the immediate future, due to a national shortage of social care workers.
- 4.2. The investment streams referred to earlier in this report will result in a significant number of additional posts being established within the directorate. These will be incorporated within the Recruitment Programme and a schedule has been drafted to support with sequencing recruitment in order for posts with the highest impact to be prioritised. Some of the new posts will provide opportunities for internal progression.
- 4.3. Whilst the Charging Reforms work has been delayed for 2 years, it is worth noting that this will result in a demand for additional assessment capacity on a national scale which is likely to have wider implications on the ability to recruit locally once the number and role definition of the additional roles is concluded.
- 4.4. The savings proposals outlined at Appendix 1 will likely have a limited workforce impact due to vacant roles in the two main service areas of review (Day Services and the Disability Supported Accommodation Service) currently being held (covered by agency in the interim). This supports the wider review to take place and should mean that once proposals are reviewed and ready to be implemented, there should be minimal impact on permanent staffing.
- 4.5. If the proposals to focus on more complex citizens are implemented within DSAS, this will require a review of current roles and structures to ensure the requirements of the new service offer can be met. The workforce impact is difficult to fully define until the ongoing Provider Services review is concluded.
- 4.6. Vacancy Factor

The Council's establishment is fully budgeted for at the top of the grade. These budgets are not fully utilised as a result of vacancies caused by staff turnover, recruitment difficulties and staff employed at various points in the

grade. In order to avoid budgeting for costs that will not be required and making bigger cuts elsewhere, adjustments are being made to reflect these issues by applying a vacancy factor to recognise that vacancies will always exist. The continued challenges in filling posts also means that the council is working hard on ensuring we are an employer of choice and can attract people and minimise the pressures on our existing workforce. This includes work focused on recruiting qualified social workers, as well as a significant recruitment campaign into our reablement services. Support has also been provided to the care market given wider recruitment and retention challenges affecting adult social care.

5. Section 75 Arrangements

- 5.1. Under section 75 of the National Health Service Act 2006, local authorities and NHS bodies can enter into partnership arrangements for the exercise of certain NHS functions by NHS bodies and certain health-related functions of local authorities. Section 75 provides for three flexibilities that NHS Bodies and local authorities can use: pooled budgets, lead commissioning and integrated provision.

Better Care Fund

- 5.2. The Council and Manchester Clinical Commissioning Group entered into a Section 75 Better Care Fund Agreement in March 2022. The S75 Agreement sets out the terms on which the Partners have agreed to collaborate and to establish a framework, through which the Partners can secure the future position of health and social care services through Lead Commissioning Arrangements or Joint Commissioning Arrangements in relation to the BCF and IBCF. On 1 July 2022, the MCCG ceased to exist and was replaced by the GM ICB. On 1 July 2022, the S75 Agreement was transferred from MCCG to the GM ICB.
- 5.3. There is a requirement to update the financial contributions within the document once the final Better Care Funding allocations are published and this is done through delegated authority to the Deputy Chief Executive and City Treasurer and City Solicitor, in consultation with Executive Member. Any changes considered to be material need to be presented to the Executive for approval.
- 5.4. Each year the national BCF guidance is refreshed. This has not yet been released for 2023/24 and further consideration and update to local arrangements will be required in due course, with emphasis on joined up planning within the Health and Social Care System.
- 5.5. The following material changes are required for 2022/23:
- (i) Revised minimum BCF contribution £18.071m. The 2021 Spending Review confirmed the NHS contribution to the BCF will rise in actual terms by 5.66% each year from 2022 to 2025. This included the minimum contributions to social care;

- (ii) Revised iBCF allocation £31.749m an increase of 3%; and
- (iii) Winter Discharge Fund
 - the allocation to the Council of £2.222m
 - the allocation to the GM ICB of £19.558m. Of the GM ICB 2022/23 allocation, £3.982m is allocated to Manchester.

5.6. The following changes are required for 2023/24:

- (i) Revised minimum BCF contribution £19.094m;
- (ii) iBCF – no change.
- (iii) Adult Discharge Fund
 - the allocation to the Council of £4.451m
 - the allocation to the GM ICB of £17.659m. Of the GM ICB 2023/24 allocation, c£4m is expected to be allocated to Manchester.

5.7. The changes outlined above will be incorporated into the overall budget recommendations to the Executive.

5.8. In January 2023 a further government announcement was made regarding £200m national funding for discharging patients from hospital beds into step down beds to improve patient care and system flow, for the period to 31 March 2023. This funding will be channelled through the ICS. Local arrangements for Manchester are still in development. This funding may also be required to be included within the BCF.

Delivery of Integrated Health and Adult Social Care

5.9. As noted above, as part of achieving formal integration, a section 75 agreement was agreed between the Manchester University Foundation Trust (MFT) and Manchester City Council in 2021, to facilitate the effective delivery of integrated health and adult social care.

5.10. The adult social care workforce is already deployed into MLCO, working alongside health colleagues. Health and care budgets are aligned rather than pooled. There is scope to revise partnership arrangements in future, either by entering into a pooled budget in future, or by moving other Council services into MLCO. The agreement is for an initial term of three years.

5.11. The partnership arrangements between the Council and MFT set out that the Council agrees to delegate its adult social care functions to MFT in order to strengthen integration of community health and social care. This builds on the existing partnership arrangements set out in the 2018 Partnering Agreement. An underpinning financial framework sets out the agreed working principles and assumptions which will govern the financial arrangements between the Council and MFT for the operation of the aligned budgets. The Adult Social Care budget referred to in this report constitutes the Council contribution to the aligned budget.

- 5.12. The budget strategy for Adult Social Care, as detailed in this report, will also be incorporated into the S75 agreement with MFT and this will be included within the overall budget recommendations to the Executive accordingly.

6. Equality and Anti-Poverty Impact

- 6.1. Consideration has been given to how the proposed savings could impact on different protected or disadvantaged groups. Where applicable proposals have been subject to completion of an Equality Impact Assessment (EqIA) and an Anti-Poverty Assessment as part of the detailed planning and implementation. In particular, an initial EqIA has been completed pertaining to our in-house provider services as there are likely to be direct impacts on people and specifically MCC priority protected characteristics. The outcomes from equality impact work in particular are being built into the programme including ensuring that the advocacy is provided to citizens, that careful consideration is given to the way in which changes are communicated to citizens and their families and that the development of the new service model is developed through engagement with existing and future citizens, families and carers.
- 6.2. An update on work on equalities, diversity and inclusion in relation to the Better Outcomes, Better Lives programme was provided to the September Health Scrutiny Committee including work on the direct impact of a number of interventions being delivered on the programme. Work is also underway on the way in which equalities data is collected in ASC, supporting the ability to be better informed on the impact of changes being made to services.
- 6.3. As referred to at 3.11(iii) the implications of the impact of increases to the costs of living have been considered in relation to the specific proposals related to charging.

7. Future Opportunities and Policy Considerations

- 7.1. National strategy for autistic children, young people and adults: 2021 to 2026

The national autism strategy was published in 2021 with work underway at a Manchester level to respond. An Autism Strategy group has been established with involvement from a number of partners. This group recognises that there will be an increased demand for support for people with a diagnosis of autism which will need to be carefully managed and planned for across the health and care system. In recognition of this ASC has invested in a specialist commissioning and social work role to support this work, with additional operational roles identified through the investment described at 3.15 (i) above.

- 7.2. Liberty Protection Safeguards 2024

The Deprivation of Liberty Safeguards (DoLS) provide a legal process to review and, where appropriate, authorise arrangements for a person's care or treatment which may amount to a deprivation of liberty, for people aged 18 and over in a care home or hospital. It provides key safeguards to protect the person's human rights. In the summer government consulted on proposed

changes to the Mental Capacity Act 2005 Code of Practice and implementation of a new Liberty Protection Safeguards system. The consultation outlined that the existing arrangements, if fully operationalised due to increased eligibility arising from recent case law, will lead to spiralling costs. In the governments preferred model, once embedded, it is expected there will be savings in comparison to the existing DOLS arrangements, albeit the implementation of the model will be complex and resource intensive. The budget pressures included for 2023/24 will be reviewed once implementation and transition arrangements are clear.

7.3. CQC Assurance

From April 2023, local authorities will be subject to regular assessment and assurance by CQC in relation to their statutory duties for Adult Social Care. CQC are in the process of designing and finalising the framework. Manchester City Council, were part of a 'test and learn' process ahead of April 2023 which piloted the approach in two local authorities nationally. The framework will be robust in evidencing local authorities' delivery of their statutory duties and will therefore require planning and capacity to support at a local level once introduced.

8. **Conclusion**

- 8.1. This report provides a comprehensive overview of ASC's service priorities in the context of setting the budget for 2023/24 and outline budget strategy for the following two year (2024-26).
- 8.2. Adult Social Care in Manchester has delivered significant improvement and transformation over the last four years, including the delivery of the Better Outcomes, Better Lives programme which is supporting ensuring that our citizens are enabled to stay well, safe and live independently, as well as managing demand into our services. The integration of Adult Social Care with community health services through the Manchester Local Care Organisation is also enabling improved arrangements around the discharge of citizens from hospital through the Resilient Discharge Programme.
- 8.3. The planned investments and savings in this report have been identified to ensure the continuation of this positive direction of travel and will enable a continued sustainable budget position into future years.
- 8.4. The Committee is asked to consider the content of this report and comment on the proposed changes which are relevant to the remit of this scrutiny committee.

9. **Appendices**

Appendix 1 – Additional Savings Schedule
 Appendix 2 – Pressures Growth Schedule
 Appendix 3 – Indicative Medium-Term Budgets by Service
 Appendix 4 – Indicative Medium-Term Budgets by Type of Spend/Income

Appendix 5 – Indicative Service Budget with Income Analysis

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Appendix 1 – Additional Savings Schedule

| Service | Description of Saving | Type of Saving | RAG Impact | Amount of Saving | | | | Indicative FTE Impact |
|--------------------------|--|------------------|---|------------------|---------|---------|------------|-----------------------|
| | | | | 2023/24 | 2024/25 | 2025/26 | Total | |
| | | | | £'000 | £'000 | £'000 | £'000 | |
| Provider Services | | | | | | | | |
| Provider Services | Day Services - following the delivery of a day services review and associated findings, expand use of external capacity/focus on complex needs. This is intended to maximise the cost effectiveness of in-house day services by repositioning them to support citizens with more complex needs. This would mean reviewing people in expensive external day placements and moving them to in-house provision as well as reviewing people with low to moderate support needs in in-house provision and finding alternative provision in the community or with lower cost external providers (including VCSE as providers under contract). | Service Redesign | Limited impact on outcomes, consolidating model of care. Potential family dissatisfaction and complaints, engagement programme will be required This is part of a broader strategy to re-position day services as a whole and work by the transitions team and others to promote a range of options for people, including employment, facilitated by our strengthened supported employment offer | | 500 | 100 | 600 | TBC |
| Provider Services | Short Breaks - this programme is intended to refocus in-house short breaks service through a new integrated MLCO offer to support emergency placements and supporting crisis situations. The financial saving will be within long term care | Service Redesign | Risk of not having an offer in place to support in crisis situations. Significant challenge to make operational | | 250 | 100 | 350 | TBC |
| Provider Services | Transport review - The savings target represents a substantial redesign of the service model and charging basis. Delivery will be through a combination of significant increase in nominal charge, review of access criteria, | Service Redesign | Exploration of alternative transport models and options for access to day services. Potential for family dissatisfaction and complaints, engagement programme will be required | 150 | 150 | | 300 | TBC |

| Service | Description of Saving | Type of Saving | RAG Impact | Amount of Saving | | | | Indicative FTE Impact |
|-------------------|---|------------------|---|------------------|---------|---------|--------------|-----------------------|
| | | | | 2023/24 | 2024/25 | 2025/26 | Total | |
| | | | | £'000 | £'000 | £'000 | £'000 | |
| | exploration of alternative transport models and encouraging independence through travel training initiatives | | and aligned to the other proposals surrounding day services. | | | | | |
| Provider Services | DSAS - Transformation of in house supported accommodation to enable the service to support citizens with the most complex needs. Very significant change programme required with the potential to improve outcomes through more optimal approach to supporting most complex in-house including Transforming Care cohort, citizens placed in high cost packages (including out of area) and including those where joint or health funding arrangements are in place. Significant engagement with families will be required. | Service Redesign | Potential to improve outcomes through more optimal approach to supporting most complex. Repatriation and changing tenancy arrangements including for people currently supported in house where the outcome may be a move to being supported externally will inevitably lead to significant engagement requirements with families. Establishment restructuring and realignment (consolidate establishment to meet future needs). Requires full and comprehensive review of estate to ensure it is fit for purpose from a condition and fabric perspective and associated and capital investment. | | 750 | 1,250 | 2,000 | TBC |
| Workforce | | | | | | | | |

| Service | Description of Saving | Type of Saving | RAG Impact | Amount of Saving | | | | Indicative FTE Impact |
|----------------|---|-------------------|--|------------------|---------|---------|-------|-----------------------|
| | | | | 2023/24 | 2024/25 | 2025/26 | Total | |
| | | | | £'000 | £'000 | £'000 | £'000 | |
| Directorate | Increase Vacancy Factor (£1.694m less workforce pressures £0.477m). Vacancy data for 2019/20, 2020/21, 2021/22 and the current position, shows that Adult Social Care has never fallen below 150 FTE vacancies at any one time and can be significantly more. The base budget 2022/23 includes a £1.992m vacancy factor, approximately 3% of the £61.363m employee budget. The increase of £1.694m increases the vacancy factor to 6% | Efficiency | High turnover has constrained progress with BOBL and budgeting for it includes an element of risk albeit managed. The number of established posts will remain the same and the service still able to recruit. The level of the vacancy factor will be adjusted annually to reflect recruitment and turnover levels. | 1,217 | | | 1,217 | None |
| Charges | | | | | | | | |
| Extra care | Implement wellbeing charge This is an additional amount on top of the rent, service charge and any care charges that apply. It is a charge that every resident in the scheme pays, whether they receive care or not. Following introduction, the Service would expand the benefits of paying a Wellbeing Charge, for example, through an annual Wellbeing Check, working with local community health providers ⁷⁷ and public health so that the Charge does have an actual emphasis on Wellbeing. Through benchmarking, the highest rate of weekly wellbeing charges found is £40 per week. The lowest charge is £11 per week. The proposal is for a | Income Generation | Impact on most vulnerable during cost of living crisis | | 50 | | 50 | None |

| Service | Description of Saving | Type of Saving | RAG Impact | Amount of Saving | | | | Indicative FTE Impact |
|---------------------------------|---|----------------|---|------------------|---------|---------|--------------|-----------------------|
| | | | | 2023/24 | 2024/25 | 2025/26 | Total | |
| | | | | £'000 | £'000 | £'000 | £'000 | |
| | wellbeing charge of £5-10 per person per week | | | | | | | |
| <u>Demand Management</u> | | | | | | | | |
| Directorate | Smoothing via Adult Social Care Reserve | Efficiency | None | 2,275 | | (2,275) | | None |
| Long Term Care | Further demand management – all care groups. This target has been set for 2025/26 and is therefore some time into the future. This is in addition to £10m identified in 2023/24 for demand management to support the existing budget gap. The target has been set on the basis that the programme has delivered evidenced demand reductions to date and that there will continue to be opportunities to improve outcomes and independence of Manchester citizens and many of the Better Outcomes Better Lives arrangements will be fully embedded by then. There is notably an expectation that TEC and the move to digital will be further advanced and the whole care market will have developed further through the reform agenda. Within the MLCO work will have progressed to optimise care models and this will also be impacting. The Fair Cost of Care programme should enable a sustainable care market and more appetite to work with the Council on developing care models in residential settings and particularly therapeutic | Efficiency | Prevent, reduce, delay through Better Outcomes, Better Lives remains the underpinning approach so should continue to have a beneficial impact on outcomes but will be challenging in face of national social care context | | | 2,275 | 2,275 | None |

| Service | Description of Saving | Type of Saving | RAG Impact | Amount of Saving | | | | Indicative FTE Impact |
|---------------------------|--|-------------------|--|------------------|---------|---------|--------------|-----------------------|
| | | | | 2023/24 | 2024/25 | 2025/26 | Total | |
| | | | | £'000 | £'000 | £'000 | £'000 | |
| | interventions. This target will be the subject of more detailed consideration in the 2024/25 budget cycle and is in effect a commitment at this stage | | | | | | | |
| Other | | | | | | | | |
| Equipment and Adaptations | Disabled Facilities Grant (DFG) - Refinance assessment officers through DFG. In a case where an application is for DFG, the services and charges of an occupational therapist in relation to the relevant works are also specified for those purposes and can be considered as capital expenditure if included as part of the whole project costs of the adaptation. Whilst this normally applies to external capacity, consideration of DFG guidance is predicated on there being no substantive difference between using internal or external capacity for this purpose | Efficiency | Recharge of internal capacity to DFG includes a degree of audit risk | 500 | | | 500 | None |
| Learning Disability | Joint funding/CHC and improving joint commissioning. Of utmost importance is the right support from a clinical team having oversight of the citizens wellbeing and review responsibility for the package of care (a rights-based approach). There are a number of citizens within long term placements that are at or near the CHC threshold. The desired outcome includes an enhanced joint funding of packages and much more structured joint commissioning arrangements | Income Generation | Potential for tensions within partnership arrangements if not considered as an integrated opportunity. Improved outcome for citizens in terms of CHC care being non chargeable | | 500 | 750 | 1,250 | None |

| Service | Description of Saving | Type of Saving | RAG Impact | Amount of Saving | | | | Indicative FTE Impact |
|--------------|-----------------------|----------------|------------|------------------|--------------|--------------|--------------|-----------------------|
| | | | | 2023/24 | 2024/25 | 2025/26 | Total | |
| | | | | £'000 | £'000 | £'000 | £'000 | |
| Total | | | | 4,142 | 2,200 | 2,200 | 8,542 | |

Appendix 2 - Pressures / Growth Schedule

| Service | Description of Pressure | 2023/24 | 2024/25 | 2025/26 | Total |
|---|---|---------------|---------------|--------------|---------------|
| | | £'000 | £'000 | £'000 | £'000 |
| Long term care – Demographics | A specific model for demographics allocations to the budget has been used for a number of years (DAS model) and considers the potential impact of population change on flow into Adult Social Care. A fundamental priority of Better Outcomes Better Lives (Prevent, Reduce Delay) is to manage demand well within the demographics allocation and to release some of this resource as part of completing the Better Outcomes Better Lives three-year savings programme. The signals in 2022/23 are in line with expectations, with demographics pressures running well below the national average. There is a strong focus on ensuring, through strength-based arrangements, that packages are the most appropriate and aimed at maintaining independence as much as possible and this will continue further through into 2023 and with a stronger ambition on how the Front Door can be used more effectively | 2,329 | 2,636 | 2,936 | 7,901 |
| Long term care - | The element of the 2022/23 uplift to care rates funded through corporate price inflation | 3,500 | | | 3,500 |
| New Care Models | Investment to sustain the integrated New Care Models - the social work infrastructure and a contribution to the cost of Reablement, supporting integrated care models covering Crisis, Discharge to Assess and Manchester Case Management. | 1,300 | 0 | 0 | 1,300 |
| Long term care and investment into ASC- | Taking into account all of the funding announcements for Social Care inclusive of the BCF, this component of resources, will be reconfigured to support both the investments detailed and the care sector fee uplift inclusive of Real Living Wage | 5,590 | 5,983 | 4,000 | 15,573 |
| Long term care | Independent Living Fund - resources for which were rolled into the social care grant in lieu of the separate grant previously received | 2,000 | | | 2,000 |
| Long term care | Market Sustainability Fund | 4,443 | 3,105 | | 7,548 |
| Long term care | Adult Discharge Fund | 4,451 | 2,969 | | 7,420 |
| Long term care | Social Care Precept | 2,027 | 2,274 | | 4,301 |
| Subtotal | Pressures funded through additional resources in MTFP including Social Care Grant | 25,640 | 16,967 | 6,936 | 49,543 |
| <u>2022/23 Pressures with recurrent implications 2023/24</u> | | | | | |

| Service | Description of Pressure | 2023/24 | 2024/25 | 2025/26 | Total |
|--|---|---------------|---------------|--------------|---------------|
| | | £'000 | £'000 | £'000 | £'000 |
| Provider Services – Disability Supported Accommodation Service | There is a significant budget pressure on DSAS in 2022/23. A significant proportion of which is recurrent and reflects the net growth in internal capacity which is utilised. The expansion covered 60 units at Scout Drive, Freshwater and Northfields, 26 units have been closed in specific properties in line with the business case. Overall capacity has been expanded by 35%. This service is subject to full redesign as outlined. The investment is to bring the budget to a more stable position and address the significant overspend | 1,500 | - | - | 1,500 |
| Safeguarding | Best interest and mental health/mental capacity assessments – external capacity including mental health/mental capacity act assessments to being carried out by Independent Section 12 Doctors as can't be completed by internal Best Interest Assessors | 229 | - | - | 229 |
| Commissioning | The service is working towards a new advocacy contract being in place from 1/6/2023. The current budget is £0.668m. The additional investment is to move towards a service which has sufficient capacity to respond to statutory advocacy requirements in a timely manner, which has development capacity to respond to future demand growth and places the service on the best footing to manage the challenges that will come with LPS implementation from 1/4/24. There is an expectation that additional requirements will be addressed via some additional ring-fenced government funding at that point, however the new contract requires progress as soon as possible. Future implications will be part of the 2024/25 budget process accordingly. | 160 | - | - | 160 |
| Subtotal | Pressures funded through demand management within ASC | 1,889 | | | 1,889 |
| Total | | 27,529 | 16,967 | 6,936 | 51,432 |

Appendix 3: Indicative Medium term budgets by service

| Service Area | 2022/2023 Budget | 2023/2024 Indicative Budget | 2024/2025 Indicative Budget | 2025/2026 Indicative Budget |
|---|------------------|-----------------------------|-----------------------------|-----------------------------|
| | £'000 | £'000 | £'000 | £'000 |
| Long Term Care: | | | | |
| Older People/Physical Disability | 45,617 | 49,200 | 49,491 | 49,666 |
| Learning Disability | 56,451 | 56,351 | 55,491 | 54,742 |
| Mental Health | 24,735 | 23,235 | 23,396 | 23,479 |
| Disability Supported Accommodation Service | 15,467 | 16,543 | 15,911 | 14,721 |
| Investment funding | 3,070 | 21,039 | 37,564 | 46,044 |
| Sub Total | 145,339 | 166,367 | 181,852 | 188,652 |
| Short Term Care: | | | | |
| Reablement/Short Term Intervention Team | 7,408 | 7,551 | 7,551 | 7,551 |
| Short Breaks/Respite/Day Centres/Neighbourhood Apartments | 5,646 | 5,373 | 5,223 | 5,223 |
| Equipment & Adaptations (inc TEC) | 4,960 | 4,403 | 4,403 | 4,403 |
| Carers/Voluntary Sector | 3,292 | 3,292 | 3,292 | 3,292 |
| Sub Total | 21,306 | 20,619 | 20,469 | 20,469 |
| Infrastructure and Back Office: | | | | |
| Social Work Teams | 16,557 | 17,006 | 17,006 | 17,006 |
| Safeguarding/Emergency Duty | 3,420 | 3,708 | 3,708 | 3,708 |
| Brokerage/Care Home Teams | 1,477 | 1,477 | 1,477 | 1,477 |
| Management and support | 3,098 | - 348 | - 348 | - 348 |
| Investment Plan | - | 3,118 | 3,008 | 2,955 |
| Sub Total | 24,552 | 24,960 | 24,850 | 24,797 |
| Total | 191,197 | 211,947 | 227,172 | 233,919 |

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

| Adult Social Care | 2022/2023 Budget | 2023/2024 Indicative Budget | 2024/2025 Indicative Budget | 2025/2026 Indicative Budget |
|---|-----------------------------|--|--|--|
| | £'000 | £'000 | £'000 | £'000 |
| Expenditure: | | | | |
| Employees | 66,153 | 69,081 | 69,521 | 68,218 |
| Running Expenses | 192,290 | 199,048 | 211,831 | 218,127 |
| Capital Financing Costs | 171 | 171 | 171 | 171 |
| Contribution to reserves | - | - | - | - |
| Sub Total Subjective Expenditure | 258,614 | 268,300 | 281,524 | 286,516 |
| Less: | | | | |
| Other Internal sales | - | - | - | - |
| Gross Expenditure | 258,614 | 268,300 | 281,524 | 286,516 |
| | | | | |
| Income: | | | | |
| Government Grants | - 2,343 | - 359 | - 359 | - 359 |
| Contributions from Reserves | - 15,438 | - 4,836 | - 2,275 | - |
| Other Grants Reimbursements and Contributions | - 333 | - 333 | - 333 | - 333 |
| Customer and Client Receipts | - 24,997 | - 25,497 | - 26,007 | - 26,527 |
| Other Income | - 24,305 | - 25,328 | - 25,378 | - 25,378 |
| Gross Income | - 67,417 | - 56,353 | - 54,352 | - 52,598 |
| Total Net Budget | 191,197 | 211,947 | 227,172 | 233,919 |

Note

The use of reserves is within the overall Reserves Strategy, as part of the MTFP, with the recommended drawdown in line with reserves policy.

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Appendix 5: Indicative Service Budget with Income Analysis

| Service Area | 2023/2024 Indicative Gross Budget | Client Fees | Better Care Fund (BCF) | Health Income | Other Income | 2023/2024 Indicative Net Budget |
|---|-----------------------------------|-----------------|------------------------|----------------|----------------|---------------------------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Long Term Care: | | | | | | |
| Older People/Physical Disability | 79,235 | - 16,311 | - 9,395 | - 2,054 | - 2,275 | 49,200 |
| Learning Disability | 60,513 | - 3,482 | - 680 | - | - | 56,351 |
| Mental Health | 27,161 | - 2,687 | - 637 | - 590 | - 12 | 23,235 |
| Disability Supported Accommodation Service | 19,188 | - 1,402 | - 234 | - 449 | - 561 | 16,543 |
| Investment funding | 23,039 | - | - | - | - 2,000 | 21,039 |
| Sub Total | 209,135 | - 23,882 | - 10,946 | - 3,093 | - 4,848 | 166,367 |
| Short Term Care: | | | | | | |
| Reablement/Short Term Intervention Team | 9,698 | - 45 | - 1,880 | - 221 | - | 7,551 |
| Short Breaks/Respite/Day Centres/Neighbourhood Apartments | 5,688 | - 147 | - | - 167 | - | 5,373 |
| Equipment & Adaptations (inc TEC) | 6,550 | - 627 | - 469 | - 1,051 | - | 4,403 |
| Carers/Voluntary Sector | 3,291 | - | - | - | - | 3,292 |
| Sub Total | 25,227 | - 820 | - 2,349 | - 1,439 | - | 20,619 |
| Infrastructure and Back Office: | | | | | | |
| Social Work Teams | 21,529 | - | - 2,025 | - 2,499 | - | 17,006 |
| Safeguarding/Emergency Duty | 4,202 | - | - 437 | - 57 | - | 3,708 |
| Brokerage/Care Home Teams | 1,528 | - 51 | - | - | - | 1,477 |
| Management and support | 3,061 | - 244 | - 2,048 | - 426 | - 691 | - 348 |
| Investment Plan | 3,118 | - | - | - | - | 3,118 |
| Sub Total | 33,438 | - 296 | - 4,510 | - 2,981 | - 691 | 24,960 |
| Total | 267,800 | - 24,997 | - 17,805 | - 7,513 | - 5,538 | 211,947 |

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**Manchester City Council
Report for Resolution**

Report to: Communities and Equalities Scrutiny Committee – 7 February 2023
Executive – 15 February 2023

Subject: Neighbourhood Directorate 2023/24 Budget

Report of: Strategic Director (Neighbourhood Services)

Summary

Members will recall that at the November round of scrutiny meetings the Council was forecasting an estimated budget shortfall of £112m over the three years with £44m in 2023/24. As part of the action to address the budget shortfall officers identified potential savings options of £42.3m over three years, of which there were savings options of £1.564m within the remit of this scrutiny committee.

The provisional financial settlement announced 19 December reflected a change in government policy in relation to funding inflation and social care pressures. This has given the opportunity to review the quantum and phasing of savings. It is now proposed that options of £36.2m are progressed, of which £119k is within the remit of this scrutiny committee.

This report provides a further update to members on the priorities for the services in the remit of this committee and details the changes to the initial revenue budget options proposed by officers in November 2022.

Each scrutiny committee is invited to consider the current proposed changes which are within its remit and to make recommendations to the Executive before it agrees to the final budget proposals on 15 February 2023.

Recommendations

The Committee is recommended to:

1. To consider and comment on the forecast medium term revenue budget; and
2. Consider the content of this report and comment on the proposed changes which are relevant to the remit of this scrutiny committee.

The Executive is recommended to approve these budget proposals.

Wards Affected: All

Environmental Impact Assessment - the impact of the issues addressed in this report on achieving the zero-carbon target for the city

The budget reflects the fact that the Council has declared a climate emergency by making carbon reduction a key consideration in the Council's planning and budget proposals.

Equality, Diversity and Inclusion - the impact of the issues addressed in this report in meeting our Public Sector Equality Duty and broader equality commitments

Consideration has been given to how the proposed savings could impact on different protected or disadvantaged groups. Where applicable proposals will be subject to completion of an Equality Impact Assessment (EqIA) and an Anti-Poverty Assessment.

| Manchester Strategy outcomes | Summary of how this report aligns to the OMS/Contribution to the Strategy |
|---|---|
| A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities | The effective use of resources underpins the Council's activities in support of its strategic priorities as set out in the Corporate Plan which is underpinned by the Our Manchester Strategy. Providing the leadership and focus for the sustainable growth and transformation of the City's neighborhoods and highways |
| A highly skilled city: world class and home-grown talent sustaining the city's economic success | Ensuring residents are connected to education and employment opportunities across the city |
| A progressive and equitable city: making a positive contribution by unlocking the potential of our communities | Creating places where residents actively demonstrate the principles of Our Manchester through participation and take responsibility for themselves and their community whilst encouraging others to do the same, supported by strong and active community groups. |
| A liveable and low carbon city: a destination of choice to live, visit, work | Creating places where people want to live with good quality housing of different tenures and effective use of the highways network; clean, green, safe, healthy, and inclusive neighbourhoods; a good social, economic, cultural offer and environmental infrastructure. |
| A connected city: world class infrastructure and connectivity to drive growth | Ensuring residents, neighbourhoods, businesses and goods connect to local, national, and international markets. Through working with partners both internally and externally maximise the impact of the provision of new and enhanced physical and digital infrastructure. |

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

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

Financial Consequences – Revenue

The changes included within this report will, subject to Member comments and consultation, be included in the final 2023/24 revenue budget set by Council on 3 March.

Financial Consequences – Capital

None directly arising from this report.

Contact Officers:

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Background documents (available for public inspection):

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

[Revenue Budget Report - Executive Meeting 16 February 2022](#)
[Medium Term Financial Strategy 2022/23 to 2024/25 -Executive Meeting 16 February 2022](#)
[Neighbourhoods Directorate Budget 2022/23 - Executive 16 February 2022](#)
[Housing Revenue Account 2022/23 to 2024/25 - Executive 16 February 2022](#)
[Resource and Governance Scrutiny – 6 September 2022](#)
[Revenue Monitoring to the end of July 2022 and Budget update 2023/24 to 2025/26 - Executive 14 September 2022](#)

1. Introduction and Purpose

- 1.1 The report sets out an overview of the services within the remit of this scrutiny committee and their key priorities. The budget growth assumptions in the MTFP (Medium Term Financial Plan) are set out. The report provides a further update to members on the proposed savings for 2023-26 and highlights the key changes since the November scrutiny meeting. The savings have been developed in the context of the financial challenge facing the Council

2. Service overview and priorities

- 2.1. Neighbourhood Service Directorate has a wide range of services and employs over 1,800 staff. The Directorate works to improve the lives of Manchester residents and showcase the city to our millions of visitors every year. Our services work directly with the people of Manchester and together we want to make Manchester a better place to live, work and play. We have committed, via the Our Manchester Strategy to creating sustainable, safe, resilient, and cohesive neighbourhoods, with more affordable housing, good quality green spaces, and accessible culture and sporting facilities. We will work with colleagues and partners to achieve our zero-carbon ambition by 2038 at the latest, via green growth, low- carbon energy, retrofitting of buildings, green infrastructure, and increasing climate resilience. The services under the remit of Communities and Equalities Scrutiny Committee are as follows:-

Community Safety, Compliance and Enforcement

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

Libraries, Galleries and Culture

- 2.4. Responsible for providing all the city wide libraries, information and archive services, the Manchester Art Gallery and a range of cultural activities and organisations across the city.
- 2.5. The service operates the Central Library, 15 neighbourhood libraries and 6 community libraries, HM prison library as well as Books to Go service for housebound library users.
- 2.6. The library strategy and renewal programme has seen 80% of Manchester libraries being refurbished and co-located in recent years. The services has developed the Manchester standard for national, regional and Greater Manchester initiatives, supporting the Universal Public Library Offers (digital, health, information, learning and reading) as well as working closely with several city wide and local partners.

Neighbourhood Teams

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

Sports, Leisure, and Events

- 2.8. Responsible for providing strong strategic leadership which focuses relentlessly on improving outcomes for residents. The service is seeking to make the best use of parks and open spaces, increase sport and physical activity levels to help residents lead healthy, active lifestyles, strengthen youth provision and establish Manchester as an eventful city – making a significant contribution to Manchester being a world class place to work, live and visit and where companies want to invest.
- 2.9. The service area continues to deliver an exciting programme of work to support residents increase activity levels and reach their full potential. The team deliver greater resident involvement, strengthen partnership working, and build capacity in the voluntary sector in the main through commissioning arrangements and collaborating with partners to deliver events.

Housing Operations

- 2.10. Housing Operations was previously managed by the Council's arms length management organisation, Northwards Housing, and in July 2021 the service was brought back into the Council. The move sees the Council manage c.15,000 social homes and is therefore the largest provider of social housing in the city, with the aim to provide good quality homes to and with local communities.

3. Service budget and proposed changes

- 3.1. The Neighbourhood Directorate has a net budget of c£130.3m, with 1,481 budgeted FTE's.
- 3.2. The remit of this scrutiny committee oversees a gross budget of £83.9m, and a net budget of £34.2m, the breakdown of which is provided in the table below. In addition to this Homelessness budgets are reported separately.

Table 2: Base budget 2022/23

| Service Area | 2022 / 23 Gross budget £'000 | 2022 / 23 Net Budget £'000 | 2022 / 23 Budgeted posts (FTE) £'000 |
|------------------------------------|---|---|---|
| Compliance | 11,701 | 8,899 | 233 |
| Community Safety | 4,749 | 2,757 | 49 |
| Libraries, Galleries and Culture | 13,728 | 10,020 | 285 |
| Management and Directorate Support | 1,175 | 1,175 | 27 |
| Neighbourhood Teams | 4,140 | 3,614 | 56 |
| Other Neighbourhoods | 1,468 | 274 | 4 |
| Leisure, Youth and Events | 20,857 | 7,422 | 27 |
| Housing Operations | 26,100 | 0 | 244 |
| Total | 83,918 | 34,161 | 925 |

- 3.3. As part of identifying options the initial priority has been to protect service delivery wherever possible, In November 2022 the scrutiny committee were presented with savings options of £1.564m over 2023/24 and 2024/25 for consideration.
- 3.4. The Government's provisional funding settlement on 19 December 2022 reflected a change in Government policy and provided more funding than had been forecast, this has provided the opportunity to review both the quantum and phasing of savings to ensure that we minimise wherever possible the impact on service delivery. The table below sets out details of the £0.695m initial proposed savings that are no longer to be considered as part of the 2023/24 budget proposals.

| <u>Communities and Equalities</u> | <u>Amount of Saving</u> | | | | <u>Indicative FTE Impact</u> |
|--|-------------------------|----------------|----------------|--------------|------------------------------|
| | <u>2023/24</u> | <u>2024/25</u> | <u>2025/26</u> | <u>Total</u> | |
| | <u>£'000</u> | <u>£'000</u> | <u>£'000</u> | <u>£'000</u> | |
| Reduce proposed savings from increased vacancy factor | (130) | 0 | 0 | (130) | 0 |
| Remove withdrawal of media lounge | (34) | 0 | 0 | (34) | (1.1) |
| Do not reduce book fund and team | (35) | (135) | (35) | (205) | (3.2) |
| Review opening hours of Art Gallery | (26) | (26) | 0 | (52) | (2.5) |
| Retain number of exhibitions and public programmes in Art Gallery | (70) | (60) | 0 | (130) | 0 |
| Remove proposed reduction of Neighbourhood Investment Funding. | (64) | 0 | 0 | (64) | 0 |
| Remove temporary reduction in contribution to police costs of Xmas markets | (40) | 0 | 40 | 0 | 0 |
| Reduce expenditure on Christmas Lights and Christmas Light switch on | (40) | (40) | 0 | (80) | 0 |
| Total | (399) | (261) | (35) | (695) | (6.8) |

- 3.5. In addition to the £0.695m reduction in savings proposals there are initial savings of £0.750m that are to be retained but repurposed for alternative uses and these are detailed below.
- 3.6. As part of the 2022/23 budget process £0.7m of growth was approved and a local investment fund was created to provide ward based funding to support the development and strengthening of neighbourhoods and communities. The take up of the funding has varied across wards within the city, and it is proposed to end the funding programme in its current guise and repurpose the monies to establish a fund to support cleaning the city and infrastructure planning, this will be aligned to £5m per annum capital investment in community and neighbourhood assets. The £0.7m revenue funding will facilitate rapid response and emergency repairs or improvements to our

community assets, for example to fix a broken swing or additional bins. The mechanisms for the administration of the fund are being developed.

- 3.7. The previous proposal to remove the £50k budget for New Year's Eve Celebrations (which is provided through income generation) will not be taken forward. The budget allocation will be retained, and suitable activity developed for the city centre.

Revised Proposed Savings

- 3.8. Wherever possible we have looked to ensure we are maximising external income generation, and this includes both reviewing the existing level of fees and charges, as well as the volume of activities in order to ensure income is being maximised.
- 3.9. Review of our existing workforce structures and capacity and recognise the potential savings from changing how we budget for staff cost and make an allowance for staff turnover, staff not being at top of grade or not in the pension scheme.
- 3.10. All heads of service have been asked to review their own service areas to identify any opportunities for cost reductions or efficiencies through good housekeeping
- 3.11. The proposed savings from services within the remit of this scrutiny committee are summarised below and are set out in more detail in Appendix 1, with further narrative provided in the following paragraphs.

| Communities and Equalities – Excluding Homelessness | Amount of Saving | | | | Indicative FTE Impact |
|---|------------------|----------|----------|------------|-----------------------|
| | 2023/24 | 2024/25 | 2025/26 | Total | |
| | £'000 | £'000 | £'000 | £'000 | |
| Compliance | 99 | 0 | 0 | 99 | 0 |
| Libraries, Galleries and Culture | 20 | 0 | 0 | 20 | 0 |
| Total | 119 | 0 | 0 | 119 | 0 |

- 3.12. There are total savings of £119k proposed across the following areas.

Community Safety and Compliance

- 3.13. Community Safety and Compliance has historically underspent on staffing costs by c£0.5m per annum, this is because of a combination of ongoing vacant posts, the high level of staff turnover because of the unsocial hours and staff not being at the top of the grades. A new structure is currently being developed in order to support the recruitment and retention of staff across the

teams. The proposed increased vacancy factor is reflective of the proposed changes and will save £99k per annum.

Libraries, Galleries and Culture

- 3.14. Historically Libraries and Galleries has underspent on staffing costs, this is because of a combination of ongoing vacant posts, the high number of part time posts and staff not being at the top of the grades. To provide a more realistic staffing budget, without reducing capacity it is proposed to increase the vacancy factor applied to Libraries staffing budgets by £20k.

Emerging Pressures and Growth

- 3.15. There are no known pressures for future years that have been previously approved as part of last year's Medium Term Financial Plan.
- 3.16. Appendix 2 reflects the approved Medium Term Financial Plan for services in the remit of Communities and Equalities Scrutiny.

4. Workforce

- 4.1. The Council's establishment is fully budgeted for at the top of the grade. In reality there are vacancies caused by staff turnover, recruitment difficulties and staff employed throughout the grade scale. In order to avoid budgeting for costs that will not be required and making bigger cuts elsewhere, adjustments are being made to reflect these issues by applying a vacancy factor to recognise that vacancies will always exist. The continued challenges in filling posts also means that the council is working hard on ensuring we are an employer of choice and can attract people and minimise the pressures on our existing workforce.
- 4.2. Historically both Libraries and Galleries and Compliance and Community Safety have underspent on staffing costs, this is because of a combination of ongoing vacant posts, the high number of part time posts and staff not being at the top of the grades. To provide a more realistic staffing budget, without reducing capacity it is proposed to increase the vacancy factor applied to both Libraries staffing budgets by £20k, and compliance and Community Safety £99k with no impact on overall staffing numbers.

5. Equality and Anti-Poverty Impact

- 5.1 Consideration has been given to how the proposed savings could impact on different protected or disadvantaged groups. Where applicable proposals will be subject to completion of an Equality Impact Assessment (EqIA) and an Anti-Poverty Assessment as part of the detailed planning and implementation. At this stage no direct impacts on people and specifically MCC priority protected characteristics have been identified.

6. Future Opportunities and Risks

- 6.1. As development continues across the city, this may lead to increased growth pressures for Neighbourhood Services as the number of households grows significantly. The increased demands will include compliance and enforcement, waste collection and disposal and street cleaning.
- 6.2. The Target Operating Model for delivering services on a Neighbourhood footprint is being reviewed along with options for further integration of neighbourhood-based functions across the Council, particularly working with adult services and health. It is anticipated that this will generate savings for others rather than within the Neighbourhoods Directorate and this will be considered as part of future budget rounds.

7. Appendices

Appendix 1 – Savings Schedule

Appendix 2 – Indicative Medium-term budgets by service

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

Appendix 1 - Savings Schedule

| Service | Description of Saving | Type of Saving | RAG Impact | Amount of Saving | | | | Indicative FTE Impact |
|---|---|----------------|--|------------------|----------|----------|------------|-----------------------|
| | | | | 2023/24 | 2024/25 | 2025/26 | Total | |
| | | | | £'000 | £'000 | £'000 | £'000 | |
| Community Safety and Compliance | | | | | | | | |
| | Reduce staffing budgets by increased vacancy factor to reflect increased staff turnover | Efficiency | Will reduce flexibility that exists within staffing budgets | 99 | 0 | 0 | 99 | |
| Libraries, Galleries & Culture | | | | | | | | |
| | Reduce staffing budgets by increased vacancy factor to reflect increased staff turnover | Efficiency | Will reduce flexibility that exists within staffing budgets. | 20 | 0 | 0 | 20 | |
| Total | | | | 119 | 0 | 0 | 119 | 0 |

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Appendix 2: Indicative Medium term budgets by service

| Communities and Equalities | 2022/2023 Budget £'000 | 2023/2024 Indicative Budget £'000 | 2024/2025 Indicative Budget £'000 | 2025/2026 Indicative Budget £'000 |
|------------------------------------|---------------------------------------|--|--|--|
| Compliance | 8,899 | 8,800 | 8,800 | 8,800 |
| Community Safety | 2,757 | 2,757 | 2,757 | 2,757 |
| Libraries, Galleries and Culture | 10,020 | 10,000 | 10,000 | 10,000 |
| Management and Directorate Support | 1,175 | 1,175 | 1,175 | 1,175 |
| Neighbourhood Teams | 3,614 | 3,614 | 3,614 | 3,614 |
| Other Neighbourhoods | 274 | 274 | 274 | 274 |
| Leisure, Youth and Events | 7,422 | 7,422 | 7,422 | 7,422 |
| Housing Operations | 0 | 0 | 0 | 0 |
| Total | 34,161 | 34,042 | 34,042 | 34,042 |

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

| Corporate Core | 2022/2023 Budget £'000 | 2023/2024 Indicative Budget £'000 | 2024/2025 Indicative Budget £'000 | 2025/2026 Indicative Budget £'000 |
|--|---------------------------------------|--|--|--|
| Expenditure: | | | | |
| Employees | 28,948 | 28,829 | 28,829 | 28,829 |
| Running Expenses | 49,489 | 49,560 | 49,560 | 49,560 |
| Capital Financing Costs | 248 | 248 | 248 | 248 |
| Contribution to reserves | 5,409 | 5,428 | 5,428 | 5,428 |
| Sub Total Subjective Expenditure | 84,094 | 84,065 | 84,065 | 84,065 |
| Less: | | | | |
| Other Internal sales | (166) | (166) | (166) | (166) |
| Gross Expenditure | 83,928 | 83,899 | 83,899 | 83,899 |
| Income: | | | | |
| Government Grants | (1,051) | (1,051) | (1,051) | (1,051) |
| Contributions from Reserves | (6,315) | (6,315) | (6,315) | (6,315) |
| Other Grants Reimbursements and Contributions | (4,735) | (4,735) | (4,735) | (4,735) |
| Customer and Client Receipts | (37,666) | (37,756) | (37,756) | (37,756) |
| Other Income | 0 | 0 | 0 | 0 |
| Gross Income | (49,767) | (49,857) | (49,857) | (49,857) |
| Total Net Budget | 34,161 | 34,042 | 34,042 | 34,042 |

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**Manchester City Council
Report for Resolution**

Report to: Environment and Climate Change Scrutiny Committee
– 9 February 2023
Executive – 15 February 2023

Subject: Neighbourhood Directorate 2023/24 Budget

Report of: Strategic Director (Neighbourhoods)

Summary

Members will recall that at the November round of scrutiny meetings the Council was forecasting an estimated budget shortfall of £112m over the three years with £44m in 2023/24. As part of the action to address the budget shortfall officers identified potential savings options of £42.3m over three years, of which there were savings options of £0.627m within the remit of this scrutiny committee.

The provisional financial settlement announced 19 December reflected a change in government policy in relation to funding inflation and Social care pressures. This has given the opportunity to review the quantum and phasing of savings. It is now proposed that options of £36.2m are progressed, of which there are £0.527m savings over three years, of which £127k is in 2023/24 that is within the remit of this scrutiny committee.

This report provides a further update to members on the priorities for the services in the remit of this committee and details the changes to the initial revenue budget options proposed by officers in November 2022.

Each scrutiny committee is invited to consider the current proposed changes which are within its remit and to make recommendations to the Executive before it agrees to the final budget proposals on 15 February 2023.

Recommendations

The Committee is recommended to:-

1. To consider and comment on the forecast medium term revenue budget; and
2. Consider the content of this report and comment on the proposed changes which are relevant to the remit of this scrutiny committee.

The Executive is recommended to approve these budget proposals.

Wards Affected: All

Environmental Impact Assessment - the impact of the issues addressed in this report on achieving the zero-carbon target for the city

The budget reflects the fact that the Council has declared a climate emergency by making carbon reduction a key consideration in the Council's planning and budget proposals.

Equality, Diversity, and Inclusion - the impact of the issues addressed in this report in meeting our Public Sector Equality Duty and broader equality commitments

Consideration has been given to how the proposed savings could impact on different protected or disadvantaged groups. Where applicable proposals will be subject to completion of an Equality Impact Assessment (EqIA) and an Anti Poverty Assessment.

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

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

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

Financial Consequences – Revenue

The changes included within this report will, subject to Member comments and consultation, be included in the final 2023/24 revenue budget set by Council on 3 March.

Financial Consequences – Capital

None directly arising from this report.

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Background documents (available for public inspection):

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

[Revenue Budget Report - Executive Meeting 16 February 2022](#)

[Medium Term Financial Strategy 2022/23 to 2024/25 -Executive Meeting 16 February 2022](#)

[Neighbourhoods Directorate Budget 2022/23 - Executive 16 February 2022](#)

[Resource and Governance Scrutiny – 6 September 2022](#)

[Revenue Monitoring to the end of July 2022 and Budget update 2023/24 to 2025/26 - Executive 14 September 2022](#)

1. Introduction and Purpose

- 1.1. The report sets out an overview of the services within the remit of this scrutiny committee and their key priorities. The budget growth assumptions in the MTFP (Medium Term Financial Plan) are set out. The report provides a further update to members on the proposed savings for 2023-26 and highlights the key changes since the November scrutiny meeting. The savings have been developed in the context of the financial challenge facing the Council

2. Service overview and priorities

- 2.1. Neighbourhood Service Directorate has a wide range of services and employs over 1,800 staff. The Directorate works to improve the lives of Manchester residents and highlight the city to our millions of visitors every year. Our services work directly with the people of Manchester and together we want to make Manchester a better place to live, work and play. We have committed, via the Our Manchester Strategy to creating sustainable, safe, resilient, and cohesive neighbourhoods, with more affordable housing, good quality green spaces, and accessible culture and sporting facilities. We will work with colleagues and partners to achieve our zero-carbon ambition by 2038 at the latest, via green growth, low- carbon energy, retrofitting of buildings, green infrastructure, and increasing climate resilience. The services under the remit of Environment and Climate Change Scrutiny Committee are as follows: -

Parks and Green Spaces

- 2.2. As part of our vision for Manchester to be in the topflight of world-class cities by 2025, our Parks team ensure that residents and visitors can regularly enjoy relaxation and sports in green, open spaces, parks, and riversides - rich in wildlife. This contributes to helping residents lead healthy, active lifestyles and bringing people together to enjoy their leisure time across the city.

Grounds Maintenance

- 2.3. The service works across the city, tending to parks, roadsides, and green spaces. They work closely with partners to ensure improved standards of cleanliness across the city.

Waste and Street Cleansing

- 2.4. Work very closely with the collections provider to improve street cleansing standards across the city and reduce bin collection issues, work with Neighbourhood Teams, Neighbourhood Compliance Teams, and other services to develop, coordinate, and monitor a range of programmes and activities to encourage residents and businesses to manage their waste legitimately and increase recycling.

Waste Disposal Levy

- 2.5. The monies paid over to Greater Manchester Combined Authority to fund the costs of recycling and waste disposal across GM (Greater Manchester), including the operation of the Household Waste Recycling centres (tips).

Climate Change Action Plan

- 2.6. The Council, in September 2022, approved a refresh of the Manchester Climate Change Action Plan (CCAP), which has a target to reduce the Council's direct CO₂ emissions by 50% over the five-year period of 2020-25. To achieve this, the Council needs to reduce its emissions by 13% every year, for five years. These emissions relate to Council buildings, streetlights, waste collection, operational fleet, and Council business travel. To date, the Council has made good progress working towards its target to reduce its direct CO₂ emissions by 50% by 2025 and since 2020, the Council has exceeded its annual reduction targets, achieving 29.4% reductions so far. The carbon budget for this five-year period of 2020-25 is 126,336 tonnes of CO₂ calculated using science-based targets.
- 2.7. A separate report providing details of our work on delivery of the Council's Climate Change Action Plan is included elsewhere on the agenda of this committee.

3. Service budget and proposed changes

- 3.1. Whilst the overall Neighbourhood budget is £130m, the services under the remit of this scrutiny have gross budgets of £66.057m and net budgets of £60.603m with 176 FTE.
- 3.2. The remit of this scrutiny committee oversees a gross budget of £66.0m, and a net budget of £60.6m, the breakdown of which is provided in the table below. Much of the budget is spent on the contractual arrangements with Biffa for waste collection, Redgate and the GMCA (Greater Manchester Combined Authority) for Waste Disposal via the waste levy.

Table 2: Base budget 2022/23

| Service Area | 2022/23 Gross budget £'000 | 2022 / 23 Net Budget £'000 | 2022 / 23 Budgeted posts FTE £'000 |
|---------------------------|---|---|---|
| Parks and Green Spaces | 3,783 | 2,059 | 62 |
| Grounds Maintenance | 4,682 | 4,153 | 101 |
| Waste and Street Cleaning | 27,636 | 24,435 | 13 |
| Waste Disposal Levy | 29,956 | 29,956 | 0 |
| Total | 66,057 | 60,603 | 176 |

- 3.3. As part of identifying savings options the priority has always been to protect service delivery wherever possible. In November 2022 the scrutiny committee were presented with savings options of £0.627m over 2023/24 and 2024/25 for consideration.
- 3.4. The Government funding settlement on 19 December 2022 reflected a change in Government policy and provided more funding than had been forecast, this has provided the opportunity to review both the quantum and phasing of savings to ensure that we minimise wherever possible the impact on service delivery. The key changes to savings options since the last committee are in respect of deferring the introduction of charging for replacement recycling bins until 2025/26. Whilst the benefits of introducing charges are recognised from both a climate perspective and increased responsibility for bin ownership, given the current cost of living crisis it is not considered to be the right time to introduce new charges for residents.

Table 3 - Environmental and Climate Change Changes to Savings

| <u>Environmental and Climate Change</u> | <u>Amount of Saving</u> | | | | |
|--|-------------------------|----------------|----------------|----------------|--------------|
| | <u>2023/24</u> | <u>2024/25</u> | <u>2025/26</u> | <u>2026/27</u> | <u>Total</u> |
| | <u>£'000</u> | <u>£'000</u> | <u>£'000</u> | <u>£00's</u> | <u>£'000</u> |
| Deferral of introducing charges for replacement recycling bins by two years. | (400) | (100) | 400 | 100 | 0 |
| Total | (400) | (100) | 400 | 100 | 0 |

- 3.5. Wherever possible we have looked to ensure we are maximising external income generation, and this includes both reviewing the existing level of fees and charges and review the volume of activities to ensure income is being maximised.
- 3.6. Review of our existing workforce structures and capacity and recognise the potential savings from changing how we budget for staff cost and make an allowance for staff turnover, staff not being at top of grade or not in the pension scheme.
- 3.7. All Heads of Service have been asked to review their own service areas to identify any opportunities for cost reductions or efficiencies through good housekeeping.
- 3.8. The updated proposed savings from services within the remit of this scrutiny committee are set out in Appendix 1, and further narrative provided in the following paragraphs.

Parks and Green Spaces

- 3.9. Proposal to change the current pay and display arrangements at Heaton Park, this includes extending the hours of operation from 10am – 4pm to 9am - 5pm and changing the parking tariffs. This is forecast to realise additional income of c£87k. Implementation will require an update of the Traffic Regulation Orders for the Park and will be subject to public consultation.
- 3.10. Due to Covid the traditional bonfire and firework events held in Parks have not taken place, in 2022/23 a decision to pause the reinstatement of the events was taken pending a review of their impact and value for money. It is proposed that bonfire and firework displays will not be reinstated going forward, subject to the outcome of further consultation with key agencies and local partners. As an alternative there would be a programme of Autumn and Winter activities available to residents that would be developed through local consultation. This will enable savings of c£40k per annum. This aligns with the Council's zero carbon strategy.

Waste and Recycling

- 3.11. In-line with some GM Authorities and Core Cities, it is proposed to introduce a charge to residents for new and replacement recycling bins, but this is delayed until 2025/26. The charge would be £20 and be applied to blue, brown, and green recycling bins. The application of a charge will place a value on these receptacles, it will increase bin ownership and reduce contamination of recycling. In terms of supporting zero carbon plans, it will reduce demand for new bin production and the number of transport movements delivering / collecting the current volume of wheeled bins.
- 3.12. In addition, it will reduce the number of abandoned recycling bins on street and improve visual amenity of the street scene. Assumes existing resource in Neighbourhoods Directorate will respond to increase in complaint and potential neighbourhood issues, with some additional support provided in year 1 in the Contact Centre.

Table 4: Summarised Savings

| <u>Environmental and Climate Change</u> | <u>Amount of Saving</u> | | | | <u>Indicative FTE Impact</u> |
|---|-------------------------|----------------|----------------|--------------|------------------------------|
| | <u>2023/24</u> | <u>2024/25</u> | <u>2025/26</u> | <u>Total</u> | |
| | <u>£'000</u> | <u>£'000</u> | <u>£'000</u> | <u>£'000</u> | |
| Parks and Green Spaces | 127 | 0 | 0 | 127 | 0 |
| Waste and Street Cleaning | 0 | 0 | 400 | 400 | 0 |
| Total | 127 | 0 | 400 | 527 | 0 |

Investment and Growth Proposals

- 3.13. As part of the budget proposals a further £1m investment into waste and street cleaning is proposed, this will support Basic Services and Street Cleaning and is in addition to the £1m investment into waste and street cleaning put forward as part of the 2022/23 budget.
- 3.14. It is proposed there is a further investment of £1.2m to support specific activity in and around the City Centre, District Centres and key arterial routes.
- 3.15. The annual waste levy costs are driven by forecast tonnages of waste to be disposed of and the costs of disposal. The levy is set by GMCA and based on latest forecasts it is anticipated that this will increase in 2023/24, with the increase to Manchester being £1.024m. Further increases of £1.916m have been assumed split over 2024/25 and 2025/26 and these increases are reflected in the current budget plans for those years.
- 3.16. The budget position also reflects a one-off return of waste reserves from GMCA of £25m, of which Manchester's share is £4.5m. This has been reflected in the corporate budget to reduce the overall budget gap in 2023/24.
- 3.17. The proposed growth and investment are detailed in Appendix 2. The indicative three-year budget position is shown in Appendix 3.

4. Workforce

- 4.1. The services under the remit of this scrutiny 176 FTE. There is no projected workforce impact of activity to deliver the savings. Effective and robust workforce planning arrangements are in place to ensure that, as functions and roles change,
- 4.2. The Council's establishment is fully budgeted for at the top of the grade. In reality there are vacancies caused by staff turnover, recruitment difficulties and staff employed throughout the grade scale. In order to avoid budgeting for costs that will not be required and making bigger cuts elsewhere, adjustments are being made to reflect these issues by applying a vacancy factor to recognise that vacancies will always exist. The continued challenges in filling posts also means that the council is working hard on ensuring we are an employer of choice and can attract people and minimise the pressures on our existing workforce.

5. Equality and Anti Poverty Impact

- 5.1. Consideration has been given to how the proposed savings could impact on different protected or disadvantaged groups. Where applicable proposals will be subject to completion of an Equality Impact Assessment (EqIA) and an Anti Poverty Assessment as part of the detailed planning and implementation. At this stage no direct impacts on people and specifically MCC (Manchester City Council) priority protected characteristics have been identified.

6. Future opportunities and Risks

- 6.1. As development continues across the city and this may lead to increased growth pressures for Neighbourhood Services as the number of households grows significantly. The increased demands will include compliance and enforcement, waste collection and disposal and street cleaning.
- 6.2. The Target Operating Model for delivering services on a Neighbourhood footprint is being reviewed along with options for further integration of neighbourhood-based functions across the Council, particularly working with adult services and health. It is anticipated that this will generate savings for others rather than within the Neighbourhoods Directorate and this will be considered as part of future budget rounds.

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Appendix 1 - Savings Schedule

| Description of Saving | Impact | Type of Saving | Amount of Saving | | | | Indicative FTE Impact |
|---|--|-------------------|------------------|---------|---------|------------|-----------------------|
| | | | 2023/24 | 2024/25 | 2025/26 | Total | |
| | | | £000 | £000 | £000 | £000 | |
| Parks and Green Spaces | | | | | | | |
| Heaton Park increased Parking Charges | May reduce visitor numbers that could reduce levels of income proposed and would also impact the current income which underpins the delivery of services and the viability of partner operations which contribute to the overall visitor experience. | Income Generation | 60 | 0 | 0 | 60 | - |
| Heaton Park, extend the hours of operation, pay and display | May reduce visitor numbers that could reduce levels of income proposed and would also impact the current income which underpins the delivery of services and the viability of partner operations which contribute to the overall visitor experience. Could limit regular usage for a core of visitors and may have a disproportionate impact on that cohort due to cost of living pressures. | Income Generation | 27 | 0 | 0 | 27 | - |
| Cease bonfire and firework activity and replace with community autumn and winter celebrations | Bonfire and firework options would potentially increase the activity that blue light services and Community Safety / Neighbourhood colleagues would need to respond to. Early indications are that there has been little to no impact of pausing reinstatement of these activities in 2022/23. | Service reduction | 40 | 0 | 0 | 40 | - |
| Waste and Street Cleaning | | | | | | | |
| Introduce charges for replacement recycling bins | Introduce charging for recycling bins, this will encourage bin ownership and reduce demand for new bin production and transport movements delivering / | Service reduction | 0 | 0 | 400 | 400 | - |

| | | | | | | | |
|-------|---|-----|---|-----|-----|---|--|
| | collecting the current volume of wheeled bins. It will also reduce the no of abandoned recycling bins on street and improve visual amenity of the street scene. | | | | | | |
| Total | | 127 | 0 | 400 | 527 | 0 | |

Appendix 2 – Investment and Growth Schedule

| Environment and Climate Change | Description of Pressure | Amount of Pressure/Growth | | | |
|--------------------------------|-------------------------|---------------------------|------------|------------|--------------|
| | | 2023/24 | 2024/25 | 2025/26 | Total |
| | | £'000 | £'000 | £'000 | £'000 |
| Waste and Street Cleaning | Investment | 1,000 | 0 | 0 | 1,000 |
| Waste and Street Cleaning | Investment | 1,200 | 0 | 0 | 1,200 |
| Waste Disposal Levy | Levy Adjustment | 1,024 | 929 | 957 | 2,910 |
| Total | | 3,224 | 929 | 957 | 5,110 |

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Appendix 3: Indicative Medium-term budgets by service

| Environment and Climate Change | 2022/2023 Budget £'000 | 2023/2024 Indicative Budget £'000 | 2024/2025 Indicative Budget £'000 | 2025/2026 Indicative Budget £'000 |
|---------------------------------------|-----------------------------------|--|--|--|
| Parks and Green Spaces | 2,059 | 1,832 | 1,732 | 1,732 |
| Grounds Maintenance | 4,153 | 4,153 | 4,153 | 4,153 |
| Waste and Street Cleaning | 24,435 | 26,635 | 26,635 | 26,235 |
| Waste Disposal Levy | 29,956 | 30,980 | 31,909 | 32,866 |
| Total | 60,603 | 63,600 | 64,429 | 64,986 |

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

| Corporate Core | 2022/2023 Budget £'000 | 2023/2024 Indicative Budget £'000 | 2024/2025 Indicative Budget £'000 | 2025/2026 Indicative Budget £'000 |
|---|---------------------------------------|--|--|--|
| Expenditure: | | | | |
| Employees | 6,864 | 6,864 | 6,864 | 6,864 |
| Running Expenses | 58,856 | 62,090 | 63,019 | 63,976 |
| Capital Financing Costs | 520 | 520 | 520 | 520 |
| Contribution to reserves | | | | |
| Sub Total Subjective Expenditure | 66,240 | 69,474 | 70,403 | 71,360 |
| Less: | | | | |
| Other Internal sales | (111) | (217) | (217) | (217) |
| Gross Expenditure | 66,129 | 69,257 | 70,186 | 71,143 |
| Income: | | | | |
| Government Grants | | | | |
| Contributions from Reserves | (3,500) | (3,500) | (3,500) | (3,500) |
| Other Grants Reimbursements and Contributions | | | | |
| Customer and Client Receipts | (2,024) | (2,155) | (2,255) | (2,655) |
| Other Income | (2) | (2) | (2) | (2) |
| Gross Income | (5,526) | (5,657) | (5,757) | (6,157) |
| Total Net Budget | 60,603 | 63,600 | 64,429 | 64,986 |

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**Manchester City Council
Report for Information**

Report to: Environment and Climate Change Scrutiny Committee – 9
February 2023
Executive – 15 February 2023

Subject: Zero Carbon 2023/24 Budget Report

Report of: Deputy Chief Executive and City Treasurer

Summary

The purpose of the report is to provide an overview of the funding secured and invested to date to enable delivery of Manchester City Council's Climate Change Action Plan (CCAP) 2020-2025.

The report also sets out what has been delivered as a result of the additional revenue funding provided from the Council's budget for 2022/23 and highlights the priority actions to be delivered between 2023-25.

Recommendations

The Committee is recommended to note and comment on the content of the report and progress that has been made on delivering the Council's Climate Change Action Plan during 2022 as a result of the investments made.

The Executive is recommended to note the progress that has been made on delivering the Council's Climate Change Action Plan during 2022 and endorse the priorities for 2023/24

Wards Affected: All

Environmental Impact Assessment - the impact of the issues addressed in this report on achieving the zero-carbon target for the city

The Council's Climate Change Action Plan 2020-25 sets out the actions that will be delivered to ensure that the Council plays its full part in delivering the city's Climate Change Framework 2020-25

Equality, Diversity and Inclusion - the impact of the issues addressed in this report in meeting our Public Sector Equality Duty and broader equality commitments

Actions set out in the Climate Change Action Plan 2020-25 recognise the need for just and equal delivery of climate action across the city, focusing on the areas such as community engagement, accessible transport, access to green spaces and tackling fuel poverty.

| Manchester Strategy outcomes | Summary of how this report aligns to the OMS/Contribution to the Strategy |
|---|---|
| A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities | Manchester's reputation as a leader in delivering on climate change will help to attract investment and businesses to the city. This will contribute towards helping the transition to a zero carbon city, which in turn will help the city's economy become more sustainable and will generate jobs within the low carbon energy and goods sector. |
| A highly skilled city: world class and home grown talent sustaining the city's economic success | Work underway in the Council supporting schools and the wider education sector will help develop a future well equipped workforce, whilst work underway under the Green Skills Action Plan is helping support industry be prepared for the demand that is being created within the zero carbon sector. |
| A progressive and equitable city: making a positive contribution by unlocking the potential of our communities | There is a targeted focus on retrofitting homes across the city to help tackle fuel poverty and the cost-of-living crisis by reducing energy bills and this is a key part of the transition to a zero-carbon city. Health outcomes will also be improved through healthier homes as well as other areas, such as the promotion of more sustainable and active modes of transport, improved air quality and easy access to green spaces. |
| A liveable and zero carbon city: a destination of choice to live, visit, work | Work underway on Neighbourhood Ward Plans and Green and Blue Infrastructure, Open Spaces and Parks (helping to adapt and increase resilience) are key areas of Manchester becoming a zero carbon city will help the city to be a more attractive place for people to live, work, visit and study. |
| A connected city: world class infrastructure and connectivity to drive growth | Our investment in active and sustainable travel is helping Manchester to have a fully zero carbon transport system, which will create a world class business environment to drive sustainable economic growth. |

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

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

Financial Consequences – Revenue

It is not expected that there will be any financial consequences to the Revenue budget that should arise from the content of this report.

Financial Consequences – Capital

It is not expected that there will be any financial consequences to the Capital budget that should arise from the content of this report.

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Name: Sarah Henshall
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Background documents (available for public inspection):

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

- *Manchester City Council Climate Change Action Plan 2020-25 Updated 2022*
- *Manchester City Council Climate Emergency Declaration July 2019*
- *Manchester Climate Change Framework 2020-25 Updated 2022*
- *Neighbourhoods Directorate 2023/24 Budget – Environment and Climate Change Scrutiny Committee*
- *Neighbourhoods Directorate Budget 2022/23 – Environment and Climate Change Scrutiny Committee*

1.0 Introduction

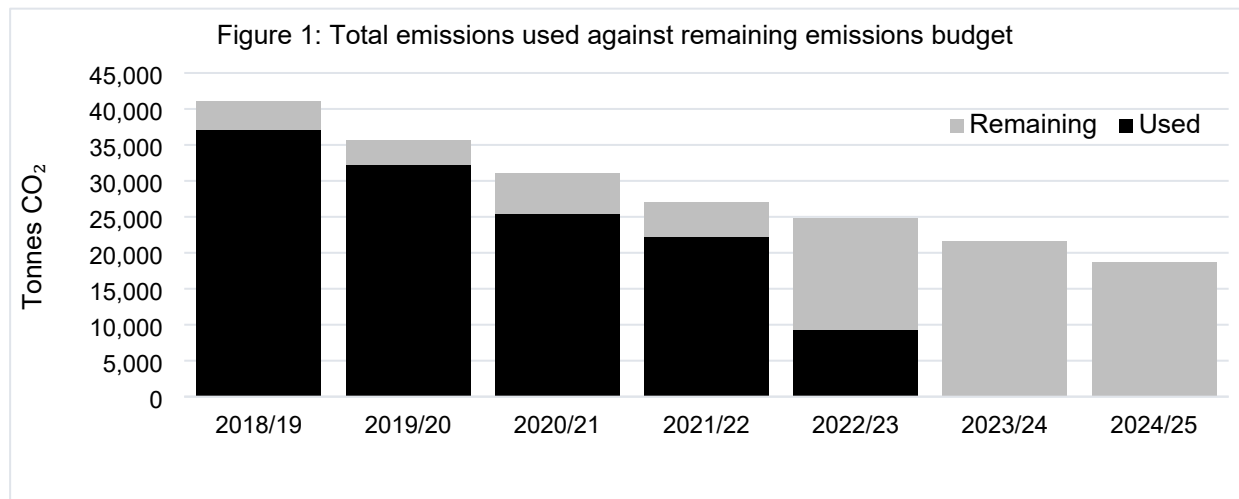
- 1.1 The purpose of the report is to provide an overview of the funding secured and invested to date to enable delivery of Manchester City Council's Climate Change Action Plan (CCAP) 2020-2025.
- 1.2 The report sets out what has been delivered as a result of the additional revenue funding provided from the Council's budget for 2022/23 and highlights the priority actions to be delivered between 2023-25 and that although investment has been secured to enable delivery to date, there is still more to be done to ensure MCC remains on track in meeting its targets.

2.0 Background

- 2.1 A five-year Manchester City Council Climate Change Action Plan (CCAP) 2020-25 went live following approval at Executive Committee in March 2020.
- 2.2 The MCC CCAP sets a target for the Council to reduce its direct CO₂ emissions by 50% between 2020 and 2025 based on a 13% year on year reduction to reach zero carbon by 2038. The CCAP also recognises the Council's unique leadership role in supporting and influencing the city to reduce its emissions and in ensuring that the city's residents are protected from the impacts of climate change.
- 2.3 The actions are structured across five workstreams as follows:
 1. Buildings and energy
 2. Transport and travel
 3. Reducing consumption based emissions and influencing suppliers
 4. Climate adaptation, carbon storage and carbon sequestration
 5. Influencing behaviour and being a catalyst for change.
- 2.1 Following the establishment of the Environment and Climate Change Scrutiny Committee, regular updates on delivery of the CCAP have been provided via the Quarterly Progress Reports, which have also been scheduled into the Committee's future work programme. Previous quarterly progress reports are available on [the Council's website](#).
- 2.2 A refreshed Manchester City Council CCAP 2020-25 was endorsed by the Environment & Climate Change Scrutiny Committee and approved by the Council's Executive Committee in September 2022. The refreshed CCAP sets out the Council's commitment to continue working to reduce MCC's own direct CO₂ emissions alongside a strong focus on our city-wide leadership role and work across Greater Manchester in support of wider climate change objectives.
- 2.3 The refreshed Climate Change Action Plan sets out new actions, building on existing ambitions, for example, looking at ways to accelerate reaching zero carbon sooner than 2038, identifying opportunities to be bolder and avoiding any risk of complacency.

3.0 Funding the delivery of Manchester City Council's Climate Change Action Plan 2020-25

- 3.1 In September 2022, the City Council's Executive Committee approved a refresh of the [Manchester Climate Change Action Plan](#) (CCAP), which has a target to reduce the Council's direct CO₂ emissions by 50% over the five-year period of 2020-25. To achieve this, the Council needs to reduce its emissions by 13% every year, for five years. These emissions relate to Council buildings, streetlights, waste collection, operational fleet, and Council business travel.
- 3.2 To date, the Council has made good progress, remained within its carbon budget, and has so far achieved nearly 30% of the target to reduce its CO₂ emissions by 50% by 2025. The carbon budget for this five-year period of 2020-25 is 126,336 tonnes of CO₂ calculated using science-based targets¹.
- 3.3 Figure 1 below shows the CO₂ emissions used each year of the CCAP 2020-25 against the annual emissions budget, commencing from the baseline year, 2018/19 to highlight the year-on-year budget reduction and downward trend.



*2022/23 - includes emissions up to Q2 July – September 2022

- 3.1 As the Council's refreshed Climate Change Action Plan sets out, as well as continuing to reduce its own direct CO₂ emissions and take action on climate change across all areas of the Council, going forward there will be more emphasis on our city leadership role. Working in partnership and supporting residents and partners across the city to play their full part in reducing the city's carbon emissions to meet the science-based target, including ensuring a just transition for residents.
- 3.2 To enable the delivery of the commitments set out in the Council's CCAP, further revenue and capital investment from multiple funding sources over multiple financial years is critical and a major challenge. MCC has established a Finance & Investment Sub-group within the CCAP's governance to support this work by exploring investment opportunities in the zero carbon agenda,

¹ This has slightly increased from the original budget of 119,988 tonnes of CO₂ due to emissions from Northwards Housing being incorporated now it has formally re-joined the Council. This recalculation has been reviewed by the Tyndall Centre for Climate Change Research

developing public/private partnerships and exploring innovative funding models. The Sub-group also has a focus on growing MCC's capacity and knowledge by building on best practice and developing new networks and approaches to delivering climate action.

3.3 To date, the Council has already put in place investment of approximately **£227m** to deliver the 5-year Climate Change Action Plan along with an additional direct revenue investment of **£800k** secured as part of the 2022/23 budget setting. The breakdown of this funding by source is as follows:

- **£109.2m** of capital and revenue investment via the Council (including investment in LED streetlighting, Civic Quarter Heat Network, Estates Carbon Reduction, purchase of Electric Refuse Collection Vehicles, Tree Planting, social housing new low carbon homes & retrofit, education setting summit and £1.5m revenue funding capacity to deliver the climate change action plan in MCC and the development and delivery of the climate change framework within MCCP. This includes the £800k additional revenue secured as part of the 2022/23 budget setting and more details on what this is funding is provided in the table below.
- **£70.1m** from UK Government (including funding for Mayfield Park, Urban Tree Challenge Fund, Public Sector Decarbonisation Scheme, Active Travel, Social Housing Development Fund, HNIP grant contribution to Civic Quarter Heat Network)
- **£35.4m** from the GMCA (including Active Travel, GM Mayors Challenge Fund)
- **£4.3m** from the European Union (including ERDF funded Unlocking Clean Energy, Horizon 2020 funding for West Gorton Park, URBACT C-Change and Zero Carbon Cities projects and e-cargo bikes).
- **£4.3m** from partners (including One Manchester contribution to the Social Housing Decarbonisation Fund)
- **£3.6m** from the Manchester Climate Change Agency (including In Our Nature funding from the National Lottery).

3.1 The investment outlined above has assisted the Council to make good progress towards achieving its net zero carbon target by helping to reduce its direct emissions and remain within the carbon budget limit.

3.2 The additional revenue investment of £800k which was secured as part of the 2022/23 budget setting is providing important additional capacity, particularly in delivering the city-wide actions, as outlined in the table below. A number of posts have now been filled and recruitment for the remaining posts is currently in process.

| Focus | Description |
|--|--|
| Housing Investment & Retrofit | Develop and deliver a housing retrofit plan for the Council's social housing stock. Work with Manchester Housing Providers Partnership and wider partners to deliver an approach to housing retrofit across social and private sectors. |
| Energy & Infrastructure Support | Review and respond to the recommendations of the Local Area Energy Plan, working with Greater Manchester partners to deliver energy infrastructure. Supporting delivery of Green & Blue Infrastructure. |
| Procurement | Supporting effective implementation and monitoring of the 10% environmental weighting across our procurement processes. |
| City Policy Zero Carbon Team | Develop a plan to eradicate avoidable single use plastics across the Council and at events, working towards being single use plastic free by 2024. Added capacity to support the Finance & Investment work programme alongside CCAP programme management work of the Zero Carbon Team. |
| Sustainable Staff Travel | Implement the new Staff Travel Policy across the Council and support staff to make sustainable travel choices. |
| Carbon Literacy | Delivering a comprehensive Carbon Literacy programme which secures our target Gold standard by 2025, while responding to service needs and establishing a mechanism for evaluation. |
| CCAP Delivery Support | Allocating small amounts of funding to support the delivery of priorities (e.g. support to schools, work with the food sector), which has the potential to enable greater progress. |
| Total | £800k p.a. |

- 3.1 There is also wider Council investment that is being used to influence the climate agenda across the city, for example;
- Developments within the Council's capital programme, including Victoria North, Mayfield Depot, and North Manchester General Hospital, where climate action will be embedded as part of a wider programme of work.
 - Commissioning of new Council contracts will include a 10% environmental weighting increasing the social value weighting to 30%.
 - Embedding climate action within the Council's grants programmes, e.g., Culture grants, VCSE (voluntary, community and social enterprise) grants and Neighbourhood Investment Fund.
- 3.2 Continuing to operate within the remainder of the carbon budget will be challenging and the Council will need to continue to identify and secure investment to deliver on its commitments. Work proposed in the Council's Capital Strategy and budget will support some of the ongoing priorities for delivering the CCAP, for example embedding the Building Standard and ongoing retrofit across the Council's estate, retrofit of the Council's housing

stock as well as delivering the Decent Homes Standard, the potential purchase of a solar farm or power purchase agreement (PPA), providing accessible parks and green spaces and supporting delivery of the Manchester Green & Blue Strategy including the Tree Action Plan, and also providing financial support to underpin delivery of new strategies, such as the Manchester Active Travel Strategy and the Electric Vehicle Charging Infrastructure Strategy.

4.0 Progress during 2022/23

3.4 Outlined below is a summary of the Council's progress made in delivering the CCAP during 2022/23 and where the additional capacity has supported this delivery.

1.1 Buildings and Energy (Workstream 1)

- The Council secured an additional £4.9m of funding from the Public Sector Decarbonisation Scheme, to continue the Estates Retrofit programme, supplementing the £19m secured in 2021-22, contributing towards emissions reductions across 18 Council buildings and reduced energy consumption.
- 69 new low carbon Council properties are being developed by the Council. These properties will include a range of innovative features including solar PV, Electric Vehicle charging, ground source and air source heating, plus living green roofs and walls. The site is on Silk Street, Newton Heath.
- £600,000 funding has been secured as part of the Greater Manchester Warm Homes Fund to install central heating systems in fuel poor homes for up to 50 homes.
- Started to explore possible opportunities for the purchase of a solar farm.
- Completed Civic Quarter Heat Network infrastructure with 6 buildings now connected (£26m), including Central Library and the Town Hall Extension.

1.2 Transport and Travel (Workstream 2)

- A range of walking and cycling improvements have been delivered across the city as part of Greater Manchester's Mayor's Challenge Fund and Active Travel Fund.
- 26 eCargo bikes and 6 eCargo trailers are now being used across Council teams, city partners and a public hire scheme as part of a project launched by the City Council in January 2022 in collaboration with the Energy Savings Trust.
- 27 (50%) of our waste collection fleet plus 39 other MCC vehicles are now electric, helping reduce the use of fossil fuels and helping improve air quality.
- Actively researched and secured incentives to support staff to travel more sustainably to support the implementation of the Sustainable Staff Travel Policy.

1.3 Reducing Consumption Based Emissions and Influencing Suppliers (Workstream 3)

- 10% social value weighting for the environment has been introduced and now being implemented, and we are working with suppliers to reduce their CO₂ emissions.
- Appointed a member of staff to lead on the Council's commitments to reduce the use of avoidable Single Use Plastics and deliver sustainable events.
- The Council has launched a "Reusable Cups Guide". This adds to the range of sustainable events guides, which are being rolled out across Manchester events.

1.4 Climate Adaptation, Carbon Storage and Sequestration (Workstream 4)

- Built a 'sponge' park in West Gorton, helping reduce surface water flooding and reduce excess water entering the water network whilst improving the quality of green space in the neighbourhood – which won two awards: a 'Golden Pineapple' Award from the Festival of Place, the Excellence in Flood and Water Management award at the Landscape Institute Awards. The Park was highly commended in the Environment Agency's Flood and Coastal Resilience Awards.
- Planted over 7,000 trees and hedge trees, helping to absorb carbon, improve health and wellbeing and support biodiversity and 5 community orchards across the city.
- Commissioned a Tree Opportunity Map for Manchester (£50k), to inform future tree planting programmes.

1.5 Influencing Behaviour and Being a Catalyst for Change (Workstream 5)

- Achieved Silver Carbon Literacy Accreditation and working towards Gold, having trained over 1,700 members of staff and 92 elected members.
- All Wards have developed Climate Change Action Plans which contain localised positive climate action.
- A behaviour change communications campaign delivered during summer 2022 to promote positive action (£50k).
- Delivered the Council's first Schools Bee Green Conference held at Connell Co-Op College in June 2022 (£13.7k MCC revenue 22/23), encouraging education settings to take action to decarbonise.
- Developed a proposition to UK Government in relation to COP26 being held in Glasgow in November 2021, which led to engagement in UK Cities Climate Investment Commission (UK3Ci) and developing a pipeline of investable projects.
- Manchester Work & Skills Strategy 2022-27 featuring Green Skills was adopted by Executive Committee on in June 2022.
- Neighbourhood Climate Change Officers continued to engage and support communities to further develop climate change action plans for their Wards.

4.0 Priorities for 2023/24

4.1 Outlined below is a summary of the Council's CCAP priorities for 2023/24 and showing where the additional capacity will help to drive these actions forward.

4.2 Buildings and Energy (Workstream 1)

Council actions

- Progress the Large-Scale Renewable Energy Generation project for the development or purchase of a suitable solar farm and / or direct renewable energy Power Purchase Agreement (PPA).
- Continue to deliver the Estates Carbon Reduction Programme using funding secured from MCC's own resources and UK Government (Public Sector Decarbonisation Scheme and Unlocking Clean Energy).

City actions

- Continue to progress the development of the Local Plan.
- Deliver an approach to housing retrofit with Manchester Housing Providers Partnership. Develop and deliver a housing retrofit plan for the Council's social housing stock. (Report to E&CC Scrutiny, September 2022).
 - 2 new posts created within Strategic Housing - to support the development and delivery of the housing retrofit plan and explore funding opportunities to support this work
- Review and respond to the recommendations in the Local Area Energy Plan (LAEP) and coordinate LAEP work with wider Greater Manchester authorities and partners (Report to E&CC Scrutiny, December 2022).
 - 2 new posts created within Growth & Development - to provide additional resource to focus on this priority area, linking with wider infrastructure work

4.3 Transport and Travel (Workstream 2)

Council actions

- Continue to decarbonise the Council's fleet, including the development of a business case for the remaining 50% of the refuse collection vehicles.
- Identify and implement sustainable actions across Highways focusing on the use of resilient and sustainable materials.
- Implement the Staff Travel Policy across the Council and monitor progress (Report to E&CC Scrutiny, January 2023).
 - 2 new posts created in Human Resources and Organisational Development (HROD) - to embed the new Staff Sustainable Travel Policy across the Council, develop and implement incentives and support to encourage staff to sustainably commute.

City actions

- Continue delivery of the Transport Strategies across Greater Manchester and the City Centre, working with GMCA, TfGM, other Local Authorities and Government on projects (including preparations for High Speed 2 and Northern Powerhouse Rail, Metrolink expansion and tram-train options, bus reform, the Clean Air Zone and Active Travel).

- Develop and deliver the Electric Vehicle Charging Infrastructure Strategy and assess investment requirements, link with the Local Area Energy Plan and Local Plan (Report to E&CC Scrutiny, January 2023).

4.4 Reducing Consumption Based Emissions and Influencing Suppliers (Workstream 3)

Council actions

- Continue to implement the 10% environmental weighting within the social value element of the tendering process to influence suppliers.
 - 2 new posts created with Integrated Commissioning & Procurement to support with monitoring of CO₂ emissions in contracts and to challenge specifications to ensure that low carbon options are fully considered.
- Implement the plan to eradicate avoidable single use plastics across the Council and at events, working towards being single use plastic free by 2024 and support delivery of sustainable events (Report to E&CC Scrutiny, December 2022).
 - 1 new post created within City Policy to develop and deliver a plan getting us to Single Use Plastic Free and exploring opportunities for sustainable events

City actions

- Develop and implement the plan for sustainable events (including a reduction in SUPs) across the City, through the use of the Sustainable Events Guides.
 - Supported by the post created in City Policy
- Work with the Secretariat of the Manchester Food Board to deliver the climate change priorities of the Manchester Food Board, including producing and implementing a Sustainable Food Policy.

4.5 Climate Adaptation, Carbon Storage and Sequestration (Workstream 4)

Council actions

- Continue delivery of the Tree Action Plan and identify funding opportunities.
- Produce and deliver a Parks specific Climate Change Action Plan.
- Explore increasing nature-based solutions (NBS) across the city by using learnings from NBS projects.
- Delivery of the Green & Blue Infrastructure Strategy and revised Implementation Plan and the Biodiversity Strategy (Reports to E&CC Scrutiny, March 2023).

City actions

- Increase quantity of trees and hedgerows by using the Tree Opportunity Mapping assessment.

4.6 Influencing Behaviour and Being a Catalyst for Change (Workstream 5)

Council actions

- Develop and deliver a programme of work to achieve Gold Carbon Literacy Accreditation by March 2025 and develop a wider training programme to fully embed the Council’s Zero Carbon ambition across services. (Report to E&CC Scrutiny, November 2022)
 - 1 post created and 1 post extended within HROD to continue to rollout the training programme across the Council, respond to service needs and establish a mechanism for evaluation
- Continue to embed zero carbon ambitions into Council decision-making.
- Continue delivery of the Finance and Investment work programme, to identify financial models for investing in decarbonisation projects across the city
 - 1 new post created within City Policy to support this priority, along with the programme management work of the Zero Carbon team.

City actions

- MCC to continue to lead by example in its commitment to taking action on climate change across all areas of the Council and showing leadership across the city with residents and external partners.
- Continue to actively engage residents and communities to tackle climate change, including implementing ward action plans (report to E&CC Scrutiny, November 2022) and continuing to work with Manchester Climate Change Agency and other partners to deliver the ‘In Our Nature’ programme.
- Tell the Council’s story of positive climate action through website content, social media and the press, and align the Zero Carbon Communications work with wider communications across the council e.g., Waste and Recycling, green and blue infrastructure, active travel, and neighbourhoods.
- Work with Manchester Climate Change Partnership and Agency to deliver the revised Manchester Climate Change Framework and what levers the Council can use to support this and accelerate decarbonisation across the city – support this with a city wide communications campaign focusing on the refreshed Manchester Climate Change Strategy.
- Deliver Education Services Climate Change Strategic Action Plan 2022-2024, to support and engage education providers to embed climate change into their operations and education settings (Report to Children & Young People’s Scrutiny, October 2022).
- Implement the Green Skills Action Plan developed from the refreshed Work & Skills Strategy.

5.0 Recommendations

- 5.1 To note and comment on the content of the report and progress that has been made on delivering the Council’s Climate Change Action Plan during 2022/23 as a result of the investments made.

**Manchester City Council
Report for Information**

Report to: Communities and Equalities Scrutiny Committee – 7 February 2023
Executive – 15 February 2023

Subject: Homelessness Directorate 2023/24 Budget

Report of: Strategic Director (Neighbourhood Services)

Summary

Members will recall that at the November round of scrutiny meetings the Council was forecasting an estimated budget shortfall of £112m over the three years with £44m in 2023/24. As part of the action to address the budget shortfall officers identified potential savings options of £42.3m over three years, of which there were savings options of £4.646m within the remit of this scrutiny committee.

The provisional financial settlement announced 19 December reflected a change in government policy in relation to funding inflation and Social Care pressures. This has given the opportunity to review the quantum and phasing of savings. It is now proposed that options of £36.2m are progressed, of which £4.646m is within the remit of this scrutiny committee.

This report provides a further update to members on the priorities for the services in the remit of this committee and details the changes to the initial revenue budget options proposed by officers in November 2022.

Each scrutiny committee is invited to consider the current proposed changes which are within its remit and to make recommendations to the Executive before it agrees to the final budget proposals on 15 February 2023.

Recommendations

The Committee is recommended to:

1. consider and comment on the forecast medium term revenue budget, and
2. consider the content of this report and comment on the proposed changes which are relevant to the remit of this scrutiny committee

The Executive is recommended to approve these budget proposals.

Wards Affected: All

Environmental Impact Assessment - the impact of the issues addressed in this report on achieving the zero-carbon target for the city

The budget reflects the fact that the Council has declared a climate emergency by making carbon reduction a key consideration in the Council's planning and budget proposals.

Equality, Diversity and Inclusion - the impact of the issues addressed in this report in meeting our Public Sector Equality Duty and broader equality commitments

Consideration has been given to how the proposed savings could impact on different protected or disadvantaged groups. Where applicable proposals will be subject to completion of an Equality Impact Assessment (EqIA) and Anti Poverty Assessment.

| Manchester Strategy outcomes | Summary of how this report aligns to the OMS/Contribution to the Strategy |
|---|---|
| A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities | <p>The effective use of resources underpins the Council's activities in support of its strategic priorities as set out in the Corporate Plan which is underpinned by the Our Manchester Strategy.</p> <p>Having good quality accommodation will help people to thrive.</p> <p>Reducing the number of people who are homeless or placing them in appropriate accommodation with help to access employment and learning opportunities will contribute to Manchester becoming a thriving and sustainable city.</p> |
| A highly skilled city: world class and home grown talent sustaining the city's economic success | Having accommodation that people can access, in areas where they have a support network to help them, and their children, into education or employment will help grow talent in the city. |
| A progressive and equitable city: making a positive contribution by unlocking the potential of our communities | Having good quality accommodation in our communities improves the environment people live in and helps them to make a positive contribution |
| A liveable and low carbon city: a destination of choice to live, visit, work | Ensuring properties are a good quality and high standard will reduce the need to heat properties and therefore reduce energy waste. |
| A connected city: world class infrastructure and connectivity to drive growth | Housing infrastructure is central to Manchester's inclusive growth ambitions |

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

- Equal Opportunities Policy

- Risk Management
- Legal Considerations

Financial Consequences – Revenue

The changes included within this report will, subject to Member comments and consultation, be included in the final 2023/24 revenue budget set by Council on 3 March.

Financial Consequences – Capital

None directly arising from this report.

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Background documents (available for public inspection):

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

[Revenue Budget Report - Executive Meeting 16 February 2022](#)

[Medium Term Financial Strategy 2022/23 to 2024/25 -Executive Meeting 16 February 2022](#)

[Resource and Governance Scrutiny – 6 September 2022](#)

[Revenue Monitoring to the end of July 2022 and Budget update 2023/24 to 2025/26 - Executive 14 September 2022](#)

[Homelessness Update January 2023 Scrutiny](#)

[Homelessness Budget Report 2023/24 November 2022 Scrutiny](#)

1. Introduction and Purpose

- 1.1. The report sets out an overview of the services within the remit of this scrutiny committee and their key priorities. The budget growth assumptions in the MTFP are outlined. The report provides a further update to Members on the proposed savings for 2023-26 and highlights the key changes since the November Scrutiny meeting. The saving proposals have been developed in the context of the financial challenge facing the Council.

2. Service overview and priorities

- 2.1. This report summarises the budget proposals for the Homelessness service within the Neighbourhood Services Directorate. Neighbourhood Services has a wide range of services and employs over 1,800 staff. The Directorate works to improve the lives of Manchester residents and showcase the city to our millions of visitors every year. Our services work directly with the people of Manchester and together we want to make Manchester a better place to live, work and play. We have committed, via the Our Manchester Strategy to creating sustainable, safe, resilient, and cohesive neighbourhoods, with more affordable housing, good quality green spaces, and accessible culture and sporting facilities. We will work with colleagues and partners to achieve our zero-carbon ambition by 2038 at the latest, via green growth, low-carbon energy, retrofitting of buildings, green infrastructure, and increasing climate resilience. The homelessness service is under the remit of Communities and Equalities Scrutiny Committee.
- 2.2. The Homelessness Service's objective is to prevent people from becoming homeless and to support individuals and families who find themselves homeless, to secure new permanent homes and with that better life outcomes.
- 2.3. There are several key strategies and plans that the Council has developed and are now delivering within the 'A Place Called Home: Homelessness Transformation' strategy. The overall aims of A Place Called Home are to:
- Significantly increase the successful prevention of homelessness
 - Continue our progress to end rough sleeping
 - Considerably reduce the use of temporary accommodation
 - Deliver Better Outcomes and Better Lives for people and families at risk or who are homeless
- 2.4. As reported to January Scrutiny the key metrics relating to homelessness are set out below and relate to the level of demand and need in the city and how we are responding to prevent, alleviate as well as end homelessness.
- Number of homeless applications activated
 - Number of applications opened at the prevention duty and relief duty stages
 - Settled accommodation outcomes achieved at prevention duty discharge
 - Settled accommodation outcomes achieved at relief duty discharge
 - Number of homeless applications progressing to the main duty stage
 - Number of households in TA

- Number of families in B&B
- Number of families in B&B exceeding 6 weeks

2.5. Bed and Breakfast Placements for Families:

2.6. The Council has submitted its plan to DLUHC setting a target to eliminate 6-week plus placements by the end of June 2023 and to have no more than 10 families placed in bed and breakfast accommodation at the end of 2023 with no families placed for longer than 6 weeks. This is an ambitious target that will need to be delivered within the context of the cost-of-living challenge, rising rent costs and increasing homeless applications. The plan is framed around three priorities:

- Maximising homeless prevention,
- Maximising move-on
- Finding alternative supplies of temporary accommodation

3. Service budget and proposed changes

3.1. The Neighbourhoods Directorate has a net budget of c£130m, with 1,800 budgeted FTE's.

3.2. The Homelessness budget, which is within the remit of this committee oversees a gross budget of £71.959m, and a net budget of £28.435mm, the breakdown of which is provided in the table below. The biggest proportion of the budget is spent on Temporary Accommodation, in particular B&B and Dispersed. The Net Homelessness Budget has increased from £15.1m in 2018/19, an increase of £13.3m per annum to reflect the increase in Temporary Accommodation numbers as well as investment into Prevention. The gross Homelessness budget as set out in Appendix 3 will not reduce over the budget cycle from the current base.

Table 1: Base budget 2022/23

| Service Area | 2022/23 Gross budget £'000 | 2022 / 23 Net Budget £'000 | 2022 / 23 Budgeted posts (FTE) £'000 |
|--------------------------------|-------------------------------------|-------------------------------------|--|
| In House Accommodation and B&B | 31,665 | 7,800 | 126 |
| Dispersed Accommodation | 25,937 | 7,122 | 0 |
| Homelessness Support | 6,227 | 5,905 | 173 |
| Commissioned Services | 7,546 | 7,546 | 9 |
| Asylum | 584 | 62 | 9 |
| Total | 71,959 | 28,435 | 317 |

- 3.3. In November this scrutiny panel was presented with savings options, Homelessness has been looking to identify savings options of £4.646m over the three years to 2025/26 for consideration. The government funding settlement on 19 December 2022 reflected a change in government policy and provided more funding than had been forecast, this has provided the opportunity to review both the quantum and phasing of savings where applicable and review areas of specific investment to ensure that we minimise wherever possible the impact on service delivery across the Council.
- 3.4. There were no savings options proposed for Homelessness which are a reduction in service. Over the medium term the savings will be linked to the ambition to reduce numbers in Temporary Accommodation through significant reductions in B&B placements and increased prevention during 2023/26.
- 3.5. However, there are specific demand and inflation pressures facing the Homelessness Budgets. Government refugee and asylum schemes are placing pressure on Manchester temporary accommodation market, driving up cost, resulting in a £4m fee uplift requirement for Homeless Temporary Accommodation and this pressure has been reflected in the Medium Term Financial Plan with £4m of growth proposed for Homelessness in 2023/24. Wherever possible we have looked to ensure we are maximising external income generation, and this includes close work with colleagues in Revenues and Benefits to maximise Housing Benefit claims.
- 3.6. Resources of up to £1.5m held within the Homelessness reserve will be set aside and will be available for investment in supporting the potential pressures in Homelessness.
- 3.7. The net impact of investment, savings, use of one off reserves for potential demand pressures and the expected income from external Resettlement grants is reflected in the table below.

| Homelessness | 2023/24 | 2024/25 | 2025/26 |
|---|----------------|----------------|----------------|
| | £'000 | £'000 | £'000 |
| Investment – Dispersed Accommodation fee uplift | 4,000 | 4,000 | 4,000 |
| Savings | (1,244) | (3,314) | (4,646) |
| Contingency (Demand Pressures) | 1,500 | 0 | 0 |
| Resettlement Grants Externally Funded | 1,244 | 3,314 | 4,646 |
| Total | 5,500 | 4,000 | 4,000 |

- 3.8. Review of our existing workforce structures and capacity and recognise the potential savings from changing how we budget for staff cost and make an allowance for staff turnover, staff not being at top of grade or not in the pension scheme.

- 3.9. All heads of service have been asked to review their own service areas to identify any opportunities for cost reductions or efficiencies through good housekeeping.
- 3.10. Within the Homelessness budget there are short term pressures linked to increases in demand and cost pressures in Temporary Accommodation, which is expected to last until 2024/25 after which the transformation programme is expected to have an impact and reduce the incidence of homelessness across the city.
- 3.11. The Council is investing to ensure these short-term pressures are funded, and is making use of all of its funding streams to support the service. In the short term these pressures are funded through resettlement funding and other grants which are likely to continue until December 2023 helping stabilise the budget position for the following 2 years until 2025/26. In addition, the Council has increased funding to support the impact of Cost of Living and reintroduced increased funding alongside Discretionary Housing Payments. This stabilised budget position allows the Directorate to focus on Transformation in the form of Homeless at Home, reducing the number of people needing Emergency or Temporary Accommodation. This work alongside the recommendations of Red Quadrant in the short term and Local Partnerships for longer term accommodation solutions will reduce demand and the requirement to provide significant numbers of Temporary Accommodation. It is important to note, that none of the reductions in budget referenced are a cut in service and the gross budget will not reduce from it's current base, they are savings that will arise from reduced demand, as the prevent strategy takes effect.
- 3.12. The proposed demand reductions from Homelessness services within the remit of this scrutiny committee are summarised below and are set out in more detail in Appendix 1, with further narrative provided in the following paragraphs.

Table 2: Summary of Demand Reductions

| Communities and Equalities - Homelessness | Amount of Saving | | | | Indicative FTE Impact |
|---|------------------|--------------|--------------|--------------|-----------------------|
| | 2023/24 | 2024/25 | 2025/26 | Total | |
| | £'000 | £'000 | £'000 | £'000 | |
| In House Accommodation and B&B | 860 | 1,327 | 1,063 | 3,250 | 0 |
| Dispersed Accommodation | 384 | 519 | 269 | 1,172 | 0 |
| Homelessness Support | 0 | 224 | 0 | 224 | 0 |
| Total | 1,244 | 2,070 | 1,332 | 4,646 | 0 |

- 3.13. The budget strategy for Homelessness has been to contain the cost of rising need for temporary accommodation within available resources whilst also prioritising resources towards service developments that will achieve the service's priority to prevent and reduce the incidence of homelessness. This has been supported by significant additional investment from the Council, maximising draw down of Housing Benefit income that the Council can claim and seeking opportunities for accessing external funding.
- 3.14. The Service Transformation Programme alongside a renewed focus on Prevention will form the core of the approach to tackling and reducing homelessness over the next three years. It will be the framework in which reductions in temporary accommodation and rough sleeping are achieved.
- 3.15. Homelessness is a complex systems issue, and as such the Council's Senior Management Team formed a cross council steering group to oversee the transformation programme, with senior representation from Adults, Children's, Financial Management, Strategic Housing, Policy-Reform-Innovation and Revenue and Benefits. The Housing Transformation Steering Group (HTSG) reports into the Council's Housing Board, chaired by Strategic Director Growth and Development and from a political oversight perspective, reports into Cllr Joanna Midgley (Homelessness) and Cllr Gavin White (Housing & Growth) as the housing solutions to combat homelessness span both portfolios.
- 3.16. To provide additional capacity and capabilities, building on the good practice within Manchester but also regionally and nationally, the Council commissioned two projects (from Red Quadrant & Local Partnerships) as part of the Transformation Programme with two distinct yet interrelated briefs. The projects focussed on different areas in order to assist the Council in reshaping its Homelessness service to:
- Increase the prevention of homelessness in Manchester
 - Enhance the level of support to people who are at risk or find themselves homeless
 - Improve the efficiency and effectiveness of sourcing temporary accommodation
 - Provide a series of deliverable property options for the medium term to reduce the rising revenue cost of the service and identify more suitable provision
 - Identifying Invest to save models
 - Identifying and appraising longer term models of intervention
 - Providing an independent and respected local government sector voice, which highlights good practice and positions the Council to access future funding opportunities
- 3.17. The transformation programme sets the ambition to increase preventions to 50% from c.35%, to slow the flow into the service. This is informed by research around good practice nationally and service design work with staff, services and people with lived experience. It will still be extremely challenging to achieve particularly given the wider economic context and cost of living crisis.

- 3.18. An increased focus on prevention and early help is a key theme of the Future Council work on our future operating model. Future Council has also looked at how we can better use data and intelligence to inform more targeted delivery and improve our approaches to place-based working across the city, with partners.
- 3.19. Actions to achieve this ambition will include:
- Changes in work practices to increase prevention levels and creating dedicated resource to focus exclusively on prevention activity.
 - Supporting residents through a strengths based and person centred approach to maintain existing tenancies, where appropriate and increase prevention.
 - Enhancing and better targeting the support to residents once in permanent accommodation, to reduce the current level of representations.
 - Better joining up our prevention resources across MCC and partners as part of the next phase of BST PIP, including i) aligning with Manchester Local Care Organisation and Integrated Neighbourhood Teams, ii) Early Help for Children and Families and the development of Think Family, iii) partners' work such as GMP new policing model, Registered Housing Providers, Education and Skills providers, VCSE sector including the Council's role supporting the sector particularly in areas of the city with less infrastructure, iv) additional investment in Early Help for adults as part of Build Back Fairer (Marmot) gamechanger proposals.
 - Improving telephone access, since the beginning of the Covid crisis the main route into the Housing Solutions service has been through telephone access comprising around 90% of contacts. As at the end of October 2022 the Housing Solutions service had 3 Housing Solutions Officers answering the telephone during the standard working day. An additional 3 full time equivalent officers have now been placed on telephone contact duty and performance has improved to 75% of calls answered (507 out of 667 calls) with an average waiting time of less than 8 minutes. A target has been set that by the end of March 2023 a minimum of 85% of calls are answered with a waiting time of no more than 10 minutes.
 - Homeless application interviews, the target, combining face-to-face and telephone based, is to carry out a minimum of 1,000 homeless application interviews per month or 12,000 per year. The aim is to carry out 13,050 assessment interviews per year which would equate to an average of 2 interviews per homeless applicant based on having 6,525 homeless applications in 21/22. A further target has been set that the service would offer an interview slot within 2 working days of the initial contact being made by the person.
 - The Housing Solutions Service introduced, in December 2022, a programme of manager case checks on live homeless applications to ensure that cases are being progressed appropriately, Housing Solutions Officers have the necessary support with cases, homeless prevention and relief options are being identified with the ultimate result being temporary accommodation placements not needing to be made. The aim, from January 2023 onwards, is to carry out 300 case checks per week. The service, based on 6,525 per year, receives around new 125 homeless

applications per week. The Housing Solutions service currently has approximately 1,850 live homeless applications. The target will ensure that by the end of March 2023 the Housing Solutions Service has the necessary understanding of case detail.

- 3.20. A key aspect of the Homelessness Prevention strategy is to target homeless prevention interventions/investment against the main causes of homelessness in the city. The main cause of homelessness in Manchester is being asked to leave the accommodation of family and friends. The experience of many other Local Authorities is that many people can continue to live with family or friends if there are reasonable prospects of longer-term re-housing. This is achieved by awarding the same level of priority for re-housing on the social housing register as that which would be awarded if the person was placed in temporary accommodation. The Manchester approach will be to award a Band 2 status for re-housing if the person is owed either the relief or main duty under homelessness legislation.
- 3.21. A homelessness main duty (to secure temporary accommodation) can only be ended under legally defined circumstances with the most common one being the offer of a 'lifetime' social housing tenancy. Homeless legislation permits a Local Authority to end the duty through a private rented tenancy if the fixed period of the tenancy is for a minimum of 12 months. The main duty must be reinstated if the person reapproaches as homeless within a 2 year period. It is believed that there are many people in temporary accommodation who would take a private rented tenancy but do not want to lose their priority for social housing tenancy. Essentially seeing private rented accommodation as a 'stepping stone' tenure towards social housing. The experience of other Local Authorities is that many moves from temporary accommodation can be achieved by not ending the main duty (in Manchester removing the Band 2 award) when people accept a private rented tenancy. This will result in a reduction in TA numbers but no increase in the number of Band 2 applicants on the housing register.
- 3.22. The Homeless Service will adopt an 'invest to save' approach towards homeless prevention comparing the cost of a prevention investment (e.g. paying a bond to secure a private rented tenancy) against the notional cost of placing a person in TA. Almost exclusively the cost of the prevention will be a fraction of the cost of TA.
- 3.23. The Homeless Service is rolling out the new approach set out in paragraphs 3.17 to 3.21 including conveying the new approach to partners. Other prevention options, against the main causes of homelessness, are being worked up.
- 3.24. Allocations Policy
- 3.25. The principal purpose of an allocations scheme is to set out the framework by which available social housing will be let to housing applicants including the 'reasonable preference' (priority) for re-housing afforded to specific groups of housing applicants including homeless people. The current Manchester

Allocations Policy awards the following priority banding to homeless people based on their homeless duty status:

- Prevention Duty – Band 3
- Relief Duty – Band 2
- Main Duty – Band 2

- 3.26. The Homeless Service and Council's Housing Board is strongly of the view that the current framing of the Allocations Policy does not encourage residents in approaching early in their homeless situation given that a lower level of priority is awarded at the prevention duty stage. It is notable that the Leeds Allocations Policy awards the same level of priority for re-housing to applicants owed the prevention, relief and main duty and this is a contributory factor to people presenting early (at the prevention duty stage) and low temporary accommodation numbers.
- 3.27. Manchester is taking proactive steps to address the current position whereby admission to bed and breakfast/other temporary accommodation is the principal route by which people can address their homeless situation. A key action is to better use the private rented sector as an interim housing option that homeless applicants can use pending re-housing by a social landlord. This is practice adopted in Leeds and Camden whereby homeless applicants who accept a private rented tenancy do not lose their priority status for social re-housing. At present, the Manchester Allocations Policy does not permit this practice; as a private rented tenancy can only be secured for applicants owed the main duty with this duty not being ended through the offer of the private rented tenancy so that the person still has a Band 2 for social re-housing.
- 3.28. To directly address this key issue a report was submitted to the Housing Access Board in December 2022 proposing the following:
- Applicants owed the prevention duty will be awarded Band 2 status for re-housing – the same award made to applicants owed the relief and main duties
 - Applicants owed the prevention or relief duty who accept a private rented tenancy will not lose their Band 2 status
- 3.29. The Housing Access Board representatives agreed in principle to these proposals and the Strategic Housing Service is writing to every locally operating Registered Provider to advise on the proposals.
- 3.30. The Homeless Service and Council's Housing Board is strongly of the view that the proposals will not result in a substantial increase in the number of housing applicants owed Band 2 for re-housing on the basis of the short-term sequential nature of the homeless duties. A person awarded Band 2 status on the basis of being owed the prevention duty would invariably have secured the Band 2 status at the relief duty but most importantly when they had been placed in temporary accommodation.
- 3.31. The key to delivering savings in Homelessness is to reduce the placements into B&B and Dispersed Accommodation, the reductions reflected below are

achievable given the increased focus on Prevention and changing the way the current service operates.

- 3.32. The majority of the proposed savings are linked to a reduction in B&B and Dispersed Accommodation placements. The Homelessness Service are working with private sector landlords to try and reduce the number of people who are evicted, with a targeted communications campaign to encourage people to seek advice and support early, prior to eviction. Alongside the hubs, there will be a better joining up of prevention resources across the Council and partners as part of the next phase of Bringing Services Together and Building Back Fairer. Examples include aligning with Manchester Local Care Organisation, Integrated Neighbourhood Teams, Early Help for Children and Families, as well as forming partnerships with voluntary and faith-based organisations. Registered Providers in the city are repledging to ensure there are no evictions from registered provider accommodation.
- 3.33. Transformation, review of and implementation of Transformation Prototypes alongside the changes to the Allocations procedure which drive the reduction in activity. It is expected that these reductions will result in activity reductions reflected in tables 4 and 5.
- **Reduction in referrals to B&B** - In 2021/22 there were 3,209 referrals into B&B, linked to the Prevention work it is expected that the service will deliver a decrease in numbers being placed in B&B of 5% in 2023/24, 10% in 2024/25 and 15% in 2025/26. The strategic ambition is to reduce B&B usage to zero and the financial model will be updated as progress is made in this area, but recognising the fact that investment is needed in Prevention strategies
 - **Reduction in average length of B&B placement** - Alongside the reduction in referrals of 5% per annum, it is expected that the average time spent in B&B would also reduce by 5% per annum as shown in the table below.
 - **Reduction in Dispersed Placements** – linked to an increase in PRS placements of 15% for Families and 5% for singles, there will be a reduction in placements in Dispersed properties.
 - **Increase in Property Found** – in 2021/22, there were 174 properties found, a 20% year on year increase will be delivered with a fully staffed PRS team and a move to upstream prevention.

Table 3 below reflects the number of referrals into the B&B service in 2021/22 and what the referrals would look like once Transformation prototypes are implemented, with table 4 reflecting the expected numbers in Dispersed Accommodation.

Table 3: B&B Referrals

| Annual B&B Referrals | Families | Singles | Total |
|---------------------------------|-----------------|----------------|--------------|
| 2021/22 Actual | 1,252 | 1,957 | 3,209 |
| 2023/24 Forecast | 1,189 | 1,859 | 3,049 |
| 2024/25 Forecast | 1,070 | 1,673 | 2,744 |
| 2025/26 Forecast | 910 | 1,422 | 2,332 |

Table 4: Dispersed Accommodation Placements

| Annual Dispersed Placements | Families | Singles | Total |
|------------------------------------|-----------------|----------------|--------------|
| 2021/22 Actual | 1,412 | 193 | 1,605 |
| 2023/24 Forecast | 1,395 | 208 | 1,603 |
| 2024/25 Forecast | 1,353 | 176 | 1,529 |
| 2025/26 Forecast | 1,311 | 145 | 1,455 |

- 3.34. Alongside focus on Prevention, the Housing Strategy sets out the delivery of 1,000 more affordable homes each year, increasing the level of housing available as well as aiding prevention through, direct delivery, partnership working and affordable rents. Tackling homelessness is a key dimension of the Council's overall strategic asset management plan. Recently, several Council properties were identified for refurbishment as Temporary Accommodation within the Rough Sleeping Accommodation Programme. The service is now working with Strategic Housing to develop a specific acquisition strategy to purchase affordable stock that is likely to be lost from the Private Rented Sector; refurbishing and repurposing unused Council owned assets; and creating a clearer mechanism for developing and inviting proposals from prospective developers. This work also includes reviewing incentive schemes for settled accommodation options working with private rented sector.
- 3.35. £3.25m of demand reductions can be achieved over the 3 year period in B&B Accommodation schemes as reflected in Table 3, this is a combination of reductions made for Transformation and changes in Allocation's procedure which will reduce the number of families in B&B, as residents are supported to remain in current accommodation.
- 3.36. A further £1.172m of demand reductions will be delivered in Dispersed Accommodation, this is linked to Transformation and an increase in the number of Dispersed Accommodation properties which are managed by a Registered Provider to reduce the Housing Subsidy loss incurred by MCC in providing this service, an evaluation of the existing pilot is underway.
- 3.37. The remaining £224k of proposed savings are linked to an increase in vacancy factor of 2% to 5.5% for Homelessness, this reflects the ongoing difficulties in recruitment and brings the vacancy factor in line with existing and expected levels of vacancy. It is proposed that this saving will be delivered in 2024/25 as the underspend in mainstream staffing budgets in 2023/24 will be retained to

fund the new posts created to support the Transformation work and staffing levels will be reviewed as part of the ongoing Transformation work.

- 3.38. Pressures are being created in the system by the resettlement schemes and these are currently being managed through the available grants, however if the schemes were to stop it is likely that greater pressures will emerge. It is expected that Resettlement schemes will continue over the next few years and will not end before March 2024 at the earliest.
- 3.39. In the longer term, follow on workstreams from Local Partnerships work will;
- Identify potential invest to save models.
 - Identify and appraising longer term models of potential intervention.
 - Provide an independent and respected local government sector voice, which highlights good practice (where it may be applicable to Manchester) and positions the Council to access future funding opportunities.
- 3.40. Move On from Temporary Accommodation
- 3.41. A number of the Manchester Registered Providers have agreed to make an additional 90 lets to families who are long-term resident in dispersed temporary accommodation with the focus being on those who have housing applications registered from before January 2020. The applicants will have their housing application priority status placed in Band 1 for re-housing and backdated to the date of move-in to temporary accommodation. The Allocations Policy Band 1 provision of 'management discretion' will be triggered to facilitate these priority awards. Applicants will be able to bid for available properties through choice-based lettings to ensure that families have a high level of choice in determining where they want to live. It is envisaged that the lettings will be made between January and June 2023. The released dispersed temporary accommodation units will be made available for families who are currently or would otherwise be placed in bed and breakfast accommodation. The success of the scheme heavily depends on the Homeless Service better preventing homelessness so that fewer new people require temporary accommodation.
- 3.42. The GMCA has secured £3.9m, to be drawn down in 2023/24, to deliver a capital leasing scheme providing longer-term tenancies to homeless families as move-on from temporary accommodation. The scheme will deliver 200 homes which will be sourced from private landlords and managed by local Registered Providers. The properties will be let on assured shorthold tenancies. The capital grant is intended to cover the net cost of the provision. It is assumed that Manchester will be allocated 100 of the 200 properties. Further work on scheme detail will be carried out from January 2023.
- 3.43. Alternative Temporary Accommodation to B&B
- 3.44. The Homeless Service is working with private providers in the city to deliver a leasing scheme for 200 units of self-contained dispersed accommodation that will be used as an alternative to bed and breakfast placements. The ask to

providers is to deliver 120 two-bed, 60 three-bed and 20 four-bed properties. The term of the initial lease arrangement will be five years. The providers will be offered guaranteed rental payments and provision to cover repair and furniture costs. The ask to providers is to deliver 200 properties by the end of March 2022 although this is recognised as being an extremely demanding target. It is forecast that the initiative will cost the Council £8.7m over the five-year term and result in cost avoidance of approximately £34m over the five-year period. This is based on a current net cost of one bed and breakfast placement of £819 per week once housing benefit deducted. The success of the scheme heavily depends on the Homeless Service better preventing homelessness so that fewer new people require temporary accommodation.

4. Emerging Pressures and Growth

- 4.1. There are specific demand and inflation pressures facing the Homelessness Budgets. Government refugee and asylum schemes are placing pressure on the Manchester temporary accommodation market, driving up cost, resulting in a £4m fee uplift requirement for Homeless Temporary Accommodation.
- 4.2. Where temporary accommodation is required the provision of dispersed temporary accommodation delivers a more affordable and suitable accommodation model than the use of B&B emergency hotel provision. Hotel accommodation for one family costs the Council on average £924 per week. There are currently (December 2022) over 200 families in B&B type accommodation in housing need. Over 90 have been in this accommodation in excess of 42 days, this means the Council is in breach of its statutory responsibility in this regard. This type of accommodation fails to provide the full facilities that a self-contained unit of accommodation can and providing support to household in hotels the Council does not manage is extremely challenging.
- 4.3. Supporting the elimination of B&B usage for families relies upon a steady supply of dispersed temporary accommodation from the 19 accommodation providers on the temporary accommodation framework agreement. Cost-of-living implications, mortgage rate rises, escalating property maintenance and material costs are resulting in accommodation providers struggling to procure enough temporary accommodation to meet current needs based on existing rental rates.
- 4.4. Whilst officers are progressing the prevention work outlined above, which should result in an overall reduction in the amount of temporary accommodation, it is essential that a rental uplift on temporary accommodation is secured to sustain existing temporary accommodation currently and support the flow of new stock required to reduce B&B numbers. A key decision has been approved January 2023 and an uplifted rate applied from February 2023.
- 4.5. Within the Homelessness budget there are underlying pressures of linked to increases in demand and cost pressures in Temporary Accommodation. In the short term these pressures are funded through resettlement funding and other

grants which is likely to continue until December 2023 helping stabilise the budget position for the following 2 years until 2025/26. In addition, the Council has increased funding to support the impact of Cost of Living and reintroduced increased funding alongside Discretionary Housing Payments. This stabilised budget position allows the Directorate to focus on Transformation in the form of Homeless at Home, reducing the number of people needing Emergency or Temporary Accommodation. This work alongside the recommendations of Redquadrant in the short term and Local Partnerships for longer term accommodation solutions which will reduce demand and the requirement to provide significant numbers of Temporary Accommodation. It is important to note, that none of the reductions in budget referenced are a cut in service, they are savings that will arise from reduced demand.

- 4.6. Appendix 2 reflects the approved Medium Term Financial Plan for the Homelessness service in the remit of Communities and Equalities Scrutiny.
- 4.7. Appendix 3 reflects the Gross and Net Budget for Homelessness over the next three years.

5. Workforce

- 5.1. The Council's establishment is fully budgeted for at the top of the grade. In reality there are vacancies caused by staff turnover, recruitment difficulties and staff employed throughout the grade scale. In order to avoid budgeting for costs that will not be required and making bigger cuts elsewhere, adjustments are being made to reflect these issues by applying a vacancy factor to recognise that vacancies will always exist. The continued challenges in filling posts also means that the council is working hard on ensuring we are an employer of choice and can attract people and minimise the pressures on our existing workforce.
- 5.2. As outlined in section 3, £224k of the proposed savings are linked to an increase in vacancy factor of 2%, increasing the vacancy factor from 3.5% to 5.5% for Homelessness, this reflects the ongoing difficulties in recruitment and brings the vacancy factor in line with existing and expected levels of vacancy. It is proposed that this saving will be delivered in 2024/25 as the underspend in mainstream staffing budgets in 2023/24 will be retained to fund the new posts created to support the Transformation work and staffing levels will be reviewed as part of the ongoing Transformation work.

6. Equality and Anti-Poverty Impact

- 6.1. Consideration has been given to how the proposed savings could impact on different protected or disadvantaged groups. Where applicable proposals will be subject to completion of an Equality Impact Assessment (EqIA) and an Anti-Poverty Assessment as part of the detailed planning and implementation.

7. Future Opportunities and Risks

- 7.1. The scale and complexity of transforming Manchester's homeless service at pace is challenging due to increased demand and macro pressures (national policy, economic, cost of living crisis). It is likely that the cost of living crisis will result in more people struggling to make ends meet who will require homeless prevention advice, as well as support. The service is working closely with departments within the Council and other organisations across the city to minimise the number of people who become homeless. Homeless prevention is a key strand in the Homeless Transformation Programme – A Place called Home.
- 7.2. Even if Transformation is successful there is a real risk that the numbers presenting as Homeless in Manchester will continue to rise and could even rise at a higher rate than we have seen previously.
- 7.3. The Housing market provides both risks and opportunities to provide more affordable and appropriate options (e.g. rent increases, affordable supply)

8. Appendices

Appendix 1 – Savings Schedule

Appendix 2 – Indicative Medium-term budgets by service

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

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Appendix 1 - Savings Schedule

| Service | Description of Saving | Type of Saving | RAG Impact | Amount of Saving | | | | Indicative FTE Impact |
|---------------------|---|------------------------|--|------------------|--------------|--------------|--------------|-----------------------|
| | | | | 2023/24 | 2024/25 | 2025/26 | Total | |
| | | | | £'000 | £'000 | £'000 | £'000 | |
| Homelessness | | | | | | | | |
| | Implementation of Transformation Prototypes | Service Transformation | A reduction in Temporary Accommodation Placements, B&B and Dispersed Accommodation. Annual forecast spend of c£17m in these areas in 2022/23. | 494 | 1,096 | 1,332 | 2,922 | |
| | Changes to Allocations Procedure | Efficiency | To deliver this saving there needs to be a change in the Allocations Procedure to allow people to be classified as Homeless at Home at the Prevention stage. If this decision is not made the savings are not achievable | 500 | 500 | 0 | 1,000 | |
| | Increase in Vacancy Factor | Efficiency | Increase in vacancy factor to reflect the underspend on mainstream staffing in previous years. £224k, a 2% increase from 3.5% to 5.5%. Vacancies are being utilised in 2023/24 to fund Transformation posts/double running | 0 | 224 | 0 | 224 | |
| | Expansion of Dispersed Accommodation Pilot | Efficiency | An expansion of the current pilot, increased properties managed by a Registered Provider would reduce the Housing Subsidy loss to MCC by £0.5m | 250 | 250 | 0 | 500 | |
| Total | | | | 1,244 | 2,070 | 1,332 | 4,646 | 0.0 |

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Appendix 2: Indicative Medium term budgets by service

| Communities and Equalities | 2022/2023 Budget £'000 | 2023/2024 Indicative Budget £'000 | 2024/2025 Indicative Budget £'000 | 2025/2026 Indicative Budget £'000 |
|-----------------------------------|---------------------------------------|--|--|--|
| In House Accommodation and B&B | 7,800 | 6,940 | 5,613 | 4,550 |
| Dispersed Accommodation | 7,122 | 10,738 | 10,219 | 9,950 |
| Homelessness Support | 5,905 | 5,905 | 5,681 | 5,681 |
| Commissioned Services | 7,546 | 7,546 | 7,546 | 7,546 |
| Asylum | 62 | 62 | 62 | 62 |
| Total | 28,435 | 31,191 | 29,121 | 27,789 |

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

| Communities and Equalities | 2022/2023 Budget £'000 | 2023/2024 Indicative Budget £'000 | 2024/2025 Indicative Budget £'000 | 2025/2026 Indicative Budget £'000 |
|---|---------------------------------------|--|--|--|
| Expenditure: | | | | |
| Employees | 15,172 | 15,172 | 15,172 | 15,172 |
| Running Expenses | 56,787 | 64,524 | 59,506 | 59,506 |
| Capital Financing Costs | | | | |
| Contribution to reserves | | | | |
| Sub Total Subjective Expenditure | 71,959 | 79,696 | 74,678 | 74,678 |
| Less: | | | | |
| Other Internal sales | | | | |
| Gross Expenditure | 71,959 | 79,696 | 74,678 | 74,678 |
| Income: | | | | |
| Government Grants | -15,046 | -15,046 | -17,116 | -18,448 |
| Contributions from Reserves | 0 | -5,018 | 0 | 0 |
| Other Grants Reimbursements and Contributions | -2,943 | -2,906 | -2,906 | -2,906 |
| Customer and Client Receipts | -25,535 | -25,535 | -25,535 | -25,535 |
| Other Income | | | | |
| Gross Income | -43,524 | -48,505 | -45,557 | -46,889 |
| Total Net Budget | 28,435 | 31,191 | 29,121 | 27,789 |

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**Manchester City Council
Report for Resolution**

Report to: Economy Scrutiny Committee – 9 February 2023
Executive – 15 February 2023

Subject: Growth and Development 2023/24 Budget

Report of: Strategic Director Growth & Development

Summary

Members will recall that at the November round of scrutiny meetings the Council was forecasting an estimated budget shortfall of £112m over the three years with £44m in 2023/24. As part of the action to address the budget shortfall officers identified potential savings options of £42.3m over three years, of which there were savings options of £2.398m within the remit of this scrutiny committee.

The provisional financial settlement announced 19 December reflected a change in government policy in relation to funding inflation and social care pressures. This has given the opportunity to review the quantum and phasing of savings. It is now proposed that options of £36.2m are progressed, of which £2.169m is within the remit of this scrutiny committee.

This report provides a further update to members on the priorities for the services in the remit of this committee and details the changes to the initial revenue budget options proposed by officers in November 2022.

Each scrutiny committee is invited to consider the current proposed changes which are within its remit and to make recommendations to the Executive before it agrees to the final budget proposals on 15 February 2023.

Recommendations

The Economy Scrutiny Committee is recommended to:

- (1) consider and comment on the forecast medium term revenue budget, and
- (2) consider the content of this report and comment on the proposed changes which are relevant to the remit of this scrutiny committee

The Executive is recommended to approve these budget proposals.

Wards Affected: All

Environmental Impact Assessment - the impact of the issues addressed in this report on achieving the zero-carbon target for the city

The budget reflects the fact that the Council has declared a climate emergency by making carbon reduction a key consideration in the Council's planning and budget proposals.

Equality, Diversity and Inclusion - the impact of the issues addressed in this report in meeting our Public Sector Equality Duty and broader equality commitments

Consideration has been given to how the proposed savings could impact on different protected or disadvantaged groups. Where applicable proposals will be subject to completion of an Equality Impact Assessment (EqIA) and an Anti Poverty Assessment.

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

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

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

Financial Consequences – Revenue

The changes included within this report will, subject to Member comments and consultation, be included in the final 2023/24 revenue budget set by Council on 3 March.

Financial Consequences – Capital

None directly arising from this report.

Contact Officers:

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Background documents (available for public inspection):

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

[Revenue Budget Report - Executive Meeting 16 February 2022](#)

[Medium Term Financial Strategy 2022/23 to 2024/25 -Executive Meeting 16 February 2022](#)

[Growth and Development Directorate Budget 2022/23 - Executive 16 February 2022](#)

[Resource and Governance Scrutiny – 6 September 2022](#)

[Revenue Monitoring to the end of July 2022 and Budget update 2023/24 to 2025/26 - Executive 14 September 2022](#)

1. Introduction and Purpose

- 1.1. The report sets out an overview of the services within the remit of this scrutiny committee and their key priorities. The budget growth assumptions in the MTFP are set out. The report provides a further update to members on the proposed savings for 2023-26 and highlights the key changes since the November scrutiny meeting. The savings have been developed in the context of the financial challenge facing the Council

2. Service overview and priorities

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

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

City Centre Growth & Infrastructure

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

- 2.4. Key priorities include:

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

Strategic Development

Major Regeneration

- 2.5. The Major Regeneration Team is focussed on delivering the significant regeneration opportunities provided by North Manchester and Eastern Gateway.
- 2.6. In North Manchester, the Victoria North initiative, which is being driven through a Joint Venture Partnership between the City Council and Far East Consortium is seeking to develop 15,000 much needed new homes across a range of tenures in 7 new or revitalised neighbourhoods at the northern edge of the city centre, together with a new city river park connecting a series of new and improved green spaces in or adjacent to the Irk River valley. The intention is that 20% of new homes developed will be affordable. This initiative, combined with the planned redevelopment of the North Manchester Health Campus (currently the North Manchester General Hospital), could provide development with a value in excess of £4 billion, catalysing the wider regeneration of the north of the city.
- 2.7. The team also leads on the further regeneration of the Eastern Gateway area, comprising the neighbourhoods of Ancoats, New Islington, Holt Town and the Lower Medlock Valley. Working in the “Manchester Life” Joint Venture with Abu Dhabi United Group and other developers including Registered Providers, the City Council is seeking to deliver in excess of 6,000 homes and commercial uses as part of this scheme, building on the success of what has been delivered in Ancoats and New Islington to date.

Strategic Housing

- 2.8. The service has developed a new 10-year housing strategy for the City which was approved in 2022 and will deliver on the following objectives:
- Increase affordable housing supply & build more new homes for all residents
 - Work to end homelessness and ensure housing is affordable & accessible to all
 - Address inequalities & create neighbourhoods where people want to live
 - Address the sustainability & zero carbon challenges in new and existing housing

Planning, Building Control & Licensing

- 2.9. Planning, Building Control and Licensing service works within an ever-changing environment of national policy documents, regulations, and legal considerations which has seen additional demands placed on the service where the scale of development and the pressure on supporting compliance is already significant.
- 2.10. Crucially, the service plays a central role in delivering the Council's sustainable growth agenda, promoting positive outcomes for the city, and helping to de-risk investment decisions into the city. This is about securing new development that strengthens the platform for attracting investment to deliver economic growth, the aims of the residential growth strategy and

supporting an uplift in the environment that is safe, inclusive and responds to climate change. The remit of the service includes delivering all the statutory functions of the city council as local planning authority – over 4,000 planning applications per annum, appeals, heritage matters and compliance, the local authority building control function, including building and fire safety, dangerous buildings and safety at sports grounds and the licensing function, both premises and taxis.

- 2.11. The Service is also responsible for the review and adoption of citywide policy. The local plan - Places for Everyone and the Core Strategy will provide long term policies aimed to deliver the Council's ambitions through the spatial planning framework. The Licensing Policy will also set out how the Council will support the night-time economy whilst protecting the amenity of our residents.
- 2.12. Each part of the service is required to develop strong networks internally and externally along with the ability to forge effective partnerships with external Agencies and to influence the private sector and other key stakeholders to deliver key council objectives through major projects and policy development.

Investment Estate

- 2.13. The Investment Estate, which is managed by the Development Team, covers all aspects of the Council's non-operational property estate. This includes property and land held for investment purposes, surplus land, and development assets, along with land and development opportunities held within Joint Venture arrangements.
- 2.14. The estate is extremely varied and covers assets such as the Council's freehold estate at Manchester Airport, Manchester Arndale Centre, Heron House, Wythenshawe Town Centre to over 2500 freehold reversionary interests of residential properties across the City. The rent roll from assets held for investment purposes is over £20m pa.
- 2.15. The service is responsible for dealing with the Council's surplus land, development, and regeneration assets. This includes running a programme of capital receipts of land to support the Council's growth ambitions and budget, which involves identifying, preparing, consulting on and undertaking the disposal of assets. The use of the Council's residential development land resource is key to delivering on the recently revised Housing Strategy, in particular ensuring affordable housing targets are achieved. The current in year programme identifies c£6m of capital receipts, and the service is currently on target to deliver that.
- 2.16. The service also oversees the delivery of strategic land and property acquisitions through the Strategic Acquisitions budget. Again, a rolling programme of priority site acquisitions to support the wider regeneration initiatives, such as Wythenshawe Town Centre, Holt Town and Eastern Gateway, Eccleshall Street.

- 2.17. The service, alongside colleagues in the Corporate Estates service, is currently finalising a new asset-led approach to the strategic management of the Council's land and property portfolio of assets to bring together well established and enhanced practices and policies into a single framework document. This Strategic Asset Management Plan (SAMP) will create a new comprehensive framework against which the Council's decisions relating to its property assets are taken, measured against the Council's overarching objectives and policy documents, through a simple and transparent evaluation model. Once adopted this will be managed and resourced through close working between the two teams, ensuring a life cycle approach to the management of the Council's wider asset base including operational, non-operational, surplus and development portfolios.
- 2.18. Through initiatives such as Wythenshawe Town Centre and the submission of the Round 2 Levelling Up Bid, as well as the preparation of the wider masterplanning framework, which is currently out to consultation, and the acquisition of the St Modwens Shopping Centre interest the team is taking a lead role in the district centre programme. Along with Wythenshawe the team are leading on development frameworks for Gorton, Moston Lane and Withington as an initial phase of this work.
- 2.19. The team is also responsible for the undertaking of statutory functions including asset valuations for accounting purposes. These are carried out on an annual rolling programme by internal officers, outsourced partners and specialists procured through the Council's framework as appropriate. Other statutory advice includes undertaking planning viability assessment reviews, both when applications are received and through the reconciliation reviews contained within the s106 agreements. The service continues to work closely with colleagues in planning to ensure that new developments are seen to contribute appropriately through the statutory framework in line with national and local policy.

Manchester Adult Education Service (MAES)

- 2.20. MAES provides adult education, learning and skills from 7 adult education centres across the city. Its primary focus is on providing opportunities for residents with lower levels of skills & qualifications, with on average over 70% of learners on working age benefits and 80% from the City's most disadvantaged areas. Much of the skills curriculum offer is focused on English for Speakers of Other Languages (ESOL), Maths and English & Digital from entry level to GCSE with a vocational offer to Level 3 in childcare and care. There are good progression routes to employment and progression to further learning. The MAES core offer is complemented by enhanced employability support available to all learners through its Make It Happen programme.
- 2.21. MAES generates all its funding externally, mostly through the Greater Manchester Combined Authority (GMCA) commissioned Adult Education Budget. In addition, it receives Education and Skills Funding Agency) funding for 16- to 24-year-old Special Education Needs and Disabilities pupils, the cessation of the DLUHC funding for the Talk English programme has meant

that MAES has had to diversify its income sources to maintain the provision. MAES has continued to see an impact of Covid in its delivery.

Work & Skills

- 2.22. The Work & Skills team is responsible for the development and delivery of the Work & Skills Strategy for the City. It provides a coordinated approach to the post-16 & adult skills and employment support offer across the city, to ensure that the offer is as coherent as possible for young people, adults and businesses and meets the city's labour market requirements. The team engages with local businesses on business growth, skills & employment opportunities and supports business networks across the city. Following Brexit and Covid, the labour market continues to be volatile with vacancies and skills gaps across both frontier and foundational sectors. The team works closely with other stakeholders and employers to maximise the most of these opportunities for Manchester residents.

Digital Strategy

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

Highways

- 2.24. The Highways Service works to improve the city's road networks and public spaces, delivering a range of work that keeps traffic flowing, maintains the public realm and designs major new highway schemes to benefit residents and visitors in Manchester. The Highways Service is made up of several teams:
- Network Management - keeping the city moving, managing parking, traffic, and other aspects of road safety
 - Design, Commissioning and Project Management Team (PMO) - managing and developing our highways
 - Public Realm - maintaining monuments, water features and keeping highway users safe
 - Reducing congestion and supporting business and economic recovery
 - Supporting active travel options of walking and cycling
 - Delivering a programme of highway improvements Revenue Budget.

3. Service budget and proposed changes

- 3.1. The Growth and Development Directorate has a gross budget of £36.114m, generates income of £44.886m resulting in a net income budget of £8.772m, and employs 409 FTEs.
- 3.2. In addition to the Growth and Development Directorate, the Highways service also falls under the remit of this scrutiny panel and the Highways service has a gross budget of £27,959m and a net budget of £20,835m with 243 FTE. The breakdown by service area is provided in the table below:

Table 2: Base budget 2022/23

| Service Area | 2022 / 23 Gross budget | 2022 / 23 Net Budget | 2022 / 23 Budgeted posts (FTE) |
|--|------------------------------|----------------------------|--------------------------------------|
| | £'000 | £'000 | |
| City Centre Growth and Infrastructure | 2,757 | 1,057 | 16 |
| Strategic Development | 360 | 160 | 2 |
| Strategic Housing | 2,441 | 670 | 40 |
| Major Regeneration | 1,238 | 546 | 13 |
| Planning, Building Control and Licensing | 8,098 | (621) | 137 |
| Investment Estate | 8,979 | (12,536) | 31 |
| MCDA | 1,315 | 0 | 0 |
| Work and Skills and MAES | 10,924 | 1,950 | 170 |
| Growth & Development Subtotal | 36,112 | (8,774) | 409 |
| Highways | 25,181 | 20,835 | 243 |
| Total | 61,295 | 12,061 | 652 |

- 3.3. In November this scrutiny panel was presented with savings options of £3.54m over the three years for consideration. The Government funding settlement on 19 December 2022 reflected a change in Government policy and provided more funding than had been forecast, this has provided the opportunity to review both the quantum and phasing of savings to ensure that we minimise wherever possible the impact on service delivery. The key changes to savings options since the last committee are set out below:

Growth & Development

- 3.4 Growth & Development initially proposed savings of c£2.044m over the three-year period. Following the review, savings options of £100k have been removed from the options presented in November. The table below sets out the details of savings that have been removed and Appendix 1 details the revised savings options of £1.944m from Growth & Development, and there is further narrative on the savings options below.

| Removed Savings Description | 2023/24 £000's | 2024/25 £000's | 2025/26 £000's | Total Removed £000's |
|------------------------------------|---------------------------|---------------------------|---------------------------|-------------------------------------|
| Reduced capitalisation of salaries | (100) | 0 | 0 | (100) |
| Total Removed Savings | (100) | 0 | 0 | (100) |

Growth and Development Budget Savings/Cuts

Investment Estate

- 3.5 The Department receives a proportion of annual rental income from Manchester Airport Group. Based on estimates provided by the Airport, additional income of £1.615m income has been built into the budget over the next three-year period. Achievement of this income is dependent on performance being in line with or better than the forecasts provided.
- 3.6 A review of the funding arrangements for staff has identified opportunities to capitalise staffing costs, the initial proposal was £250k per annum, but following the review off all options this has been reduced by £100k to £150k. This review has taken into consideration the most appropriate source of funding given the activities of staff.
- 3.7 The proposed sale of an asset in Wythenshawe will result in a capital receipt, there is currently a budget of £170k in respect of the internal loan used to fund the acquisition of the building. Once the site is disposed of the outstanding borrowing will be settled and there will be a saving of £170k per annum.

Strategic Housing

- 3.8 The deletion of a vacant grade 4 post will result in a £9k saving to the General Fund, with the balance of the saving being reflected in the Housing Revenue Account.

Highways Services

- 3.9 Highways services are within Neighbourhood Services directorate, but fall under the remit of this scrutiny committee, and details of the revised savings and changes since November meeting are set out below.
- 3.10 As part of looking to identify possible savings to support the overall budget, priority has been given to generating increased income. Highway's initial proposals were £354k over three years but following review the total highways savings proposals have reduced by £129k to a revised total of £225k. The revised proposals are made up of a combination of increased income £160k and deleting 2 vacant positions £60k, the table at Appendix 1 sets out the revised savings proposals for approval and the table below sets out details of the initial proposed savings that have now been removed.

| Removed Savings Description | 2023/24 £000's | 2024/25 £000's | 2025/26 £000's | Total £000's |
|--|---------------------------|---------------------------|---------------------------|-------------------------|
| Not undertake maintenance work outside off working hours | (75) | 0 | 0 | (75) |
| Change Neighbourhood liaison role | (54) | 0 | 0 | (54) |
| Temporarily reduce gully cleansing | (250) | 0 | 250 | 0 |
| Total removed savings | (379) | 0 | 250 | (129) |

3.11 The table in Appendix 3 sets out the three-year budget position for the directorate, and further narrative is provided in the following paragraphs.

4. Investment and Growth

4.1. It is proposed to invest £300k to provide additional resources to enable capacity to support the establishment of a new team within City Centre Growth and Infrastructure, and to provide additional capacity to the Highways Development Specialist team. The teams will work closely together to ensure that an integrated and holistic approach is taken to the development and delivery of strategic infrastructure across the city, with an initial focus on the development and delivery of our sustainable and active travel programmes and driving forward delivery of our Clean Air and net-Zero Carbon transport aims in line with Our Manchester Strategy. These roles will ensure alignment of scheme delivery, for all our residents, in line with our 2038 net-zero carbon and 2040 Strategy transport commitments.

5. Workforce

5.1 As part of the savings proposals there is an overall reduction of 2 FTE and these are all currently vacant posts.

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

6. Future opportunities and Risks

- 6.1. The Directorate continues to be affected by Covid, particularly around the investment estate and tenants seeking support for rent holidays – work is ongoing to assess each request on a case-by-case basis.
- 6.2. Current economic climate and cost of living crisis, particularly implications on development and investment in the city and particularly cost of living impact on residents.
- 6.3. Legislative changes in building safety requirements and change in requirements and increased demands on Planning and Building control.

7. Appendices

Appendix 1 – Savings Schedule

Appendix 2 – Indicative Medium-Term Budgets by Service

Appendix 3 – Indicative Medium-Term Budgets by Type of Spend Income

Appendix 1 - Savings Schedules

| Service | Description of Saving | Type of Saving | RAG Impact | Amount of Saving | | | | Indicative FTE Impact |
|-------------------|--|-------------------|--|------------------|------------|------------|--------------|-----------------------|
| | | | | 2023/24 | 2024/25 | 2025/26 | Total | |
| | | | | £'000 | £'000 | £'000 | £'000 | |
| Investment Estate | Recognise annual agreed increase in Manchester Airport Group Rents | Income Generation | Minimum rents increase in line with contracts | 630 | 170 | 815 | 1,615 | 0 |
| Investment Estate | No invest to save recharge following sale of property | Efficiency | None | 170 | 0 | 0 | 170 | |
| Investment Estate | Charge staff time to capital/sale activity | Efficiency | Will increase capital costs, but reflective of activity levels | 150 | 0 | 0 | 150 | 0 |
| Strategic Housing | Delete existing vacancy in strategic housing | Efficiency | Potential reduced staffing capacity | 9 | 0 | 0 | 9 | 1 |
| Total | | | | 959 | 170 | 815 | 1,944 | 1 |

Highways Savings Schedule

| Description of Saving | Type of Saving | RAG Impact | Amount of Saving | | | | Indicative FTE Impact |
|---|-------------------|--------------------------------|------------------|---------|---------|-------|-----------------------|
| | | | 2023/24 | 2024/25 | 2025/26 | Total | |
| | | | £'000 | £'000 | £'000 | £'000 | |
| Developer Fee Income - S278's would generate fees for checks, and approvals to designs etc. | Income Generation | Increased costs for developers | 0 | 35 | 0 | 35 | 0 |

| | | | | | | | |
|--|-------------------|--|------------|-----------|----------|------------|----------|
| Increased fee income from design and project management work | Income Generation | Increased capital costs for staff time on design and project management | 75 | 0 | 0 | 75 | 0 |
| Delete 2 vacant posts in highways maintenance team | Efficiency | Reducing in size the workforce reduces the flexibility to respond to unscheduled challenges in the future | 65 | 0 | 0 | 65 | 2 |
| Income from Weekend inspections | Income | New Evening & weekend Highway Inspectors will prevent non-permitted on non-licensed works taking place. As a result, there will be more FPN's issued to developers & utility companies | 50 | 0 | 0 | 50 | 0 |
| | | | 190 | 35 | 0 | 225 | 2 |

Appendix 2: Indicative Medium term budgets by service

| Service Area | 2022/2023 Budget | 2023/2024 Indicative Budget | 2024/2025 Indicative Budget | 2025/2026 Indicative Budget |
|--|-----------------------------|--|--|--|
| | £'000 | £'000 | £'000 | £'000 |
| City Centre Growth and Infrastructure | 1,057 | 1,357 | 1,357 | 1,357 |
| Strategic Development | 160 | 160 | 160 | 160 |
| Strategic Housing | 670 | 661 | 6616 | 661 |
| Major Regeneration | 546 | 546 | 546 | 546 |
| Planning, Building Control and Licensing | (621) | (621) | (679) | (679) |
| Investment Estate | (12,536) | (13,786) | (13,956) | (14,771) |
| Work and Skills and MAES | 1,950 | 1,950 | 1,950 | 1,950 |
| Total | (8,774) | (9,733) | (9,903) | (10,718) |

| Service Area | 2022/2023 Budget | 2023/2024 Indicative Budget | 2024/2025 Indicative Budget | 2025/2026 Indicative Budget |
|---------------------|-----------------------------|--|--|--|
| | £'000 | £'000 | £'000 | £'000 |
| Highways | 20,835 | 20,645 | 20,610 | 20,610 |

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

| Growth & Development | 2022/2023 Budget | 2023/2024 Indicative Budget | 2024/2025 Indicative Budget | 2025/2026 Indicative Budget |
|---|-----------------------------|--|--|--|
| | £'000 | £'000 | £'000 | £'000 |
| Expenditure: | | | | |
| Employees | 19,685 | 19,976 | 19,976 | 19,976 |
| Running Expenses | 14,012 | 14,012 | 14,012 | 14,012 |
| Capital Financing Costs | 2,339 | 2,169 | 2,169 | 2,169 |
| Contribution to reserves | 0 | 0 | 0 | 0 |
| Sub Total Subjective Expenditure | 36,036 | 36,157 | 36,157 | 36,157 |
| Less: | | | | |
| Other Internal sales | (459) | (609) | (609) | (609) |
| Gross Expenditure | 35,577 | 35,548 | 35,548 | 35,548 |
| Income: | | | | |
| Government Grants | (8,454) | (8,454) | (8,454) | (8,454) |
| Contributions from Reserves | (3,971) | (3,971) | (3,971) | (3,971) |
| Other Grants Reimbursements and Contributions | (70) | (70) | (70) | (70) |
| Customer and Client Receipts | (31,854) | (32,784) | (32,954) | (33,769) |
| Other Income | (2) | (2) | (2) | (2) |
| Gross Income | (44,351) | (45,281) | (45,451) | (45,451) |
| Total Net Budget | (8,774) | (9,733) | (9,903) | (10,718) |

| Highways | 2022/2023 Budget | 2023/2024 Indicative Budget | 2024/2025 Indicative Budget | 2025/2026 Indicative Budget |
|---|-----------------------------|--|--|--|
| | £'000 | £'000 | £'000 | £'000 |
| Expenditure: | | | | |
| Employees | 11,196 | 11,131 | 11,131 | 11,131 |
| Running Expenses | 25,355 | 25,355 | 25,355 | 25,355 |
| Capital Financing Costs | 1,990 | 1,990 | 1,990 | 1,990 |
| Contribution to reserves | 0 | 0 | 0 | 0 |
| Sub Total Subjective Expenditure | 38,541 | 38,476 | 34,476 | 34,476 |
| Less: | | | | |
| Other Internal sales | (10,583) | (10,583) | (10,583) | (10,583) |
| Gross Expenditure | 27,957 | 27,892 | 27,892 | 27,892 |
| Income: | | | | |
| Government Grants | (3,043) | (3,043) | (3,043) | (3,043) |
| Contributions from Reserves | (1,118) | (1,118) | (1,118) | (1,118) |
| Other Grants Reimbursements and Contributions | | | | |
| Customer and Client Receipts | (2,962) | (3,086) | (3,121) | (3,121) |
| Other Income | | | | |
| Gross Income | (7,122) | (7,247) | (7,282) | (7,282) |
| Total Net Budget | 20,835 | 20,645 | 20,610 | 20,610 |

**Manchester City Council
Report for Resolution**

Report to: Resources and Governance Scrutiny Committee – 7 February 2023
Executive – 15 February 2023

Subject: Housing Revenue Account 2023/24 to 2025/26

Report of: Strategic Director (Growth & Development)
Strategic Director (Neighbourhoods)
Deputy Chief Executive and City Treasurer

Summary

This report presents members with details on the proposed Housing Revenue Account (HRA) budget for 2023/24, an indication of the 2024/25 and 2025/26 budgets, alongside the outlook for the 30-year HRA business plan in light of the budget proposals.

As part of the budget setting process the rent levels also need to be set. Social rents have been subject to annual increases aligned to a national rent policy. Usually this would allow social housing rents to be increased by up to the consumer price index (CPI) plus 1%, meaning that next year's rents would be increased by 11.1%.

The cost-of-living crisis resulted in the Government launching a consultation exercise around the level at which the rent cap should be set at in 2023/24. The government has since advised that the maximum social rent increase will be capped at 7%, with an exception for properties within PFI contracts, where the standard PFI unitary charges are contractually linked to inflation measures.

The report therefore seeks approval to increase rents in line with current Government guidance of restricting rent increases to a maximum of 7% for all properties, except PFI properties, where standard increase of CPI +1% (11.1%) is proposed, also in line with Government policy.

Given the current economic climate, both the cost-of-living pressures faced by tenants and the inflationary impacts of running services within the HRA need to be considered when setting the overall budget including rent levels. Given the impact on tenants of rent increases, a larger support fund for residents in need is proposed.

It is also proposed that the City Council continue with the policy of aligning rents to the formula rent level when properties are re-let.

Recommendations

Scrutiny Committees are invited to review and comment on the proposed HRA Budget.

The Executive is recommended to:

- a) Note the forecast 2022/23 HRA outturn as set out in section 4.

- b) Approve the 2023/24 HRA budget as presented in Appendix 1 and note the indicative budgets for 2024/25 and 2025/26.
- c) Approve the proposed increase to dwelling rents, and delegate the setting of individual property rents, to the Director of Housing Operations and the Deputy Chief Executive and City Treasurer, in consultation with the Executive Member for Housing and Development and the Executive Member for Finance and Human Resources.
- d) Approve the proposal that we continue with the policy of where the 2023/24 rent is not yet at the formula rent level, the rent is revised to the formula rent level when the property is re-let.
- e) Note the proposed 2023/24 changes for communal heating charges as detailed in paragraphs 6.11 to 6.21 and approve the change in policy so that charges can be aligned with the Ofgem price cap over the following financial year in a phased approach and adjusted in line with any change to the Ofgem price cap once alignment has been reached thereafter.
- f) Approve a proposed £1m support fund to support residents and tenants with increased costs of both rent and heating charges.
- g) Approve the proposed 2023/24 Housing Operations revenue budget as detailed in paragraphs 6.33 to 6.38.
- h) Approve the proposed increase in garage rental charges as outlined in paragraph 6.42

Wards Affected: Ancoats & Beswick, Charlestown, Cheetham, Crumpsall, Harpurhey, Higher Blackley, Moston, Ardwick, Clayton & Openshaw, Miles Platting & Newton Heath and Piccadilly

Environmental Impact Assessment – the impact of the issues addressed in this report on achieving the zero-carbon target for the city.

As part of developing the HRA capital programme the retrofitting of existing homes to meet zero carbon objectives is at the heart of the programme.

Equality, Diversity and Inclusion - the impact of the issues addressed in this report in meeting our Public Sector Equality Duty and broader equality commitments

Consideration has been given to how the proposals in the HRA budget could impact on different protected or disadvantaged groups. Where applicable proposals will be subject to completion of an Equality Impact Assessment (EqIA).

| Manchester Strategy Outcomes | Summary of the contribution to the strategy |
|---|---|
| A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities | A healthy and fit for purpose affordable housing market will support a functioning local and sub regional economy. |
| A highly skilled city: world class and home-grown talent sustaining the city's economic success | Access to appropriate affordable housing and services will support residents to achieve and contribute to the city. |
| A progressive and equitable city: making a positive contribution by unlocking the potential of our communities | The supply of affordable good quality homes will provide the opportunity for Manchester residents to raise their individual and collective aspirations. |
| A liveable and low carbon city: a destination of choice to live, visit and work. | The right mix of affordable quality energy efficient housing is needed to support growth and ensure that our growing population can live and work in the City and enjoy a good quality of life. |
| A connected city: world class infrastructure and connectivity to drive growth | Affordable social housing plays an important part in ensuring that there are neighbourhoods where people will choose to live, and their housing needs and aspirations are met. |

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

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

Financial Consequences – Revenue

All expenditure and income related to the provision of Council housing must be contained within the Housing Revenue Account which is a ring-fenced fund separate to the Council's General Fund.

The HRA financial plan covers a rolling period of 30 years and considers all rental incomes, Private Finance Initiative (PFI) grants and heating charges, which must be used for the purpose of funding the costs of managing and maintaining HRA assets.

Whilst HRA expenditure can exceed income in any given year, any deficit must be funded from HRA reserves, and the HRA cannot go into deficit overall, meaning that budgets have to be balanced over the medium to long term.

It should be noted that the HRA budget is forecast to remain in surplus in the short term although there is a forecast cumulative deficit of c£17m over the 30-year period. The deficit is a reflection of the fact that the financial model is sensitive to cumulative changes and any relatively small change in year one can have a much larger impact over the life of the business plan. Officers are continuing to look at all budgets in

order to ensure that all spending is in line with agreed objectives, and that all spending represents value for money to help ensure a balanced budget over the life of the business plan.

Financial Consequences – Capital

Within the proposed HRA budget a mandatory charge for depreciation is made, and this can be used to either fund capital expenditure or reduce long term borrowing. In the current year's HRA, depreciation is forecast to be c£22m, and the capital programme is forecast to spend c£26m, further details on future capital investment plans and funding requirements is included within the body of the report.

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Background documents (available for public inspection): None

1. Introduction

- 1.1. The purpose of this report is to update the committee on the factors that have been considered as part of preparing the 2023/24 Housing Revenue Account (HRA) budget. This report sets out the assumptions that have been included in developing the HRA budgets, including the proposed increases to rents and heating charges alongside the proposal to increase the support fund for residents from the £200k in 2022/23 to £1m in 2023/24.

2. Statutory Duties in Determining the HRA Budget Strategy

- 2.1. The rules governing the operation of the HRA were established pursuant to the Local Government and Housing Act 1989 and provide that:
- The Council must formulate proposals in respect of HRA income and expenditure for the financial year which, on the best assumptions and estimates that the Council is able to make at the time, ensure that the HRA does not show a deficit balance.
 - The Council is required to keep an HRA in accordance with proper practice. The Council has the responsibility to determine a strategy that is designed to ensure that the HRA is in balance over the course of the 30-year business plan.
 - The HRA continues to be a ring-fenced account, this means that it must, in general, balance on a year-to-year basis, so that the costs of running the Housing Service, which include debt charges, administration costs, maintenance expenditure and PFI charges must be met from HRA income.
- 2.2. The ringfencing of the HRA ensures that all the income and expenditure in relation to managing of the council housing stock is separate to the General Fund and that there is no cross subsidy between either fund (tenants and the taxpayer and vice versa).

3. Background

- 3.1. Since the introduction of Self Financing within the HRA from April 2012 the Council has had to manage its housing stock on a similar basis to other Registered Providers of social housing. This has entailed developing a rolling 30-year business plan and reviewing the use of existing assets and long-term borrowing to ensure that benefits are maximised.
- 3.2. In developing the 30-year business plan it is essential that the spending reflects the priorities agreed by members, and there is adequate assurance that the plan is robust and based on sound assumptions.
- 3.3. The HRA business plan seeks to consider all risks and ensures that any investment decisions are affordable and sustainable both in the short and longer term. It should be noted that whilst the business plan covers 30 years, any relatively small changes now can have much larger impacts over the 30 years because of the compounding impact of those changes. Therefore, whilst the business plan is considered over the 30 years, the focus is primarily on the initial 3-to-5-year planning period, where the assumptions and estimates are most accurate. Ultimately the HRA cannot go into deficit so any indication of potential funding shortfall in the medium term will need to be addressed

through savings or cost reductions as part of the budget process in order that the statutory requirement can be adhered to.

- 3.4. In February 2019, the Government released a policy statement on rents for social housing, which included a direction to the Regulator of Social Housing to have regard for the following when setting the rent standard for registered providers of social housing:
- From 1 April 2020, registered providers may not increase rents by more than CPI (at September of the previous year) plus one percentage point in any year.”*
- 3.5. In summer 2022 the Government undertook a consultation exercise and sought views on whether the rent policy should be amended for 2023/24 due to the current high inflation rates and potential rent increase of 11.1% for all tenants under the previous rent policy. Following the consultation and as part of the Government’s Autumn Statement on 17 November 2022, the Chancellor announced that social housing rents will be capped at a maximum 7%, whilst PFI scheme properties remained unaffected, and PFI rents can be increased in line with the original rent policy.
- 3.6. As with any capping policy, a decision not to increase rents by the maximum amount means that the income forgone is unable to be recovered in future years. This can have a large impact over the 30-year life of the HRA business plan.
- 3.7. This report sets out the assumptions that have been made as part of the HRA budget preparation. It should be noted that the longer-term budget is based on forecasts and is very sensitive to any changes in assumptions, in particular the level of future years rent increases.
- 3.8. Total HRA reserves (excluding the Insurance Reserve) are forecast to be around c£97m at the end of the current financial year (2022/23) but are forecast to reduce by c£49m by 2025/26 to around £47m. These reductions reflect the current proposed capital investment of c£103m over the next three years. This includes c£91m of HRA resources, with the balance from external grants and capital receipts, and this will change as more capital proposals are brought forward in later years. The impact of the current high inflationary costs on some contracts has also had an adverse impact on reserves. Reserves can only be used once, so to support further ongoing capital investment over and above the annual budget provision it will require identification of additional external funding, or reduced revenue costs.
- 3.9. Further details of the phasing of capital investment and the priority investment areas are set out in the capital section (para 6.20-6.27) of this report. The current plan does not include most works required to enable the Council to achieve its zero carbon targets by 2038. The costs of retrofitting council stock today are estimated to be an additional c.£255m or c£16.5k per property. This is the cost over and above the works already planned. This will not be achievable from within the ringfenced HRA without government support and/or changes to the current HRA regulations.

4. Current Year's Budget Position as at Period 9

4.1. The original approved HRA budget forecast that c£13.188m of reserves would be used in year to support the planned capital investment of c£33m. As of December 2022, the HRA is forecasting that expenditure will be £14.940m higher than income, which will need to be funded by the additional use of reserves to that planned. In effect the HRA is forecasting an overspend of £1.752m and the main reasons for in year changes are as follows:

- An increased number of Right to Buys following the pandemic and a higher level than budgeted for void properties (1.96% year to date against the 1% target) has meant that Housing Rents are £0.877m lower than budget. An improvement plan is in place and continues to actively reduce the level of void properties (see para 6.3), and this results in an increase in the number of lettings to residents and ongoing reduction in void rent loss.
- Northwards Housing was brought back into the City Council from July 2021, and savings of c£1.6m have been achieved through a combination of reduced accommodation costs, staffing changes and reduced running costs. The original indicative savings were c£2.4m, but on more detailed examination not all of the savings options have been realisable.
- The repairs and maintenance contract is forecast to overspend by £5.691m, due to an inflationary uplift of £1.36m and increased costs of bringing higher number of void properties back into use. There are also additional disrepair costs of c£0.9m.
- Heating charges – due to the significant increase in energy costs the cost of gas for tenants' properties is forecast to be c£2.176m higher than budget. Whilst tenants heating charges were increased at the start of the year they have not been subjected to any further increases in year, this does contribute to the significant rises proposed as part of the 2023/24 heating charges, when charges are proposed to be realigned to the energy price cap level.
- Private Finance Initiative contractor costs are £0.649m higher than forecast, due to a combination of c£400k agreed contract variations and contractual annual inflationary increases above budget of c£249k.
- The above overspending areas are offset by reduced expenditure of around £7.399m in respect of Revenue Contribution to Capital Outlay (RCCO), due to slippage and delays on several capital investment schemes, including Riverdale maisonettes, installation of Heat Pumps, and the Collyhurst redevelopment. The capital programme slippage is due to a combination of ongoing access refusals and delays in the supply chain.
 - A further £0.884m is due to the fact the sprinkler works on PFI properties have now moved into 2023/24.
 - Other minor underspends totalling £258k.

5. Budget Strategy 2023/24 - 2025/26

5.1. As part of preparing the HRA financial plan it is important that the plan is regularly updated to reflect the most up to date information and the assumptions around longer-term changes including housing stock numbers, proposed capital investment needs, existing inflation rates and forecast income levels.

- 5.2. The HRA budget complies with the statutory requirement to be in balance over the three-year budget strategy period, although there is a small deficit over the course of the 30-year business plan. This is due to several factors, including:
- the Government's imposed 1% rent reduction over four years from 2016/17, a change in policy since self-financing was introduced in 2012 and the original business plan was established.
 - the ongoing increased capital investment in fire safety prevention works following the impact of the Grenfell Tower fire disaster, and other planned investments
 - the current high rates of inflation that are impacting on both revenue and capital costs.

Costs are regularly reviewed in order that efficiencies can be identified to ensure that reserves are kept at a sufficient level to enable risk to be managed and resources to be available to fund future works required.

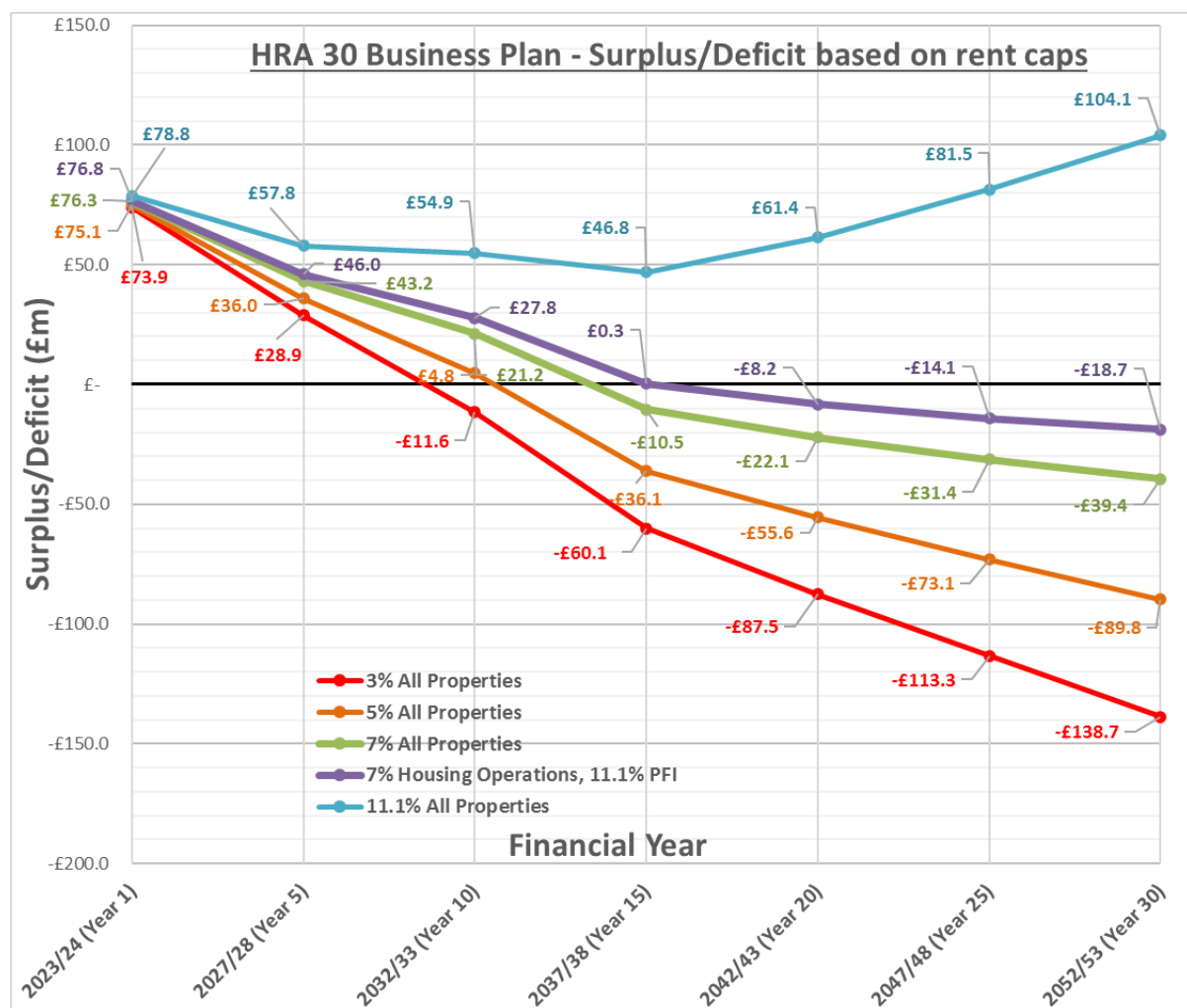
Current 2023/24 Budget Assumptions

Rental Income

- 5.3. In previous years Government guidance has allowed Local Authorities to increase rents by a maximum of CPI plus 1%. The CPI rate used is based on the September figure in the preceding year, and as at September 2022 CPI was 10.1% and the proposed rental increase would have been up to 11.1% for all properties. The Government announced as part of the Autumn spending statement that for 2023/24 social housing rents are to be capped at a maximum of 7%, except for PFI properties that can remain in line with the original rent policy and can be increased by CPI +1%, i.e. 11.1% annual increase.
- 5.4. This HRA budget has been prepared on the basis of applying the maximum rent increase, that is 7% rent increase to all tenants, except for PFI properties that will be increased by 11.1% with effect from April 2023. Based on these increases the average weekly rent (based on 52 weeks) will be:
- General Needs £83.88 (£5.49 increase)
 - Supported Housing £76.45 (£5.00 increase)
 - PFI Managed £101.72 (£9.99 increase)
- 5.5. Whilst increases of 7% and 11.1% have been applied to social housing rents, the housing benefit levels have not been capped, and the proposed rent increases will be covered in full for those residents in receipt of 100% housing benefit entitlement, and tenants in receipt of universal credit will also be partially protected from the impact of any increase in rents.
- 5.6. In light of the current economic climate and the potential impact the proposed rent and heating charge increase may have on the most vulnerable tenants it is proposed that the hardship fund is increased from the initial £200k provided in 2022/23 to £1m in 2023/24. This fund will provide targeted support to those most affected by the cost-of-living crisis.

5.7. Whilst the cap on rents is welcomed from a tenant’s perspective, there is no cap applied in respect of inflationary impacts on expenditure incurred by the HRA and the 7% increase (11.1% for properties managed under PFI contracts) results in c£2.0m less rental income in 2023/24 and c£78m over the life of the 30-year business plan, which will mean £78m less to invest into the estate over that time.

5.8. The graph below sets out the impact over the life of the business plan of the proposed 7% rent increase for all properties, except PFI properties, where the standard increase of CPI +1% is proposed. This is shown alongside the impact of the other options considered as part of the original Government consultation i.e. 3%, 5%, 7% and 11.1% for all properties. At the end of 30 years the deficit with a 7% increase for all properties and 11.1% increase for PFI properties is c£19m, but if rents for every property were increased by 11.1% the position after 30 years shows a £123m improvement to a c.£104m surplus.



5.9. The chart above shows how sensitive the HRA is to relatively small changes, particularly over the 30-year plan. Whilst the change in rent policy does reduce the rental income by c£2m in 2023/24 the longer-term implications are far more significant. This is due to the cumulative effect of the losses over the 30 years. It is still not known what the rent policy will be for future years, particularly 2024/25 if inflation remains high, but further work is required to be done in order to increase income generation or reduce expenditure to ensure a balanced position in the longer term.

6. Management of Housing Stock and Property Numbers

- 6.1. The Council continues to own and manage just under c15,000 properties within the HRA under various arrangements. These include in-house management of c12,000 properties, three PFI schemes that include c2,600 properties, and one management arrangement with Peaks and Plains for 11 properties. There is currently an arrangement with an RP to manage c170 properties in West Gorton, but this contract ends as at 31st March 2023 and the management of this stock will transfer to the City Council.
- 6.2. In the 2022/23 financial year Right to Buy Sales (RTB) have increased following the pandemic, and sales of around 230 properties are forecast in the current year. The number of sales has reduced in recent months and due to the ongoing cost of living crisis and increased interest rates it is forecast that the number of sales will reduce back to pre-pandemic levels. The budget currently assumes 1.25% for the next five years of the Business Plan, before dropping back to 1% for the remaining years of the plan. This will reduce the level of rent income achieved and the number of sales will continue to be closely monitored. The current business plan does not assume that these assets are replaced within the HRA, and as such the stock is forecast to diminish over time unless a strategy of replacement is adopted. Based on current assumptions there will be c11,300 properties at the end of 30 years, if the stock lost through Right to Buys continues at the trend rate and are not replaced.
- 6.3. As referenced at 4.1 above, void properties are higher than the 1% forecast as part of the original business plan. There has been an improvement on the voids position which have reduced from the December figure of 182 to 161, with 70 of these currently being refurbished. Due to the ongoing work the number of voids continues to reduce, and this is having a positive impact on relet time and void rent loss. For budgeting purposes, it has been assumed it will be at c.1%.
- 6.4. Bad Debts – A provision of 1% per annum based on rental income has been built into the business plan. This is a small increase on the 0.9% forecast for 2022-23. Given the likely pressure that tenants will be under because of the cost-of-living crisis this will need to be kept under review.
- 6.5. In 2022/23 MCC introduced the innovative HRA Support fund, allocating £200k to help council tenants to meet the increased demands imposed by higher inflation, energy and grocery costs during the cost-of-living crisis. Manchester was one of the only councils to introduce such a scheme and as at, December 2022 c.£100k has been allocated to support local residents.
- 6.6. As the cost-of-living crisis continues to significantly impact many of our communities, particularly those on the lowest incomes and most often in social rented properties, the council as part of the new Anti-Poverty Strategy is proposing to increase the support fund to £1m in 2023/24 so that the much-needed financial assistance is available to those most in need.
- 6.7. The increased support will be available from April 2023 and will provide further help for residents with increased costs of rent and heating charges. The fund is available to all HRA tenants including the council managed stock, and the

three PFI arrangements. To aid residents in accessing the funds the current application process for accessing the support fund is being reviewed in order to ensure that funds can be directed more swiftly to residents.

Other Income

6.8. Other income is forecast to be c.£1.974m in 2023/24 and it is assumed that these budgets increase in line with CPI, for 2023/24 8.5% inflation is assumed, which is a slight reduction on current rates of CPI. The other income budgets are made up as follows:

- Non-Dwelling Rents and Other Income includes:
 - Rental income from garage rents, shops, offices, ground rents and telecoms masts - **£393k**
 - Other Income and Contributions – Contributions towards ground maintenance and solar panel income. This includes a one-off receipt of £0.883m in respect of transferring Elizabeth Yarwood Court from the HRA to the City Council general fund. - **£1.158m**
- Recharge to Homelessness **£233k** – rental income in relation to HRA properties used by Homelessness
- Income from Leaseholders (e.g., contribution to heating, cleaning, and repairs to communal areas) - **£112k**
- Investment Income - **£78k** in respect of interest due on balances

Private Finance Initiative Schemes

6.9. The PFI schemes are funded through a combination of PFI credits provided by the Government, and rental income for the PFI properties. Whilst the Government PFI credits are fixed and do not increase each year and so do not reflect any ongoing increases in costs. The PFI contracts are not capped and each of the PFI contracts will increase in line with contractual inflationary increases - for budget purposes the increase is forecast to be 10%. It is therefore recommended that rents for properties managed under a PFI contract are increased by 11.1%, in line with Government guidance. This also reflects the levels of expenditure on the maintenance of these properties under the terms of the contracts.

6.10. PFI schemes are funded through a combination of Government grants and rental income from PFI properties, the indicative budget at Appendix 1 shows that total PFI contractor costs in 2023/24 are c£36.3m, and this is £1.6m higher because of the inflationary increase as part of the contract. The PFI grant support is c£23.3m and this remains constant for the duration of the PFI scheme. The proposed 11.1% rent increase on PFI properties will realise c.£1.1m increased rental income.

Communal Heating

6.11. In general, and over time, it is the intention that heating charges are set to reflect the actual cost of gas consumed. However, there are reasons why in practice this is difficult to achieve:

- Charges are set based on anticipated prices for the following year and consumption from the previous year
- Some of the heating systems are not efficient in operation, although work is ongoing to improve these.

- 6.12. Communal heating gas is sourced as part of the City Council gas contract, and this was renewed in April 2022. At the time of 2022/23 budget setting an increase of c80% was forecast. In recognition of the uncertainty in gas prices and to provide some protection to residents the 2022/23 costs for district heating schemes were capped at a maximum increase of 20%, this was aligned to the forecast increase in the Ofgem price cap at that time.
- 6.13. Since the 2022/23 budget was set there has been worldwide turmoil in the energy markets mainly due to the war in Ukraine and this is seen exponential increases in wholesale gas prices. In January 2022 at the time of setting the current years HRA budget, the Ofgem price cap was £1,277, this is in effect the maximum any household can pay for energy costs based in typical usage. Following the Russian invasion of Ukraine in February 2022 and the resulting turmoil in energy markets the Ofgem price cap increased by 54% to a cap of £1,971 in April 2022 and continued to increase in subsequent reviews.
- 6.14. Despite the significant increase in wholesale gas prices, the price of tenants heating charges has only been subject to the original 20% increase that was approved as part of the 22/23 budget process and there has been no review or change to tenant's heating prices during the current financial year. On average tenants are currently paying c£7.36 per week or £368 per year for heat. This has resulted in a significant under recovery of gas costs through heating charges from residents, and this is forecast to be c.£2.176m in the current financial year. This is unlike most other households who will have been subjected to regular increases in line with the Ofgem price increases In August 2022 the Government introduced the Energy Price Guarantee whilst this is lower than the Ofgem Price Cap and restricts the amount per unit that any households can pay to c£2,500, (based on average usage) this is still almost double the January 2022 price cap. Ofgem are due to issue details of the April price cap on 27 February 2023, although Government have already announced that the Energy price guarantee will increase from the current £2,500 to £3,000 – this is lower than the Ofgem cap and is set to provide the additional support to households in the current turbulent markets.
- 6.15. Due to the uncertainty in wholesale gas prices, and the continued increase in consumer gas prices throughout 2022, the price caps have had to be increased on a quarterly basis to provide a level of protection to all households, and as at December 2022 the Ofgem price cap was £4,279, this is an in-year increase of 335%.
- 6.16. Due to the high increases and to provide some level of protection to both suppliers and customers and to enable prices to be changed quicker, rather than every 6 months it was announced in August 2022 that the price cap is to be reviewed quarterly rather than every 6 months. In addition to the price cap and as part of trying to support households with the significant increases in energy costs the government have also introduced a number of schemes designed to support households with the large increase in energy costs, and they include:
- Energy Bill support scheme – this provides households with £400 non repayable discount on their energy bills and is credited to electricity accounts over 6 months Oct – March, if customers are paying by traditional pre-payment meters, then they will receive discount vouchers

that need to be redeemed at the post office. This scheme is available to district heating customers, and in instances when it is not available the Government has set up the Energy Bill Support Scheme Alternative Fund.

- The Energy Price guarantee is intended to protect customers from increases by capping the amount that can be charged, it currently stands at £2,500 per annum based on typical usage. The £2,500 cap is to be increased to £3,000 from April 2023 and will last until the end of March 2024. The £3,000 cap includes both gas and electric costs and is the equivalent of £57 per week.
- Winter Fuel payments – pensioners have received an extra one off £300 pensioner cost of living payment, this was paid as an automatic top up to the winter fuel payment.

- 6.17. There are currently around 2,250 residents on district heating schemes, and they pay for all-inclusive heat either through their rent or through point of sales top up, in addition to the heat charges they will also have electricity bills to pay. As referred to above in the current financial year there has been a shortfall in heating costs of c£2.1m, and in order to ensure no cost subsidy in 2023/24 the costs of heating would need to be increased by c300% for each household. Whilst there is no ideal time to introduce such large increases in costs to tenants, it is also not sustainable to continue subsidising tenants heating costs on going, therefore it is proposed that heating charges are increased by an initial average of £6.04 per week to an average of £13.40 in April 2023. It is proposed that heating charges are then reviewed on a quarterly basis with the aim of balancing the needs of reducing any subsidy to tenants heating bills, but also seeking to reduce the deficit on the HRA. Whilst there continues to be uncertainty, wholesale gas prices have been falling in recent months and the proposed move to quarterly review of prices will allow any price changes to reflect the most up to date position on gas costs.
- 6.18. Whilst it is acknowledged that the proposed increase is not ideal at any time, not least when other costs are also rising, it is important to recognise that the proposed increases will still leave a deficit on the costs of gas of £1.155m in the HRA in 2023/24 financial year. This will need to be reviewed on a quarterly basis against the costs of gas, and the potential changes to residents' heating charges.
- 6.19. The proposed charges outlined in Appendix 2 have been calculated using an initial 75% increase with effect from April and this results in an average heating charge of £13.40 per week, or £670 per year and this will be reviewed on a quarterly basis with a view to ensuring that heating charges are aligned to the costs of gas.
- 6.20. In recognition of the increase in both rents and heating charges the support fund available to support tenants most in need has been increased to £1m for 2023/24. Details of how this will be administered are currently being developed, but the scheme will be in place by April to support those most in need.
- 6.21. As part of the Councils Zero Carbon commitment work is continuing to source additional external funding for works, and there continues to be a programme

of capital investment that looks to both improve energy efficiency of homes and reduce carbon. As part of the ongoing investment in energy efficiency measures and to help reduce carbon there is £2m programmed next year to install new boilers or heat pumps, and this will help take over 300 households of the existing district schemes.

Debt Financing and Borrowing Costs

- 6.22. As part of the introduction of self-financing in 2012, the exercise included a calculation which determined the affordable level of debt for each HRA and a national reallocation of debt was made. As part of the reallocation Manchester received c.£294m leaving a debt balance of c£121m. The 2023/24 opening HRA capital financing requirement is anticipated to remain unchanged at £121.26m, and this is funded through a combination of market loans and internal funding using reserves. Using internal funds means there are no additional interest costs, and the debt does not increase. If the reserves fall below the level of internally funded debt, then new borrowing will be required, and interest charges will increase. The longer-term viability of the HRA is linked to balancing the need for additional borrowing which will incur interest and the priority needs to invest. Future scheme appraisals will need to ensure that the increased costs of borrowing are factored into the project costs where relevant.
- 6.23. Following the removal of Councils' HRA debt caps, there is no upper limit to the absolute level of debt that can be held, the only restriction being that the HRA business plan must demonstrate that any debt can be serviced without the HRA going into deficit. The HRA debt has remained unchanged since the introduction of self-financing and the business plan assumes this continues into future years, therefore the interest charged to the HRA is only subject to change through interest rate changes.
- 6.24. The HRA is making provision only for the interest repayments in relation to the outstanding debt. Consideration will need to be given to refinancing the debts as and when the debts become repayable. This will be considered as part of the treasury management strategy.

Capital Investment

- 6.25. The current approved programme of capital expenditure for the financial years 2023/24- 2025/26 is for approximately £137.4m of spend, of which c.£12.5m will be funded from grants and c. £7.7m from capital receipts. The profile of spend and funding is shown in the table below:

| | 2022/23 | 2023/24 | 2024/25 | 2025/26 | Total |
|-------------------|----------------|----------------|----------------|----------------|--------------|
| | £'m | | | | |
| Forecast spend | 32.4 | 49.4 | 44.0 | 11.6 | 137.4 |
| <i>Funded by:</i> | | | | | |
| Grants | 5.5 | 7.0 | 0 | 0 | 12.5 |
| Capital Receipts | 0.8 | 6.9 | 0 | 0 | 7.7 |
| RCCO | 26.1 | 35.5 | 44.0 | 11.6 | 117.2 |

- 6.26. Work is ongoing to review the capital programme to ensure that the programme is both deliverable and affordable whilst aligning with Council

priorities. The approved programme does include some schemes that will support the Council in becoming carbon neutral by 2038. The main priorities for 2023/24 include:

- Decent Homes Standards
- Fire Safety
- Damp and Mould
- Decarbonisation

6.27. The costs of reaching zero carbon in all of the housing stock is considerable. Original estimates were that a deep retrofit would cost £25k per unit but this could now be nearer £30k with the recent increases in construction costs. The programme to reach zero carbon needs to be delivered in manageable phases and proposals are being worked up which look at:

- Cease fitting gas boilers in 2023/24
- Retrofitting properties as they become void
- Aligning works with decent homes and asset management works where possible.
- Developing a programme to retrofit a fixed amount of properties per annum to achieve economies of scale and to make sufficient progress on the zero carbon ambitions.

6.28. The Council has bid for £11.6m of Social Housing Decarbonisation Fund grant, with successful bids expected to be announced before the end of the financial year. If successful, a programme of works will be mobilised to combine low carbon investment alongside other capital works.

6.29. Officers are developing the asset management plan and this will inform the future capital programme and investment plan for our housing stock. This will need to address important issues including ensuring decent homes standards are achieved and maintained, and carbon reduction and fuel poverty are addressed. Resident engagement is a key part of developing this programme.

6.30. From 2026/27, a working assumption of a £23m per annum capital programme has been included, which increases annually in line with CPI. Prioritisation of projects will be essential, as investment demand is likely to be significantly higher.

6.31. The HRA capital budget already allows for the costs and implications of the following new build programmes: -

- Silk Street (69 properties) (2023-24)
- Collyhurst (130 properties) (2024-25 and 2025-26)

6.32. The 30-year business plan factors in the income and costs associated with these new properties entering the portfolio once completed.

Operational Housing Costs

6.33. The decision to bring Northwards managed housing back into the Council was approved by the Executive in September 2020, with the business case forecasting annual savings of £2.4m. To date annual savings of c£1.6m have

been achieved through a combination of staff savings and savings in accommodation costs following the cessation of the lease at Hexagon Tower.

- 6.34. Work is ongoing to review the existing delivery models, and this is expected to lead to further savings being identified. However, at this stage there are no further savings identified. The non-achievement of savings largely relates to savings options that have not been taken forward, such as closure of some neighbourhood offices and some identified savings that had already been assumed within the former Northwards budgets to offset pressures.
- 6.35. Following the integration of Northwards, the council has worked closely with residents, partners and elected members to develop the new vision for the housing service, which incorporates the profound changes through the imminent Social Housing Act, Building Safety Act, Consumer Regulations and the new Tenant Satisfaction Measures, which come into effect from April 2023, as well as the integration with the council.
- 6.36. The new Place Called Home vision focuses on three key priorities
- Resident led services, putting you at the heart of everything we do
 - High Quality housing services and home improvements for secure, warm, sustainable homes
 - Welcoming, safe and vibrant neighbourhoods
- 6.37. The new vision directly informs the ongoing development of the new target operating model for MCC Housing Services (formerly Northwards). The new operating model will focus on delivering to the priorities set out above and will be finalised during 2023/24.
- 6.38. The 2023/24 costs of operational housing are forecast to be c£14.8m and this is mainly in respect of staffing costs, with some budgets for accommodation costs and supplies and services budgets. The proposed budget includes an increase of £0.780m to allow for forecast pay award costs.

Repairs and Maintenance Contract

- 6.39. The repairs and maintenance contract was let with effect from March 2021. Following procurement and contract letting the budget was increased by £4.1m to c£11.1m, although this did include some initial one off start up and mobilisation costs. The contract is index linked and for 2022/23 was uplifted for CPI +1% which was 9.9% at that time. Similar indexation will see the contract costs increase to a budget of c£17.5m for 2023/24. Officers are currently in negotiation with the contractor on options to reduce the costs whilst not impacting on service delivery. From 2024/25 a 5% per annum reduction has been built into the budget for the repairs and maintenance service.
- 6.40. Whilst there is still work to do and performance is not universal, contract performance is improving. Overall, it is an improving picture in terms of service provision although this is not universal. Demand for the repairs services continues to be high, and like many housing providers have experienced a significant increase in damp and mould service requests. The average time to complete a repair is now 10.2 days against a target of 12.5 days and the number of appointments kept is now 95% (target 97%), the

compliance aspects of the contract (e.g. fire alarms, gas safety) are all performing to target.

Inflation Assumptions

- 6.41. The HRA budget includes inflation, most of which in the business plan is linked to the forecast consumer price index (CPI). Based on an assessment of forecasts available, CPI has been estimated to be at around c.8.5% in 2023/24, reducing to c5.25% in 2024/25. The business plan then assumes 2.75% in 2025/26 before reducing back to a 2% CPI rate for the remainder of the plan.

Garage Rents

- 6.42. Unlike housing rents there is no maximum increase cap on garage rents. It is proposed that 2023/24 garage rents are increased in line with the original rent formula or 11.1%. The impact of the increase is shown in the table below:

| | Annual Charge 2022/23 | Weekly Charge 2022/23 | Proposed Annual Charge 2023/24 | Proposed Weekly Charge 2023/24 | Proposed Weekly Increase |
|---------------|--------------------------|--------------------------|-----------------------------------|-----------------------------------|--------------------------|
| Site Only | £104.28 | £2.01 | £115.86 | £2.23 | £0.22 |
| Prefabricated | £225.08 | £4.33 | £250.06 | £4.81 | £0.48 |
| Brick Built | £264.48 | £5.09 | £293.84 | £5.65 | £0.56 |

7. Reserves Forecast

- 7.1. The overall reserves position is forecast to be c£100m at the start of 2023/24, and around £63m is the general reserve. The table below shows the forecast reserves position over the next three financial years.

| Reserve Description | 2022/23 (Forecast) | 2023/24 | 2024/25 | 2025/26 |
|----------------------------|-------------------------------|----------------|----------------|----------------|
| | £000 | £000 | £000 | £000 |
| General Reserves | 63,124 | 40,316 | 14,560 | 13,009 |
| Residual Liabilities Fund | 24,000 | 24,000 | 24,000 | 24,000 |
| PFI Reserve | 10,000 | 10,000 | 10,000 | 10,000 |
| Total Reserves | 97,124 | 74,316 | 48,560 | 47,009 |

| | | | | |
|-------------------|-------|-------|-------|-------|
| Insurance Reserve | 2,500 | 2,500 | 2,500 | 2,500 |
|-------------------|-------|-------|-------|-------|

7.2. Based on the latest budget position the forecast reserves position as at the end of March 2023 (excluding the Insurance Reserve) will be c£97.1m. This reduces by c£50m over the next three financial years to around c.£47m by the close of 2025/26 and this is due to the c£103m of HRA resources earmarked to fund the planned capital investment over this period.

7.3. Both the residual liabilities fund and the PFI reserve were set up a number of years ago, and there have been no calls against either reserve, these will be reviewed in 2023/24 to see if any of the funding can now be released.

- 7.4. Current projections show that the overall reserves go into a negative position at around 2036/37 and are forecast to reach a deficit level of £17m at the end of the 30 years. Work is required to either reduce HRA costs or generate additional income in order to ensure that the HRA is sustainable throughout the life of the business plan.

8. Conclusion

- 8.1. This report sets out the proposed HRA budget. It seeks to recognise the difficulties faced by tenants in light of the current cost of living crisis, whilst seeking to balance the need to have a balanced HRA business plan.
- 8.2. The budget proposals will allow for continued service delivery and investment within the existing stock and development of new HRA stock within the confines of the available resources, although there are pressures around meeting the ambition of the climate agenda.

9. Key Polices and Considerations

(a) Equal Opportunities

The rents have been set in line with the Government's guideline rent.

(b) Risk Management

Under the provisions of the Local Government and Housing Act 1989, the Authority must ensure that the Housing Revenue Account does not result in a debit balance. The proposed change in rents and identification of savings within this report, together with regular budget monitoring will assist in managing this risk over the short term. Work will continue to ensure that the HRA remains viable in the longer term.

(c) Legal Considerations

The City Solicitor has reviewed this report and is satisfied that any legal considerations have been incorporated within the body of the report.

10. Appendices

Appendix 1 - Housing Revenue Account Budget 2023/24 – 2025/26
Appendix 2 - Proposed Heating Tariffs

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Appendix 1 - Housing Revenue Account Budget 2023/24 – 2025/26

| | 2022/23 (Forecast) | 2023/24 | 2024/25 | 2025/26 | See Para. |
|----------------------------------|-----------------------|----------|----------|----------|--------------|
| | £000 | £000 | £000 | £000 | |
| Income | | | | | |
| Housing Rents | (62,836) | (67,556) | (72,181) | (74,753) | 5.8 |
| Heating Income | (681) | (1,736) | (2,292) | (2,338) | 6.11 |
| PFI Credit | (23,374) | (23,374) | (23,374) | (23,373) | 6.9 |
| Other Income | (1,022) | (1,974) | (1,083) | (1,073) | 6.9 |
| Funding from General HRA Reserve | (14,940) | (22,808) | (25,756) | (1,551) | 7.1 |

| | | | | | |
|----------------------------------|------------------|------------------|------------------|------------------|------|
| Total Income | (102,853) | (117,448) | (124,686) | (103,088) | |
| Expenditure | | | | | |
| Operational Housing - Management | 14,055 | 14,835 | 15,272 | 15,453 | 6.33 |
| Operational Housing - R&M | 16,567 | 16,784 | 15,842 | 14,933 | 6.39 |
| PFI Contractor Payments | 32,591 | 36,301 | 36,944 | 36,525 | 6.9 |
| Communal Heating | 3,196 | 2,890 | 2,292 | 2,338 | 6.11 |
| Supervision and Management | 5,568 | 5,776 | 5,877 | 5,940 | |
| Contribution to Bad Debts | 569 | 679 | 726 | 752 | 6.4 |

| | | | | | |
|--|----------------|----------------|----------------|----------------|------|
| Hardship Fund | 150 | 1,000 | 0 | 0 | 5.6 |
| Depreciation | 22,000 | 25,580 | 26,650 | 27,163 | |
| Other Expenditure | 1,327 | 981 | 1,036 | 1,070 | |
| RCCO | 4,100 | 9,920 | 17,350 | (4,163) | 6.25 |
| Interest Payable and similar charges | 2,730 | 2,702 | 2,695 | 3,031 | 6.22 |
| Total Expenditure | 102,853 | 117,448 | 124,684 | 103,042 | |
| Total Reserves (exc Insurance): | | | | | |

| | | | | | |
|---------------------------|-----------------|-----------------|-----------------|-----------------|-----|
| Opening Balance | (112,064) | (97,124) | (74,316) | (48,560) | 7.1 |
| Funding (from)/to Revenue | 14,940 | 22,808 | 25,756 | 1,551 | |
| Closing Balance | (97,124) | (74,316) | (48,560) | (47,009) | |

Appendix 2 - Proposed Heating Tariffs

| | | 22/23 ACTUAL CHARGE | | 23/24 ESTIMATED CHARGE | |
|-------------------------|--------|--|-------|---------------------------|-------|
| | | Based on estimated 20% increase in gas prices from 21/22 | | Q1 75% Increase in charge | |
| | | Excl VAT | %chg | Excl VAT | %chg |
| Victoria Square: | | | | | |
| | Type A | £6.63 | 21.1% | £11.60 | 75.0% |
| | Type B | £7.13 | 21.1% | £12.48 | 75.0% |
| | Type C | £7.67 | 21.1% | £13.42 | 75.0% |
| | Type D | £7.96 | 21.0% | £13.93 | 75.0% |

| | | | | |
|----------------------------|--------|-------|--------|-------|
| Type E | £10.20 | 21.0% | £17.85 | 75.0% |
| Caretaker | £12.22 | 21.0% | £21.39 | 75.0% |
| Sheltered Housing : | | | | |
| Northwards | | | | |
| 1 person flat | £6.96 | 36.6% | £12.18 | 75.0% |
| 2 person flat | £8.45 | 36.7% | £14.79 | 75.0% |
| Warden | £8.45 | 36.7% | £14.79 | 75.0% |

| | | | | | |
|--------------------|-------------------|-------|-------|--------|-------|
| 2/4 Blocks: | | | | | |
| | Northwards | | | | |
| | 2 Block Flat | £6.75 | 19.0% | £11.81 | 75.0% |
| | 4 Block Flat | £6.75 | 19.0% | £11.81 | 75.0% |
| Other: | | | | | |
| | Sandyhill Court | £7.01 | 6.9% | £12.27 | 75.0% |
| | Broomfield | £6.75 | 20.0% | £11.81 | 75.0% |

Grove Village PFI scheme:

| | | | | | |
|-------------------------------|---------------|--------|------|--------|-------|
| Flat | 1 Bed | £6.80 | 4.8% | £11.90 | 75.0% |
| House | 2 Bed | £8.40 | 4.7% | £14.70 | 75.0% |
| House | 3 Bed (small) | £10.62 | 4.8% | £18.59 | 75.0% |
| House | 3 Bed (large) | £12.25 | 4.8% | £21.44 | 75.0% |
| House | 4 Bed | £12.25 | 4.8% | £21.44 | 75.0% |
| Point of Sales pence per unit | | 5.25 | 4.8% | 9.19 | 75.0% |

| <u>Point of Sales pence per unit of heat</u> | | | | | |
|--|-----------------|-------|--------|-------|-------|
| Meco | | 8.76 | 14.8% | 15.33 | 75.0% |
| Northwards Multis: | | | | | |
| | Multi storey | 8.25 | 14.9% | 14.44 | 75.0% |
| | Victoria Avenue | 3.75 | -29.1% | 6.56 | 75.0% |
| Brunswick | | | | | |
| | Multi storey | 13.22 | 35.5% | 23.14 | 75.0% |

**Manchester City Council
Report for Resolution**

Report to: Children and Young People Scrutiny Committee – 8 February 2023
Executive - 15 February 2023

Subject: Schools Budget 2023/24

Report of: Strategic Director for Children’s and Education Services

Summary

Dedicated School Grant (DSG) is a ring-fenced grant of which the majority is used to fund individual schools budgets in maintained schools and academies in the city, early years nursery entitlement and provision for pupils with high needs including those with Education Health & Care Plans (EHCPs) in special schools, special provision and mainstream schools in Manchester and out of city.

Councils receive and manage the DSG within four blocks: schools, central school services, high needs and early years. A large proportion of it is paid directly to schools and other settings to provide the majority of education services. A proportion of the DSG is provided to the Council to deliver education services.

Most of the DSG arrangements for 2023/24 remain unchanged with the grant continuing to be allocated to councils in four blocks based on a national formula, but councils can continue to fund schools on the local formula.

This report provides a summary of the confirmed DSG allocation from the 2023/24 settlement announced in December which was reported to Schools Forum on the 16th January 2023. Schools will receive a new grant from April 2023, this grant is also outlined in the report.

Recommendations

The Committee is recommended to:-

Consider the content of this report and comment on the proposed changes which are relevant to the remit of this scrutiny committee

The Executive is recommended to approve these budget proposals.

Wards Affected: All

| |
|---|
| Environmental Impact Assessment - the impact of the issues addressed in this report on achieving the zero-carbon target for the city |
|---|

| |
|--|
| The budget reflects the fact that the Council has declared a climate emergency by making carbon reduction a key consideration in the Council’s planning and budget |
|--|

proposals.

Equality, Diversity and Inclusion - the impact of the issues addressed in this report in meeting our Public Sector Equality Duty and broader equality commitments

Consideration has been given to how the proposed savings could impact on different protected or disadvantaged groups. Where applicable proposals will be subject to completion of an Equality Impact Assessment (EqIA) and an Anti Poverty Assessment.

| Manchester Strategy outcomes | Summary of how this report aligns to the OMS/Contribution to the Strategy |
|---|---|
| A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities | The effective use of resources underpins the Council's activities in support of its strategic priorities as set out in the Corporate Plan which is underpinned by the Our Manchester Strategy. |
| A highly skilled city: world class and home-grown talent sustaining the city's economic success | Ensuring children and young people are supported and afforded the opportunity to access and achieve in the City; empowered and supported by the delivery of a strong and cohesive system that works for all children. |
| A progressive and equitable city: making a positive contribution by unlocking the potential of our communities | Improving education and social care services that are connected to the wider partnership build the resilience of children and families needed to achieve their potential and be integrated into their communities |
| A liveable and low carbon city: a destination of choice to live, visit, work | |
| A connected city: world class infrastructure and connectivity to drive growth | |

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

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

Financial Consequences – Revenue

The changes included within this report are officer proposals and, subject to Member comments and consultation, these will be included as part of the 2023/24 budget preparation.

Financial Consequences – Capital

None directly arising from this report.

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Background documents (available for public inspection):

Not applicable

1. INTRODUCTION

- 1.1 Dedicated Schools Grant (DSG) is a ring-fenced grant. A new additional funding grant is also outlined in the report. DSG is made up of four blocks: schools (SB), central school services (CSS), early years (EYB), and high needs (HNB). Table one sets out the number pupils and of school/providers DSG supports.

Table One: Schools/Provider supported by DSG

| Dedicated School Grant (DSG) | Schools/Providers | Pupil Numbers |
|---|-----------------------|---------------|
| Nursery Schools | 2 | 88 |
| Private, Voluntary and Independent Sector | 460 | 15,013 |
| Primary Schools & Academies | 135 | 53,877 |
| Secondary Schools & Academies | 31 | 35,293 |
| Special School Schools & Academies | 17 | 2,618 |
| Mainstream Education, Health and Care Plans | 165 | 2,605 |
| Post 16 EHCPs | 36 | 602 |
| Out of City Places | 54 | 643 |
| | Full Time Equivalents | |
| Council Staff | 126.5 | |

- 1.2 This report which for ease of reference is structured as follows:

Section 1 Introduction

Section 2 Outline of the 2023/24 DSG allocation

Section 3 Additional Schools Grant 2023/24

Section 4 Schools Forum

2. DEDICATED SCHOOLS GRANT (DSG) 2023/24 ALLOCATION

- 2.1 The 2023/24 DSG notification was received 16th December 2022 and totals **£671.364m**. Table two provides a breakdown of the grant across the DSG blocks and sets out why the grant changed between 2022/23 and 2023/24. The overall increase in DSG since last year is £37.930m, table two also sets the movement since last year.

Table two: DSG settlement 2023/24 compared to 2022/23

| | Schools £m | Central Services School £m | High Needs £m | Early Years £m | £m |
|--|---------------|-------------------------------------|---------------------|----------------------|---------------|
| 2023/24 | 503.271 | 3.753 | 122.847 | 41.494 | 671.364 |
| 2022/23 | 475.054 | 3.868 | 114.540 | 39.972 | 633.434 |
| Difference | 28.217 | -0.115 | 8.306 | 1.521 | 37.930 |
| The difference is a result of the change in £m: | | | | | |
| Formula | 21.344 | -0.160 | 7.338 | 1.521 | 30.044 |
| Pupil Numbers | 7.398 | 0.044 | 0.968 | 0.000 | 8.411 |
| Growth Fund | -0.525 | | | | -0.525 |
| Difference | 28.217 | -0.115 | 8.306 | 1.521 | 37.930 |

- Above excludes the additional funding of £22.250m detailed in section 4: Mainstream schools (£17.241m) and High Needs Block (£5.009m), Schools Block
- 2.2 The Schools Block allocation of £503.271m has been calculated bottom up on the basis as if the national funding formula (NFF) was applied at school level. On average the DfE has increased the formula determined by pupil level data by 3.5%.
 - 2.3 This part of the grant will fund 82,492 pupils aged 5-16 years. Primary pupil numbers have marginally increased in 2023/24 (+46 pupils), while secondary numbers continue to grow (+1,006 pupils).
 - 2.4 The Council will allocate funding in line with the locally agreed formula. Based on previous decisions and affordability all Manchester primary and secondary schools should receive between a minimum increase of 0.5% and maximum of 3.2% increase on a per pupil basis.
 - 2.5 Individual schools funding is based on pupil numbers and their characteristics, such as whether pupils are eligible for free school meals plus premises related characteristics. Pupil related and other funding within most of the local formula allocation has been increased by 3.25%, the only significant change is the funding allocated to schools that are subject to Private Finance Initiative (PFI).
 - 2.6 Manchester has two PFI schools, where buildings for the schools have been procured and facilities managed under the scheme. Under the scheme, responsibility for building and managing infrastructures and services has transferred to a private consortium, including banks, financiers, and a construction company. Payments for the building and facilities are uplifted year on year in line with inflation, due to the significant increase in the rate of inflation the costs associated with PFI charges have increased more than expected, the overall impact of this is **£331k** on the schools funding block.

Central School Services Block (CSSB)

2.7 The CSSB allocation is **£3.753m** and supports the Council's role in education. It comprises two elements:

- 'On-going Responsibilities' - funding for this is determined by number of pupils and deprivation. It funds the admissions service, copyright licenses, servicing of Schools Forum and duties local authorities have for both maintained schools and academies
- 'Historic Commitments' (previously known as Combined Services) - funding for this is based on past actual costs.

2.8 The per pupil amount for 'On-going Responsibilities' has reduced by 2.5% which equates to per pupil reduction of £1.08 to £42.02 per pupil. The impact of the reduction in the rate per pupil has been partly mitigated by an increase in Manchester's pupil numbers, resulting in an overall net reduction of £44k, this on-going reduction will need to be managed going forward.

High Needs Block (HNB)

2.9 The HNB allocation is **£122.847m** and provides increased funding for children and young people with special educational needs and disability from early years to age 25 years. The DfE has allocated an additional £0.97bn to the HNB nationally. Manchester's additional HNB grant is **£8.306m**, an increase of 7.25% compared to 2022/23, this is £1m higher than previously expected.

2.10 The Council has also received an additional £5.009m of funding for high needs, this was following the Government's autumn statement, announcing additional £2bn funding for schools. Council plans to allocate the £8.306m and £5.009m, total of an **£13.315m** increase in the following way:

Table three: High Needs Budget Outline

| Budget | £000's |
|---|---------------|
| Special School and Resource Units – | 5,090 |
| Mainstream Education, Health and Care plans Including post 16 | 3.764 |
| Out of City and Other Council | 1.838 |
| Recovery Plan and in-year growth | 2.623 |
| Total | 13.315 |

2.11 The HNB is currently in deficit and has a recovery agreed with Schools' Forum on the 19th November 2022. Following the Schools' Forum meeting a steering group has been established to have oversight of the delivery of this plan, actions to reduce the deficit along with the associated risks. The group comprise officers from education, finance, commissioning, and Schools' Forum representatives.

2.12 If the plan does not address the deficit the gap in the HNB increases year on year over the next three years, and give the significant risk if demand is not managed the deficit will increase significantly.

- 2.13 Included in the recovery plan is the option to request a 0.5% transfer from the schools block to the HNB, this would contribute c.£2.4m to the HNB recovery position. At this stage given the settlement and recovery made to date, Manchester does not intend to propose a 0.5% transfer in 2023/24.
- 2.14 However, the work to strengthen special educational needs support and prevention of needs escalating and will need time to embed before the desired impact of reduced requests for an Education, Health and Care plan requests is felt. It would also seem counter intuitive to take funding out of school budgets at a time when this funding is required to support these developments.

Early Years

- 2.15 The early years funding £41.494m and is provisional, this reflects the 2023/24 early years national funding formula (EYNFF) rates for all councils published in December 2022. Funding will be finalised at later date.
- 2.16 Key changes are:
- Two-year-old rate is increasing by **6p** (1.06%).
 - Three and four-year-old rate is increasing by **22p**.

This includes the rolling in of the teachers' pay and pension grant (TPG) and teachers' pension employer contribution grant (TPEGC) into the EYNFF. Excluding this, the rate increase equates to 0.93%. of the 22p per house, 5 p per hour will be passed onto all providers, 17p will be earmarked for settings that have teachers.

3. ADDITIONAL SCHOOLS FUNDING 2023/24

- 3.1 Manchester has been allocated £22.250m from the Government's £2bn additional schools funding, on-top of the 2023/24 DSG. This additional funding provides support for schools (reception to year 11) for pay and inflation increases. The funding does not include any allocation for early years or post-16. For 2023/24 this is in the form of a separate grant, the DfE intend to incorporate this funding into core budget allocations for 2024/25, so for schools 5 to 16 years, this will mean the funding being rolled into the schools national funding formula (NFF) from 2024/25.
- 3.2 The £22.250m allocation to Manchester is made up of:
- **£17.241m** for mainstream schools. This funding, Mainstream Schools Additional Grant (MSAG) is formula based and consist of three elements, within the NFF.
 - **£5.009m** for special schools and alternative provisions, will be added to the HNB. Councils are required to pass on a 3.4% funding increase on top of the average place and top-up rates, following DfE formula.

4. SCHOOLS FORUM

4.1 The proposed Schools Budget has been agreed in consultation with Schools Forum on 16th January 2023 and included the following changes:

- All Manchester primary and secondary schools should receive a per pupil increase between 0.5% minimum and up to 3.2% on pupil-led funding.
- Manchester does not intend to propose a 0.5% transfer from the school block to high needs 2023/24.
- Early year rates two-year-old base rate increase by 6p. Three and four-year old 22p increase, to be passed onto providers by increase base rate by 5p per hour and adding a new quality supplement (17p per hour) to reflect the rolling in TPG and TPEGC funding into the funding formula.
- Central services school block (CSSB) funding has reduced on a per pupil basis by 2.5% despite there being additional burden due to the new admission code, with no reduction in other functions councils are required to provide.
- Additional Schools Funding 2023/24 will be allocated as a separate grant for mainstream schools. Special schools will receive a 3.4% funding increase on top of the average place and top-up rates, following DfE formula.

**Manchester City Council
Report for Resolution**

Report to: Environment and Climate Change Scrutiny Committee – 9
February 2023
Executive – 15 February 2023

Subject: Draft Manchester Active Travel Strategy and Investment Plan

Report of: Strategic Director Development

Summary

The report presents the final draft Manchester Active Travel Strategy and Investment Plan and seeks Members' endorsement of the Strategy, which is attached at Appendix 1.

Recommendations

The Environment and Climate Change Scrutiny Committee is recommended to note the report and endorse its progress to Executive.

The Executive is recommended to

1. approve and endorse the Manchester Active Travel Strategy and Investment Plan; and
 2. delegate responsibility to the Strategic Director, Growth and Development, in consultation with the Executive Member for Environment to make any minor amendments to the final Strategy resulting from feedback during the approvals process, prior to its publication.
-

Wards Affected: All

Environmental Impact Assessment - the impact of the issues addressed in this report on achieving the zero-carbon target for the city

The support and promotion of active travel along with aligned investment in other infrastructure will help reduce transport-related carbon emissions by increasing the overall share of public transport, cycling and walking trips and reducing short journeys by car.

Equality, Diversity and Inclusion - the impact of the issues addressed in this report in meeting our Public Sector Equality Duty and broader equality commitments

Actions set out in the Manchester Active Travel Strategy and Investment Plan relate to the need to ensure that equitable access to jobs, services, leisure and other opportunities are provided for all Manchester residents, workers and visitors. The Strategy aims to improve walking, wheeling and cycling in Manchester, which

encompasses the full range of options to travel actively, including wheelchairs, and other mobility aids. The Strategy sets out ways in which the Council will prioritise and implement changes to the highways network to support walking, wheeling and cycling – specific schemes will be subject to extensive consultation and co-design with the specialist access group as is currently the case.

| Manchester Strategy outcomes | Summary of how this report aligns to the OMS/Contribution to the Strategy |
|---|---|
| A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities | Improving active travel and aligning this with investment in other non-car modes across the city will support growth of the economy, contribute to economic recovery, and maximise the city's competitiveness. |
| A highly skilled city: world class and home grown talent sustaining the city's economic success | Schemes under the Active Travel Strategy will support the delivery of projects to connect all Manchester residents with high-quality employment opportunities in the city and growth in a range of key sectors of the economy. Improving infrastructure and unlocking regeneration opportunities will attract new investment, boosting the local economy and providing new jobs in Manchester. Improved walking and cycling routes can help residents access jobs and training opportunities, particularly in parts of the city with low car ownership. |
| A progressive and equitable city: making a positive contribution by unlocking the potential of our communities | Schemes under the Active Travel Strategy and related strategies will enhance the transport network serving the city. Improvements to local walking and cycling routes will facilitate opportunities for communities across the city to make more sustainable transport choices. Improving city centre and wider connectivity will support inclusive economic growth. An inclusive and accessible active travel network is a key aim of the Active Travel Strategy, and each proposal will be reviewed by our specialist access group. |
| A liveable and low carbon city: a destination of choice to live, visit, work | The support and promotion of active travel, aligned with other sustainable transport will reduce carbon emissions by increasing the overall share of public transport, cycling and walking trips and reducing short journeys by car. Active travel also offers significant leisure opportunities particularly where links can be made to green spaces. |
| A connected city: world class infrastructure and connectivity to drive growth | World class infrastructure will attract investment and promote a globally successful city. Proposals under the Active Travel Strategy and related strategies will improve transport integration across Manchester, making it easier for people getting into and moving around the city. |

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

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

Financial Consequences – Revenue

The consultant commission to assist with producing the Strategy has been funded by Department for Transport Active Travel Capability Revenue Funding. The funding must be spent by end of financial year 2022/23.

Financial Consequences – Capital

The Strategy will recommend a prioritisation framework to create a pipeline of future capital spending, to be primarily funded externally through a variety of external funding streams such as Active Travel Fund and City Region Sustainable Transport Settlement. The Strategy will assist in preparing business cases and bids to secure this funding.

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Background documents (available for public inspection):

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

- Report to July 2022 Economy Scrutiny Committee: Update on Manchester Active Travel Strategy and Investment Plan
- Report to January 2023 Economy Scrutiny Committee: Update on Public Engagement for Manchester Active Travel Strategy and Investment Plan
- Refreshing Greater Manchester's Active Travel Mission (2022)

- Greater Manchester Transport Strategy 2040 (2021)
- City Centre Transport Strategy to 2040 (2021)
- Change a Region to Change a Nation – Greater Manchester’s Local Cycling and Walking Investment Plan (2020)
- Made to Move (2017)
- City Centre Cycling Infrastructure Plan (2018)
- Our Manchester Strategy - Forward to 2025 (MCC)

1.0 Introduction

- 1.1 The Economy Scrutiny Committee has received previous reports, informing members of work done to commission and consult on the draft Manchester Active Travel Strategy and Investment Plan (MATSIP). The aim of the Strategy is to set out a coherent approach to delivering measures to enable active travel, by which we mean walking, wheeling and cycling, as part of our overall approach to achieving sustainable transport, zero carbon and regeneration objectives. The Strategy sits alongside the GM2040 Transport Strategy (which is our statutory Local Transport Plan), the updated Climate Change Action Plan, and City Centre Transport Strategy to 2040.
- 1.2 The draft Strategy is presented in Appendix 1 of this report. A summary report on consultation activity undertaken is presented in Appendix 2. Economy Scrutiny Committee heard a report in January 2023 with this document and a high-level summary, and it is presented here to inform the Executive committee of the shape and outcomes of public consultation which has informed the draft Strategy.
- 1.3 The draft MATSIP sets the case for investing in active travel measures, primarily in the form of highways schemes but also supporting infrastructure, and how we will go about delivering these interventions. Active travel schemes are primarily funded externally through competitive bidding processes to Department for Transport, via Transport for Greater Manchester. It is a key aim of this Strategy to support the production of bids and business cases to secure this funding, and to propose a framework which sets out which areas of the city should be prioritised in order to achieve the Council's wider policy objectives as set out in paragraph 1.1, also the Our Manchester Strategy and Strategic Regeneration Frameworks.
- 1.4 The draft MATSIP sets out the significant benefits to active travel investment across a range of policy areas including public health, clean air and zero carbon. It sets out the overall target to make walking the natural choice for short journeys and to double cycling's mode share by 2028. It sets out four objectives which underpin this overall target:
- improving access to the city centre, district centres, parks and other key destinations;
 - enabling safe access to schools and colleges;
 - improving citywide health and wellbeing
 - reflecting the diversity of Manchester and addressing transport inequalities
- 1.5 By 'transport inequalities' we mean the differential experiences that different people feel when trying to travel actively around their neighbourhood and around the city. This can manifest in multiple different ways, for example:
- perceptions of personal safety when using off-road footpaths or quieter streets
 - the existence of physical barriers to access like high kerbs, or access controls to foot/cyclepaths

- The current provision of infrastructure ie protected cycle lanes to access key destinations is better in some parts of the city than others cultural barriers to being more active

The draft Strategy sets out under Ambition 3 how we will attempt to address these issues.

2.0 Background

- 2.1 Active travel (meaning walking, wheeling and cycling) is an essential element of the Council's vision for a sustainable transport system as part of our wider environmental, economic and social policy objectives. Increasing the modal share of walking and cycling is a key aim of the overarching transport policy framework for Manchester and Greater Manchester (GM), as reflected in the GM2040 Transport Strategy and the Manchester Local Implementation Plan (LIP) which sits under it, the Manchester Local Plan including Places for Everyone and the Core Strategy, other major strategies guiding spatial planning, growth and development such as our Strategic Regeneration Frameworks, the GM Streets for All Strategy, the City Centre Transport Strategy (CCTS) and other Transport for Greater Manchester (TfGM) active travel policy documents including Refresh the Mission, Made to Move and Change a Region to Change a Nation.
- 2.2 As a city we have been delivering active travel infrastructure over the past several years. The guiding framework for this has been the Bee Network principles, articulated in part through local strategy documents such as the CCTS and the City Centre Cycling Infrastructure Plan (2018). The Bee Network vision is for a walking and cycling network which connects every neighbourhood in Greater Manchester with a plan for routes which will be appropriate for use by an unaccompanied 12-year-old on a cycle, or a person walking with a double buggy. It represents a vision for what is needed, rather than what is possible to deliver. Individual routes within the proposed network may prove impossible to deliver, and alternatives will then need to be found.
- 2.3 The Council has begun to deliver schemes across Manchester to begin to implement the Bee Network vision. These were detailed in a report to Economy Scrutiny in January 2022. There has been a collaborative approach across several Council services including Highways and Neighbourhoods, supported by the City Centre Growth and Infrastructure Team and TfGM.
- 2.4 In order to build on this progress, increase the pace of delivery and make sure that the next phases of investment are directed by a guiding vision set out by the Council with the involvement of Manchester residents, workers, visitors as well as Elected Members, it was considered necessary to develop a strategy and plan for delivery which is coherent, aligned with wider Council objectives and could inform future capital investment. The draft MATSIP aims to fulfil those purposes and is appended here for Members' consideration and endorsement.

- 2.5 The GM2040 Strategy aims to achieve the ‘Right Mix’ of transport modes by 2040. Under the Right Mix vision, at least 50% of all journeys across Greater Manchester will be made by public transport and active travel, with the remaining 50% being made by private vehicle. Currently the GM-wide share for sustainable modes is around 39%. Planned-for growth in population, homes and jobs would see a million more sustainable journeys per day across the city-region with no net growth in private motor vehicle trips. The draft MATSIP aims to contribute to these targets by growing the share of walking and cycling trips across Manchester, by making walking the natural choice for short journeys (up to 2km) and doubling cycling’s mode share in the city from 6% to 12% by 2028.
- 2.6 Currently in Manchester walking is also the dominant mode for all trips of 0-2km, accounting for 59% of the total in 2021, and this strategy aims to grow this mode share even higher, by making walking the definitive natural choice for short trips, whether as the whole trip or connecting to public transport. Cycling has the highest potential to fill the gap between walking and public transport for trips of 2-5km and 5-10km.
- 2.7 The updated Climate Change Action Plan (CCAP), adopted by Executive in September 2022, sets out that Manchester has made some progress in reducing our direct carbon emissions, but that we are not on track to achieve the year-on-year reductions necessary to achieve zero carbon by 2038. The CCAP states that ground transport accounts for 24% of the city’s direct emissions, and of that, 95% is created by on-road transport, primarily private cars, goods vehicles and buses running mainly on diesel and petrol. The draft MATSIP sits in this context and aims to help us deliver the modal shift to sustainable transport, alongside investment in public transport, to get us back on track as set out in the CCAP.
- 2.8 Physical inactivity directly contributes to one in six deaths in the UK: the same number as smoking. Around a quarter of UK residents are still classified as inactive, failing to achieve a minimum of 30 minutes of activity a week. Manchester performs better than the national and regional average for adults who are overweight or obese but much worse for year 6 children. Within the city there are big disparities between the areas of worst deprivation and the least, although by national standards much of the city is in the top decile of the Indices of Multiple Deprivation, which covers a range of factors including health, income, education, accessibility, crime and barriers to housing and services. The draft MATSIP aims to help us direct active travel investment to where it can make the biggest contribution to improving health outcomes through enabling more active lifestyles, through the prioritisation framework set out in the strategy.

3.0 Consultation Process

- 3.1 Full details of the early engagement and public consultation activities are contained in the summary report in Appendix 2. A report was also presented to January’s Economy Scrutiny noting the key themes of that report. Full details of the early engagement and public consultation activities are

contained in the summary report and are not re-produced in detail in the body of this report. However, some details of the format of consultation, numbers of responses and overall themes which have been identified through analysis of the responses are set out below:

- 3.2 Six briefing sessions for Ward Members were held in October 2022, during which officers presented the background, aims and objectives of the Strategy, and collected suggested priorities via paper maps. These were compiled and included on the digitised network map which will form part of the full MATSIP document to be proposed for adoption by the Council. These sessions were attended by a total of 19 Elected members as well as a local MP, and several more members attended a local public drop-in session.
- 3.3 There was a consultation portal on the Council website, open from 21st October to 2nd December, a total of six weeks. There was an online survey, a free text box for general comments, and an interactive map which allowed respondents to place tags to leave comments specific to a geographical location. In total there were 964 individual responses to the survey and 1,341 comments when including mapped comments. A map containing the location in and around Manchester of those respondents who supplied a home postcode is in the summary report in Figure 7 on page 11.
- 3.4 Five public drop-in workshops were held across the city, in Ardwick, Beswick, Crumpsall, Didsbury and Wythenshawe, between 2nd and 10th November. Comments were left on paper maps which were available at the sessions as well as general comments noted by the MCC officer and consultant team, and attendees were also directed to complete the online survey.
- 3.5 The key themes arising from the public consultation were:

| Theme | Headlines |
|--|---|
| Safety | Lighting, pavement parking |
| Maintenance of existing infrastructure | Sweeping leaves, re-surfacing, cutting back vegetation |
| New infrastructure | Protected cycle lanes, junction improvements, crossings |
| Non-infrastructure measures | Enforcement of speed limits, reducing speed limits, enforcing against pavement parking and parking in cycle lanes |

- 3.7 In terms of the most cited barriers to walking, wheeling and cycling, 64% of respondents to the online survey mentioned speed and volume of traffic. 53% cited 'having to cross busy roads and junctions' and 42% cited condition of pavements.
- 3.8 The most popular solutions to the above barriers were 'protected space for cycling' (70%), 'filters to make some streets low-traffic' (52%) and 'level surfaces and dropped kerbs' (38%). More details of the responses are contained in the summary report in Appendix 2.

- 3.9 One of the most important outcomes of the public engagement phase of the work has been the ability to make contact with a number of community groups who attended the public sessions, which will not finish with the adoption of the MATSIP. Rather, these new contacts and relationships will be a key part of how the Council engages with communities across the city to ensure that our Active Travel investment is place-specific and aligns with local priorities. This is particularly important in areas like north Manchester and Wythenshawe, which have not benefitted from investment to the same degree as elsewhere, and neighbourhoods where multiple barriers to using active travel may exist, for example for social, cultural or demographic reasons. Follow-up sessions have been arranged, and will continue through the post-adoption phase into implementation.
- 3.10 A key outcome of the public engagement phase has been the prominence of walking in the active travel conversation, and the need to promote it as the 'golden thread' which connects all forms of travel and mobility. Every trip has a walking component, and the draft MATSIP sets out that we will design our sustainable transport schemes to serve the hierarchy of road users:
1. Walking and wheeling
 2. Cycling and public transport
 3. Servicing, business and delivery vehicles and shared vehicles including taxis
 4. Private car trips
- 3.11 Another key outcome of the public engagement phase which has informed the draft MATSIP is the emphasis people placed on the 'basics' of making walking around the city's neighbourhoods attractive and enjoyable – good maintenance of footways and carriageways, pedestrian crossings, lighting and cutting back of vegetation, and of the need to enforce against unlawful and nuisance driver behaviour such as speeding and pavement parking. Notwithstanding the constraints of funding and civil enforcement powers, the draft MATSIP proposes commitments to address these issues, to complement the investment in new and improved highways infrastructure.

4.0 Development of the Manchester Active Travel Strategy and Investment Plan

- 4.1 MCC received £325K in revenue funding from the 2021-22 DfT Active Travel Capability Fund to develop our strategy and pipeline of active travel infrastructure and supporting measures.
- 4.2 Some of this funding has been directed to produce the strategy and investment plan for active travel for Manchester. Expert analysis and advice was been commissioned from transport and urban design consultants Sweco.
- 4.3 The MATSIP's aims and objectives were set out in a report to July 2022 Economy Scrutiny committee.

4.4 The strategy and investment plan's objectives are:

a –articulate the high-level vision for active travel across Manchester

b- to support the alignment of Council activities across the city relating to active travel, ensuring that they are coordinated, create modal shift and culture change objectives and are Manchester-specific in that they reflect the land use and spatial structure of the city

c – to translate active travel strategic objectives to investable, deliverable schemes and initiatives in Manchester, built from the bottom-up at local level. and ensure that the network enables journeys that match with different kinds of Manchester residents' daily journeys.

d - to ensure that the analysis of the network and the proposals for a pipeline of measures contributes positively to 'closing the inclusion gap' and reducing inequalities of access across the city.

4.5 The draft MATSIP is structured around a vision for active travel, an overall target, and four ambitions which we aim to achieve in order to realise the target and vision.

4.6 The vision is that “everybody in Manchester will be able to walk, wheel or cycle as part of their everyday lives – for school, work, shopping and socialising, in safety, comfort and happiness.

4.7 The target is that we aim to make walking the natural choice for short journeys and that we will double cycling's mode share by 2028.

4.8 The four objectives underpinning this and commitments the draft MATSIP makes to achieve them are shown below:

| | | |
|---------------------------|--|--|
| Target | Turning short journeys to walking and cycling and double cycling mode share by 2028 | <ul style="list-style-type: none"> • Double mode share for cycling by 2028 • Make walking the natural choice for short journeys • Reduce the default speed limit in the city to 20mph, and also reduce 40mph speed limits to 30mph by 2028, where justified and consistent with overall road safety |
| <i>Strategic Ambition</i> | <i>Access to regional centre, district centres, parks and other key destinations</i> | <ul style="list-style-type: none"> • 20% of the identified active travel network will be delivered by 2028 • Develop proposals for an additional 30% of the identified active travel network by 2028 • Improvements to 2 local centres per year |
| Ambitions | Enabling safe active travel to schools and colleges | <ul style="list-style-type: none"> • Deliver one school street per ward by 2028 • Enable 70% of primary aged children and 40% of secondary aged children walking or cycling to school by 2028 |

| | | |
|--|--|---|
| | Improving health, wellbeing and quality of life through transport investment | <ul style="list-style-type: none"> • Invest a minimum of £10 per capita per year by 2028 • Double the number of people who live within 10 minute walk or cycle to local green spaces by 2028 |
| | Reflect the diversity of Manchester and address transport inequalities | <ul style="list-style-type: none"> • Removing all access barriers to off-carriageway walking and cycling paths which prevent access to non-standard cycles by 2024 • Set up a consultative panel to assess scheme options at an early stage, representing a broad spectrum of interests and experiences |

- 4.9 The aim of setting out these objectives is that they provide specific commitments to Manchester residents on the scale of our ambition, that are measurable and can be monitored for progress.
- 4.10 The draft MATSIP sets out a two-stage Prioritisation framework, which is a tool to enable us to direct investment, principally external funding, to the areas of the city in which the strategy objectives can be achieved. Stage One of the framework spatially analyses the city, drawing together a range of socioeconomic and spatial data including deprivation, public transport accessibility, employment density, current and future population density, car ownership and current and future potential usage.
- 4.11 Stage Two of the process will see us scoring potential schemes such as protected cycle tracks, modal filters, side road treatments, junction and crossing improvements and School Streets. They can be assessed for their deliverability, feasibility, cost and level of stakeholder support. This work will be ongoing.
- 4.11 More details are in the draft MATSIP and a full technical report will be published shortly afterwards setting out comprehensive details on the methodology used.
- 4.12 An online mapping tool showing the network plan, its methodology and development, and progress on schemes in development and delivery is also proposed as part of the consultant commission, which will be a live tool updated on a periodic basis.

5.0 Update on Staff Travel policy

- 5.1 The Environment and Climate Change Scrutiny Committee has requested an update on active travel in the Staff Travel Policy.
- 5.2 HROD are working to embed the staff travel policy, this includes a travel hierarchy which prioritises active travel. We are promoting walking and cycling through the Cycle to Work scheme and have also refreshed the Bicycle Allowance claim process. This refreshed process makes it much quicker and easier for employees to register as a bicycle user, they can then begin claiming the Bicycle Allowance for any in-work journeys they choose to make

by bicycle. This refreshed process will make the Staff Travel Policy more accessible; we will be formally launching the scheme in early 2023 and will continue to promote it throughout the year and monitoring its impact.

- 5.3 We are developing service engagement plans which will take an informed and place-based approach to encouraging and enabling more sustainable travel choices by teams via a number of schemes. By evaluating the roles performed, the neighbourhoods that teams are based in and where they travel to, we can take a more informed approach to exploring and promoting the Staff Travel Policy and how teams can use the travel hierarchy to move to more sustainable modes of transport, including active travel.
- 5.4 We will promote new Bee Network schemes to teams and services as they launch locally to continue this place-based approach in addition to utilising TfGM's fifteen-minute neighbourhoods mapping. We are also looking to build relationships with TfGM, and other partners to tailor offers for MCC, for example team ticketing options for in-work travel and exploring corporate discount to the Bee Network Cycle Hire scheme. This is all being reported and shared in the Climate Change Action Plan under Workstream 2 – Travel & Transport.

6.0 Recommendations

- 6.1 The Environment and Climate Change Scrutiny Committee is recommended to note the report and endorse its progress to Executive.
- 6.2 The Executive is recommended to approve and endorse the Manchester Active Travel Strategy and Investment Plan.

7.0 Appendices

Appendix 1 – draft Manchester Active Travel Strategy and Investment Plan
Appendix 2 – Active Travel Strategy Public Engagement Summary Report

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Manchester Active Travel Strategy.



MANCHESTER
CITY COUNCIL

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Every journey we make involves a walk, whether it's going to the shops, to get the bus, taking children to school or getting out of the car at the other end. Some longer journeys could be made by other means if it were safe and convenient. Too often, that has been forgotten as we have planned our cities around the car. For a long time, we have taken for granted that our streets are for moving around as quickly as possible. For too long that has meant arranging our streets, our neighbourhoods and our city around what's best for people driving cars. Not every journey is suitable for walking, wheeling or cycling, and that's why this Strategy is part of a wider agenda about creating a truly integrated public transport system as well. Where cars and vans are still essential, they should be moving more slowly, and in a way that doesn't get in the way of people moving around in a more sustainable way.

As a city, we know we have multiple challenges to face – climate change, clean air, the cost of living – these issues can seem overwhelming, but one of the best solutions, with the most benefits, is to help people move around more easily in an active way, whether that's by walking, cycling or using forms of mobility aid like wheelchairs or powered scooters. We have seen other cities around the world make the kinds of changes we are setting out in this Strategy not just to help them address these crucial issues, but simply to put people first.

If we can make some relatively small changes to the way we manage our streets, we can make sure our children can enjoy walking wheeling or cycling to school, or playing out on the street, without having to worry about being safe. We can all get to the park to enjoy nature and greenery, and we can get more of the things we need in our local neighbourhoods, without having to drive further away and sit in traffic. We can get the huge mental and physical health benefits of being a bit more active in our everyday routines, probably without even realising it.

None of us dream of a world where we would sit trapped in cars on congested roads, or breathe dirty air, or live further and further away from the things we need. This strategy sets out our first steps towards building better places and spaces with cleaner air, safer and greener streets, more vibrant local centres and more accessible green areas.

It's going to take time, but every step gets us nearer to being a healthier, happier, stronger city.

**Councillor Tracey Rawlins,
Executive Member for Environment and Transport
Manchester City Council**



Councillor Tracey Rawlins
Executive Member for
Environment and Transport
Manchester City Council

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What will Active Travel look like in Manchester?

Vision

Our vision is that everybody in Manchester will be able to walk, wheel or cycle as part of their everyday lives - for school, work, shopping and socialising, in safety, comfort and happiness.

Target

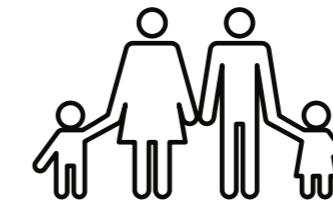
We aim to convert existing and future short journeys to walking and cycling.

Ambitions

Strategic ambition
Improve access to regional centre, district centres, parks and other key destinations



Enable safe access to schools and colleges



Improve citywide health and wellbeing through transport investment



Reflect the diversity of Manchester and address transport inequalities



What a good level of service looks like for walking, wheeling and cycling

Our streets are complex places with many roles and functions. Over the years these have become increasingly out of balance, with more priority given to the movement and storage of motor vehicles as opposed to their role as places for people. We must seek to readdress this inequity and in doing so, make our streets more attractive and inclusive places for everyone to spend time in, as well as pass through.

A universally accessible walking and wheeling environment is one where:

- **Barriers to movement are identified, then removed or mitigated**
- Footway achieves desirable minimum unobstructed width of 2m throughout
- Regular, well-maintained surface
 - Dropped / flush kerbs and tactile paving at all junctions and crossings
- Raised entry treatments at side streets, with clear pedestrian priority
- The footway continues at the same level across side roads, and vehicle crossovers for access to property
- There are formal crossings strategically located on desire lines
- There are direct and easily accessible routes to public transport stops and stations
- Streets feel safe for use by everyone at all times of day
- Appropriate space is allocated to different functions e.g. movement, social activity and greening
- There are benches or places to rest along the route

Cycling– what good looks like

A universally accessible active travel environment is one where:

In neighbourhoods

- People on cycles feel safe sharing the road with motor vehicles
- Street layout keeps both speed and volume of motor vehicle traffic low
- Permeability and connectivity are created by, for example, universally accessible modal filters or off-highway connections to provide routes that are more convenient than driving

On busier streets

- Dedicated and protected space for cycling is provided
- 2m minimum width is provided throughout
- Cycle facilities are continuous and uninterrupted
- People on cycles are given priority over general traffic across side roads and vehicle access to properties
- The cycle facility continues at the same level across side roads and vehicle crossovers for access to property
- Conflict at junctions is evaluated and managed through design choices

Across the network

- People of all ages, backgrounds and abilities have the opportunity to cycle safely,
- Active Travel routes join up into a coherent and convenient network, offering access to destinations or onward travel options
- Accessible cycle parking is readily available
- Cycle facilities are designed to accommodate non-standard and adapted cycles
- Regular, well-maintained surfaces
- Interaction with large vehicles is minimised

We will ensure that these principles inform the schemes we deliver when we make changes to our streets and places.

Our Manchester Strategy

We are focussed on our goal for Manchester to be in the top-flight of world cities by 2025 with a strong economy and highly skilled people. It will be well connected, limiting climate change and everyone will feel safe and live well in an attractive and welcoming city”.

The Manchester Active Travel Strategy and Investment Plan sets out our ambition to enable a wider range of travel choices for all our residents, focussing on our priorities to 2025.

Through each ambition runs Manchester’s commitment to build a more equal, inclusive and sustainable city for everyone who lives, works, volunteers, studies and plays here. Only by working together can we achieve our vision by making an impact on our priorities of making Manchester:

Our priorities are:

- A thriving and sustainable city
- A highly skilled city
- A progressive and equitable city
- A liveable and zero-carbon city
- A connected city

The Manchester Active Travel Strategy and Investment Plan sets out our ambitions to enable a wider range of travel choices for everyone to meet our our priorities to 2025 by:

- Improving active travel and aligning this with investment in other non-car modes across the city to support growth of the economy, contribute to economic recovery, and maximise the city’s competitiveness.
- Supporting the delivery of projects to connect all Manchester residents with high-quality employment opportunities in the city and growth in a range of key sectors of the economy. Improving infrastructure and unlocking regeneration opportunities will attract new investment, boosting the local economy and providing new jobs in Manchester.
- Improving local walking and cycling routes to facilitate opportunities for communities across the city to make more sustainable transport choices and enhancing city centre and wider connectivity to support inclusive economic growth. An inclusive and accessible active travel network is a key aim of the Active Travel Strategy.
- Supporting and promoting active travel, aligned with other sustainable transport improvements we will reduce carbon emissions by increasing the overall share of public transport, cycling and walking trips and reducing short journeys by car. Active travel also offers significant leisure opportunities particularly where links can be made to green spaces.
- Delivering world class infrastructure will attract investment and together with related strategies will improve transport integration across Manchester, making it easier for people getting into and moving around the city.





Why do we need Active Travel in Manchester?

Active travel, by which we mean walking, wheeling and cycling, is an integral part of how Manchester will create a zero carbon, liveable city, with clean air, pleasant streets and an environment in which active travel is an enjoyable, natural choice for everyday journeys. 'Active Travel' can be any form of sustainable transport that is predominantly 'human powered' – walking and cycling being the classic 'Active' modes. Those using mobility aids are also travelling actively – collectively described as 'wheeling'. Equally, 'assisted' active travel – 'micro mobility'; such as 'e-scooters' and 'e-bikes' – provides positive means for people to be more active, more often. Therefore, when providing for active travel we need to consider and cater for not only those on foot as pedestrians and riding traditional cycles but also adapted and specialist active modes, such as: self-propelled and electrically assisted mobility aids, trikes, cargo bikes and similar vehicles.

Walking also includes the use of guide dogs and other forms of accompanied mobility. In this way we will support inclusive and accessible active travel for all. E-scooters are currently only legal to use on public highways as part of approved public hire trial schemes, although it is expected that legislation to allow full usage is imminent. The Council is monitoring and learning from hire schemes in other cities in the UK, and awaits the detail of legislation to allow their full use. We would expect that that when fully legal to use on-road that e-scooters would be required to use the carriageway, including cycle lanes and paths, and not footways.

Our active travel strategy fits alongside our work to implement the Transport Strategy 2040 (GMTS 2040) transport strategy, to create the Bee Network integrated transport system, with investment in public transport and roadspace reallocation to enable people to move around the city without always using a private car.

Not every journey is suitable to be walked or cycled, which is why active travel sits within the Bee Network integrated transport system for Greater Manchester which will deliver investment in bus priority, Metrolink expansion and integrated ticketing to create a joined-up transport network.

This Active Travel Strategy will be complemented by a new Manchester Local Implementation Plan in 2023, which will prioritise more radial corridors for multi-modal sustainable transport, and ongoing work to deliver the City Centre Transport Strategy to 2040 (CCTS).



The benefits of enabling active travel extend across many different aspects of our lives:

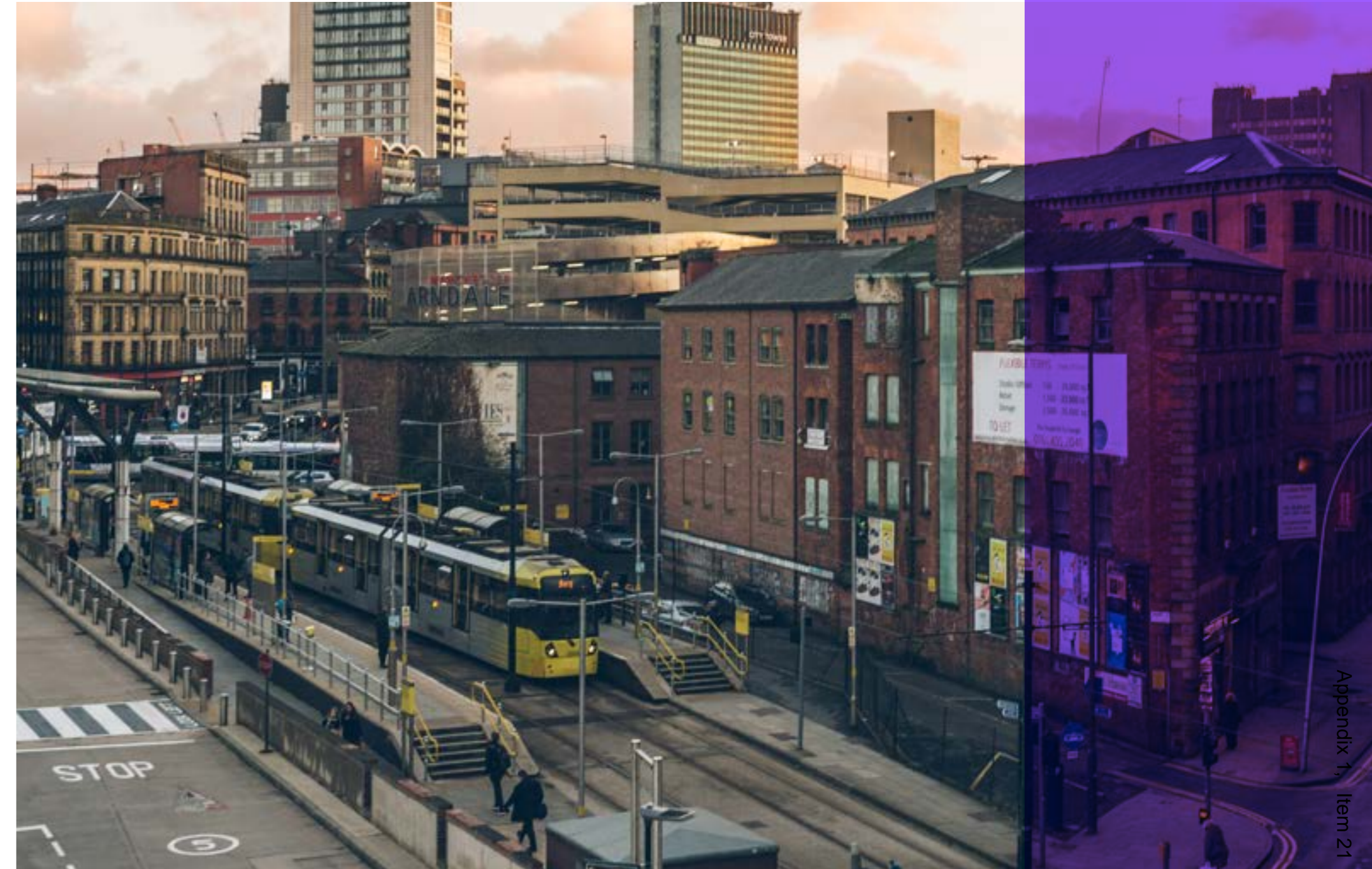
- Being active as part of everyday life has significant physical and mental health benefits.
- Travelling by walking and cycling is cheaper and more reliable than sitting in traffic.
- Children are more alert and learn better when they have walked or cycled to school, and are less likely to develop health problems later in life. Our air could be cleaner, our roads safer, our streets cleaner and greener.
- Deliveries to businesses work better when there is less congestion, and dense, walkable neighbourhoods can support a wider range of local shops and services.

Not every journey is suitable to be walked or cycled, but that is why active travel sits within the Bee Network integrated transport system for Greater Manchester which will deliver investment in bus priority, Metrolink expansion and integrated ticketing to create a joined-up, London-style transport network.

The Manchester Network Plan has been developed to demonstrate the routes around the city which will form the basis of our active travel investment plans in the short to medium term. It consists of priority corridors for fully segregated cycle lanes to enable safe cycling towards the city centre and other major locations and a series of local neighbourhood improvements to enable connections to schools, colleges and shops that are closer to home.

It consists of priority corridors for fully segregated cycle lanes to enable safe cycling towards the city centre and other major locations and a series of local neighbourhood improvements to enable connections to schools, colleges and shops that are closer to home.

The strategy sets out not just what we want to achieve, and why, but also how, where and when.



Current provision

The city's highway network contains footways which are used for walking – this strategy will support the delivery of improvements to the walking experience through measures such as continuous footways, footway widening, strategic maintenance, junction and crossing improvements and resting places. Walking is the golden thread connecting every way of moving around the city, and every journey made includes a walking element. We will seek to mainstream walking benefits in every scheme. This includes off-carriageway footpaths and cycle paths which can also be useful in connecting to key destinations and avoiding severance.

In terms of cycling, Manchester has one complete major scheme providing mostly segregated cycling infrastructure – the Oxford / Wilmslow Road Cycleway, completed in 2018. This provides 5km of protected cycle tracks and 26 bus-stop bypass lanes, a key feature as this is the most heavily used strategic bus corridor in GM and one of the busiest in the country, and features a bus gate to restrict general traffic. The Oxford Road / Wilmslow Road scheme has been highly successful, recording 5,000 journeys per day soon after completion, equating to over 1 million per year. Despite a dip during and in the aftermath of the COVID-19 pandemic and the resulting shift in working patterns, annual usage has rebounded and exceeded pre-pandemic levels.

The second radial corridor scheme, the Chorlton Cycleway, is close to completion. There are existing protected cycle lanes on the A6010 Intermediate Relief Road (Hulme Hall Lane, Pottery Lane) and sporadic, limited other provision. The rest of the city's current provision for cycle lanes is in the form of painted mandatory and advisory lanes, which does not meet current design standards and is not considered to form part of a network.



Existing plans

Manchester's statutory Local Transport Plan is the GM Transport Strategy 2040 (GMTS 2040). The strategy was prepared in close cooperation by TfGM, GMCA and the 10 local authorities and an update to the original 2017 strategy was endorsed by Manchester's Executive in January 2021. Sitting underneath this is the City Centre Transport Strategy to 2040, co-produced by MCC, TfGM and Salford City Council. There is a suite of sub-strategies which provide more detail on the GMTS 2040, including the Streets for All Strategy (S4A) and a forthcoming S4A design guide.

The GMTS 2040 sets out the principles, policies and investment in transport infrastructure necessary to protect our environment, improve quality of life for all along with delivering the growth and spatial strategy in the Places for Everyone Plan, the joint development plan being prepared by nine GM districts. Manchester will begin the process of reviewing its Local Plan in 2023 following adoption of Places for Everyone, and we will look to align our spatial planning policies which could deliver benefits to active travel with this strategy.

To inform and direct active travel investment, the Greater Manchester Cycling Commissioner's Made to Move report (2017), sets out 15 steps necessary to deliver 'the Bee Network' (now called the Active Bee Network). This was followed by the Bee Network Proposal itself (2018) and GM's Local Cycling and Walking Investment Plan (LCWIP) called Change a Region to Change a Nation (2019). All of the above have informed the current Bee Network Map, which is currently being refreshed for GM and will be published in spring 2023.

The GM Active Travel Commissioner, Dame Sarah Storey, published Refresh the Mission, in September 2022. This document sets out the new phase of active travel for GM, to ensure it is completely embedded in the city region's transport system. The mission is based around infrastructure delivery, home to school travel, cycle hire and access to cycles, integration with public transport and road danger reduction. The latter includes a new commitment to the Vision Zero approach to deaths and severe injuries as a result of road collisions.

This Strategy aims to deliver the Active Bee Network in Manchester, tailored to our priorities as we set out here, based on engagement and involvement of Manchester's people, and prioritising schemes and investment in Manchester to align with the city's

overall priorities as set out in the Our Manchester Strategy (2021) and our place-based growth and development strategies as set out in Strategic Regeneration Frameworks.

The funding to deliver the Active Bee Network has mainly come from the Mayor's Challenge Fund, and the first three tranches of the central government's Active Travel Fund. Across these two funding sources Manchester has a pipeline of nearly £46m to deliver 12 schemes.

The updated Manchester Climate Change Framework was adopted by the Council in September 2022. It sets out the council's vision of "a green city with walkable neighbourhoods, clean air, good jobs in successful businesses, warm homes and affordable energy, safe cycling routes and a public transport system that works for everyone." This strategy aims to ensure that active travel plays a full role in meeting the commitments set out in the Climate Change Framework to get back on track to net zero carbon by 2038.



Target

Turn short journeys to walking and cycling, and double cycling mode share.

Modal shift targets in Greater Manchester

In Greater Manchester, 30% of trips under 1km are made in a car. Of trips between 1 and 2km, 62% are made in a car. GMTS 2040 sets out the overall target for GM of achieving the 'Right Mix' of transport types – public transport, walking, cycling, car and others – on Greater Manchester's transport network. GMTS 2040 sets out the aim to improve our transport system so that we can reduce car use from 61% to 50% of daily trips (or less) with the remaining 50% made by public transport, walking and cycling.

This will mean approximately one million more trips each day using active travel or public transport in Greater Manchester by 2040, with no net growth in motor vehicle traffic. Delivering the Bee Network ambitions and achieving the Right Mix target will make an extremely important contribution to our carbon reduction ambitions, but on their own they will not be sufficient to meet decarbonisation commitments. The Climate Emergency declaration and the adoption of a much more ambitious target of zero carbon emissions by 2038 means that in GM a review of the relationship between our Right Mix targets and pathways and GM's carbon reduction commitments is being undertaken.

In addition to Right Mix Targets, the Greater Manchester Made to Move report establishes the target to double and double again levels of cycling, and to and make walking the natural choice for as many short trips as possible across the City Region. To achieve this, it recognises the need to put people first, creating world class streets for walking, building one of the world's best cycle networks, and create a genuine culture of cycling and walking.

Modal shift targets in Manchester

In Manchester itself, walking is the dominant mode for all trips of 0-2km, accounting for 59% of the total in 2021, and this strategy aims to grow this mode share even higher, by making walking the definitive natural choice for short trips, whether as the whole trip or connecting to public transport. Cycling has the highest potential to fill the gap between walking and public transport for trips of 2-5km and 5-10km.

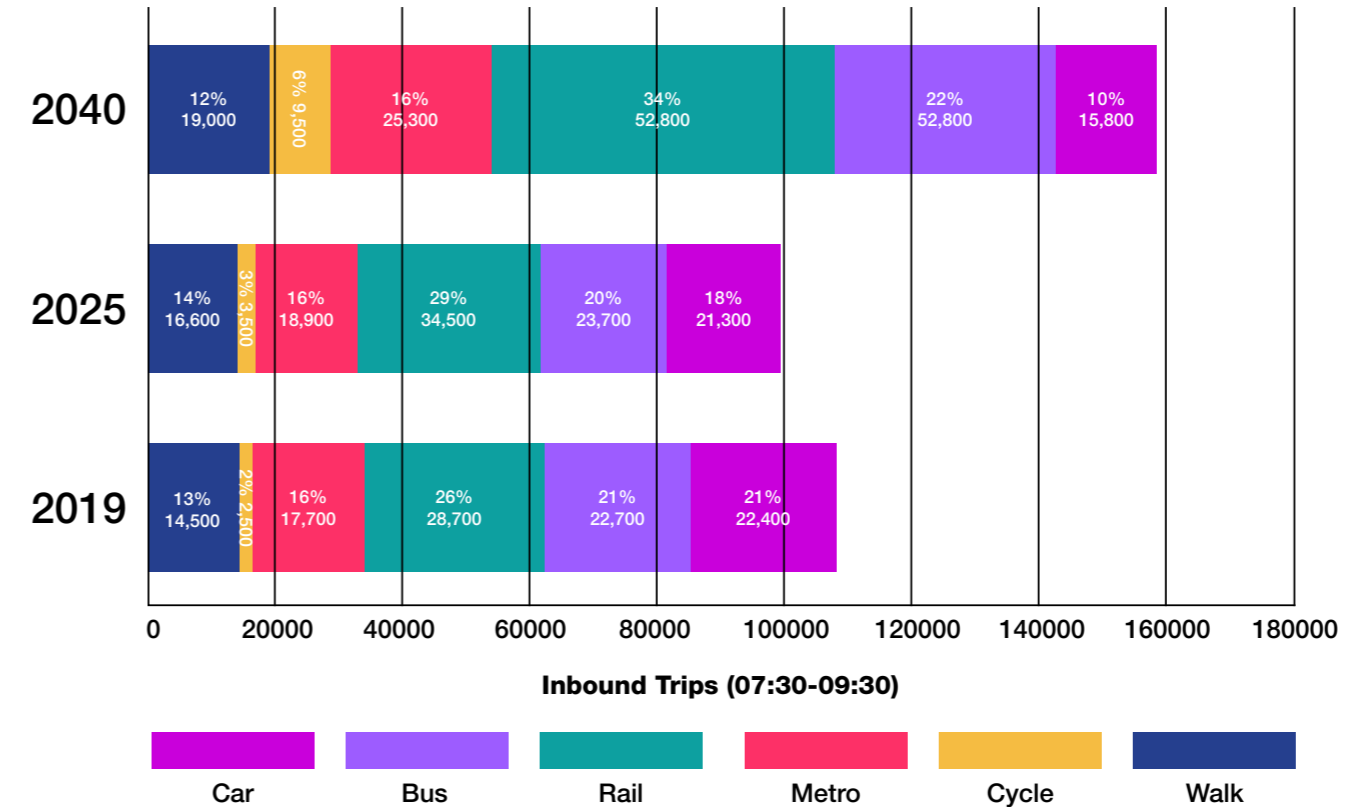
Currently cycling has an overall 6% mode share for trips with one end in Manchester, and as an initial aim at this stage of our network development we would like to see this doubled to 12% by 2028. This is consistent with Made to Move targets for the City Region, set out above.

The City Centre Transport Strategy to 2040 (CCTS) is co-produced by MCC, TfGM and Salford City Council, and was adopted in March 2021. The CCTS overall vision is "for a well-connected, zero-carbon city centre at the heart of the North, offering our residents, employees and visitors a great place to work, live and visit." The strategy sets out seven ambitions, most of which are directly or indirectly related to active travel. Specifically, Ambition 1 is "Walking is the main way of getting around the city centre," and Ambition 3 is "More people choose to cycle to destinations within the city centre."

The central target is for 90% of morning peak trips to the city centre to be made by public transport and active travel before 2040. In 2019 the figure was approximately 61%. Achieving this target will require substantial increases in bus usage, as well as an increase of approximately 4,500 more walking trips and 7,000 more cycling trips every morning. Due to the increase in the absolute number of trips, walking's mode share would be maintained at 12-13% but cycling would grow from 2% of current journeys to 6%. The need to increase bus, Metrolink and active trips to the city centre is informing our approach to our radial roads, which are being proposed for a combination of bus priority and active travel measures as part of the City Regional Sustainable Transport Settlement investment programme and the Network Plan presented in this strategy.

To support our vision, our aim is for 90% of morning peak trips into the city centre to be made on foot, by cycle or public transport before 2040. This means fewer cars in the city centre so we can have cleaner air, support our carbon reduction targets and rebalance street space, enabling us to make walking the main mode of travel for getting around. We define walking in its most inclusive form, recognising for those who may be disabled or with limited mobility this may mean relying upon guide dogs, wheelchairs, or other mobility aids to travel.

Mode share targets for Manchester City Centre



What we are trying to achieve?

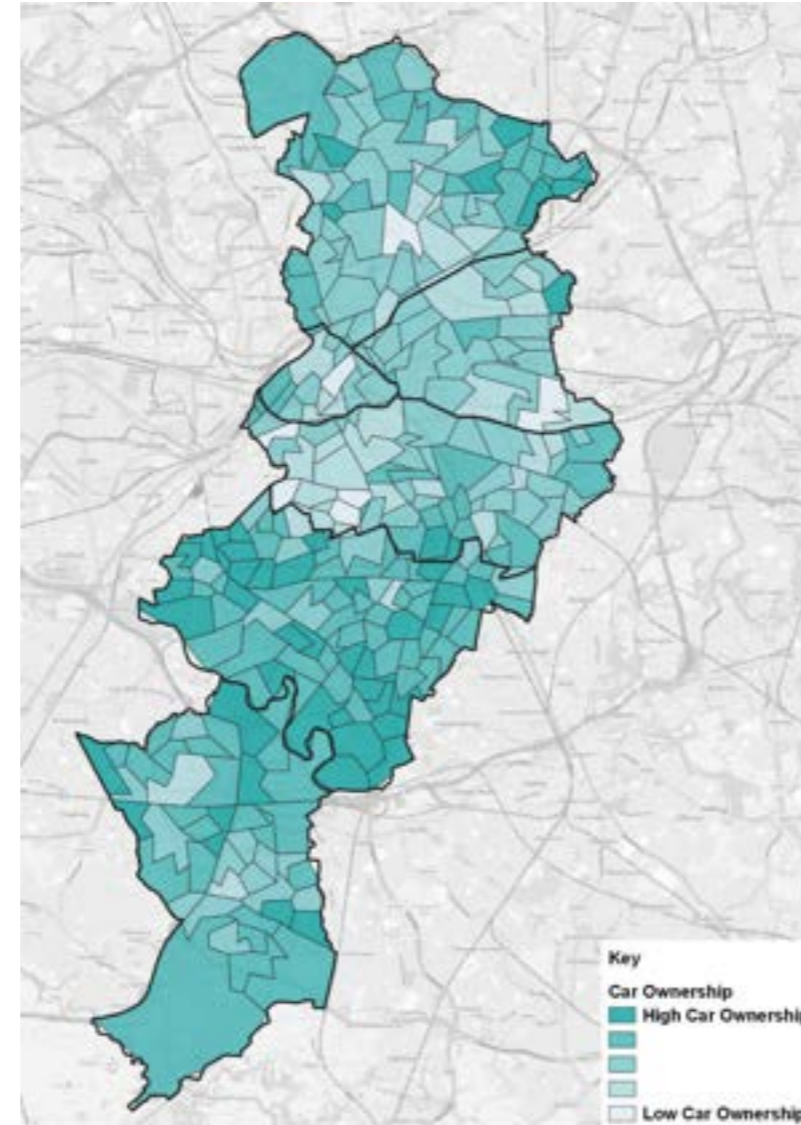
By committing to the principles outlined in this strategy and delivering the Manchester Network Plan we are trying to achieve our modal shift targets as a minimum. We are trying to enable and create a more liveable city, with compact, dense, pleasant local neighbourhoods where all daily needs are available on foot, by cycle or by wheeling within a 15-minute trip. We are trying to enable Manchester to get back on track in meeting the challenge of reducing direct carbon emissions in time to achieve our target of net zero by 2038. In our sustainable transport investment decisions, we will take a 'decide and provide' approach - in which our transport planning is vision-led, we decide on the preferred future and infrastructure is provided to fulfil that vision.

Identified issue

The modal shift targets in GMTS 2040 and the CCTS are intended to help us achieve our zero-carbon target by 2038, to clean up our air and to improve quality of life for Manchester's people whilst at the same time delivering the volume of growth to support economic rebalancing and opportunities.

According to Census 2021, 39% of Manchester residents do not have access to a car or van, a reduction from 45% in Census 2011. The city's population has increased by 9.7% since 2011, from 503,000 to 552,000, and the number of cars, light goods vehicles and heavy goods vehicles registered in the city has increased by 28% between 2012 and 2022. Of course, the city's streets are used by thousands of vehicles registered outside the city, from across GM and beyond. Across the city region, car registrations have risen by 30%, and light goods vehicles by 82%, between 2012 and 2022. More vehicles are trying to use the city's roads than ever before, which is not sustainable if we are to achieve any of our policy aims and deliver the growth we need to prosper.

The negative impacts of air pollution, congestion and road danger are disproportionately felt by those who are not causing this damage. Ground transport accounts for 24% of the city's direct carbon emissions, and within that, 95% of emissions are from on-road vehicles: cars, buses, vans, and motorbikes, predominantly running on petrol and diesel.



The map shows levels of car ownership across Manchester. The darker the colour, the higher the percentage of households with access to a vehicle. It shows the areas of the city with lowest vehicle availability are primarily in the city centre, north, east and Wythenshawe.

When we prioritise road space for private vehicles, we are not addressing the needs of a significant proportion of Manchester residents who do not have access to that mode, and we downgrade or minimise the public transport and active travel options open to them, resulting in inequitable access to opportunities, jobs, leisure and services. If road space was allocated per person travelling rather than per vehicle, increasing the space given to buses and cycles becomes the default option.

The updated Manchester Climate Change Framework (2022) sets out that to reduce the city's direct carbon emissions by 50% between 2020 and 2030, we need to travel less and change the way we travel, ensuring we chose the right mix of transport for each journey, prioritising active travel and public transport, particularly for short trips. Around one third all trips that start in Manchester are neighbourhood trips under 2kms and could be walked in around 20 minutes or less, in many situations, or cycled in around 5 minutes.

The reason why we need to invest in active travel infrastructure to support a just transition to a low carbon economy is that "there are significant economic, technical, institutional, societal, and regulatory challenges in decarbonising our transport system", including, as set out in the Climate Change Framework:

- "To make walking / wheeling the natural choice, people need safe, inclusive, and attractive routes.
- To enable more people to cycle, there needs to be high quality, connected and safe cycling infrastructure, broad access to bikes and sufficient places to safely park and store them.
- The space needed to deliver more priority for active travel and public transport infrastructure may be constrained in the city centre and some built-up residential areas, and will, in some cases, require road space to be reallocated away from general traffic towards the most space-efficient and sustainable modes
- Delivering the infrastructure needed to support behaviour change requires a significant scale and pace of change, which presents challenges in terms of capacity of local government and delivery authorities and will require significant engagement with communities and businesses.
- Revenue funding is needed to maintain integrated transport systems, including maintaining cycle infrastructure and footpaths and operating public and shared transport services, not just the upfront capital cost of infrastructure."



Delivering Growth

The Council is seeking to deliver around 64,000 homes by 2039, including around 15,000 in Victoria North. There is the potential for 100,000 more jobs and 50,000 more homes in the city centre alone over the next 20 years. This will only be possible if growth and development is decoupled from increases in private vehicle traffic.

When we build new homes and create new neighbourhoods, we need to make them pleasant, clean places to live, and provide the homes people need without creating hundreds of thousands of new car journeys.

We want our existing local centres to have a distinct offer, and be pleasant places to walk and cycle to and spend time in. Better streets designed for people travelling actively have quantifiable economic benefits for businesses and communities, with examples across the Ctiy Region showing that this results in higher footfall, reduced vacancy rates and higher spend on our high streets. However, higher density, walkable neighbourhoods with thriving local shops and services can only happen if our reliance on private car trips to access them is reduced.

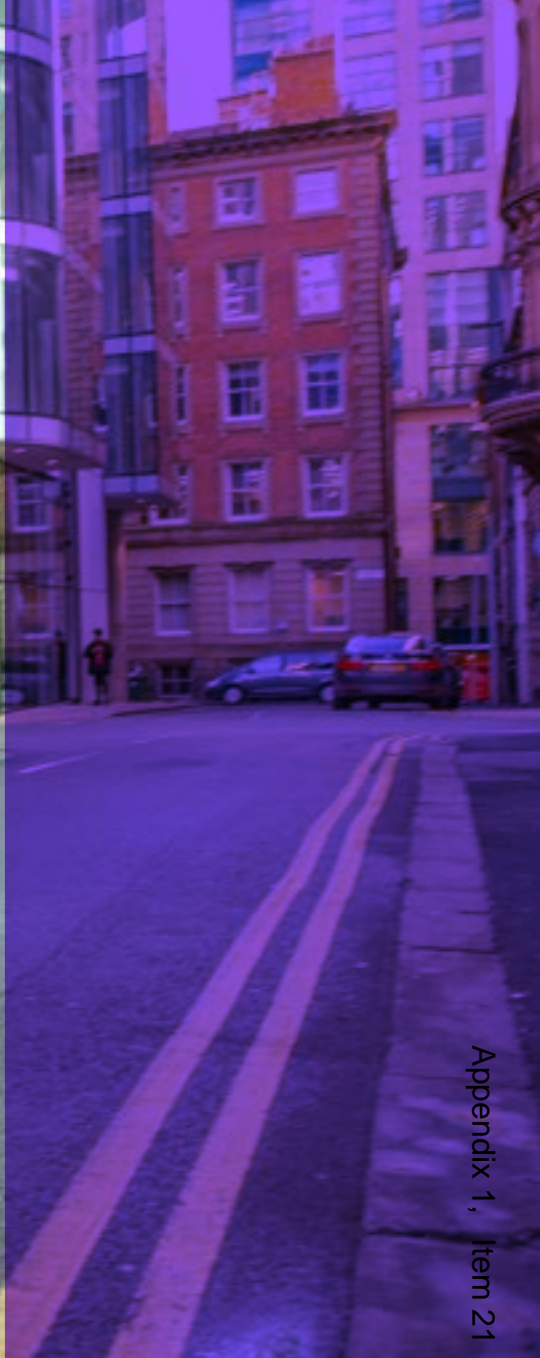
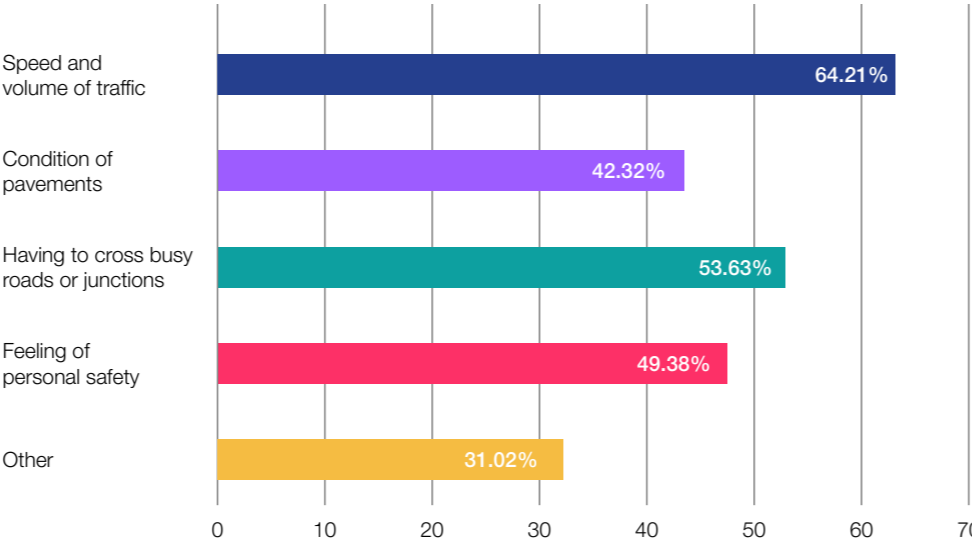
What did you say?

We know from public engagement during the development of this strategy that where multiple barriers to taking up active travel as part of a daily routine exist, the most important factors are safety and infrastructure. The graph shows the response when people were asked what *the main barriers to walking, wheeling and cycling are in Manchester*.

Other responses, additional to the options presented in the survey include:

- Poor weather or lighting conditions
- Pavement parking acting as a physical barrier
- Lack of dedicated infrastructure for active travel
- Poor maintenance on existing routes e.g., vegetation and litter issues presenting a barrier
- Safety concerns e.g., interaction with speeding motorists
- Physical barriers e.g., parked cars on pavement
- Rat running of motorists on certain routes

What the main barriers to walking, wheeling and cycling in Manchester?



What is happening elsewhere?

The following examples are shown to demonstrate the results of coordinated investment in and prioritisation of sustainable transport measures in comparable cities.

In **London**, following significant investment in high quality cycling infrastructure, “post-pandemic cycling levels in spring 2022 were firmly above the pre-pandemic baseline, with **weekday cycle-km travelled in London 18% higher in 2022 compared to 2019 and the seven-day average number of trips 14% higher over the same period.**”

By 2025, TfL wants the proportion of Londoners living within 400 metres of a high-quality cycle route to increase to 33%. By autumn 2022, this proportion was 21.9%, up from 19.4% in autumn 2021 and 11.5% in 2019 before the pandemic.

This suggests that building high-quality cycling infrastructure can and has led to rapid increases in mode share, furthering the case to accelerate investment in Manchester.

In **Paris**, the mayor has overseen the creation of an additional 60km of cycle lanes, as part of ‘Plan Velo’, removed a significant proportion of city centre car parking spaces, reduced speed limits to 30km/hr (19mph) and plans to introduce a prohibition of non-resident through-traffic in central areas. Cycling mode share is now estimated at 15% inside the ‘Peripherique’ intermediate ring road.

The mode share of private cars has halved since 1990 and now sits at 12%, which is close to the 2040 target for city centre morning peak journeys in the our City Centre Transport Strategy. Paris has benefited from significant investment in Plan Velo and associated initiatives, totalling approximately €150m to date.

Edinburgh’s citywide 20mph limit was phased in between 2016 and 2018. Research in 2022 found that “the overall percentage reduction in casualty rates was 39% (the overall percentage reduction in collision rates was 40%). The percentage reduction for each level of severity was 23% for fatal casualties, 33% for serious casualties and 37% for minor casualties.

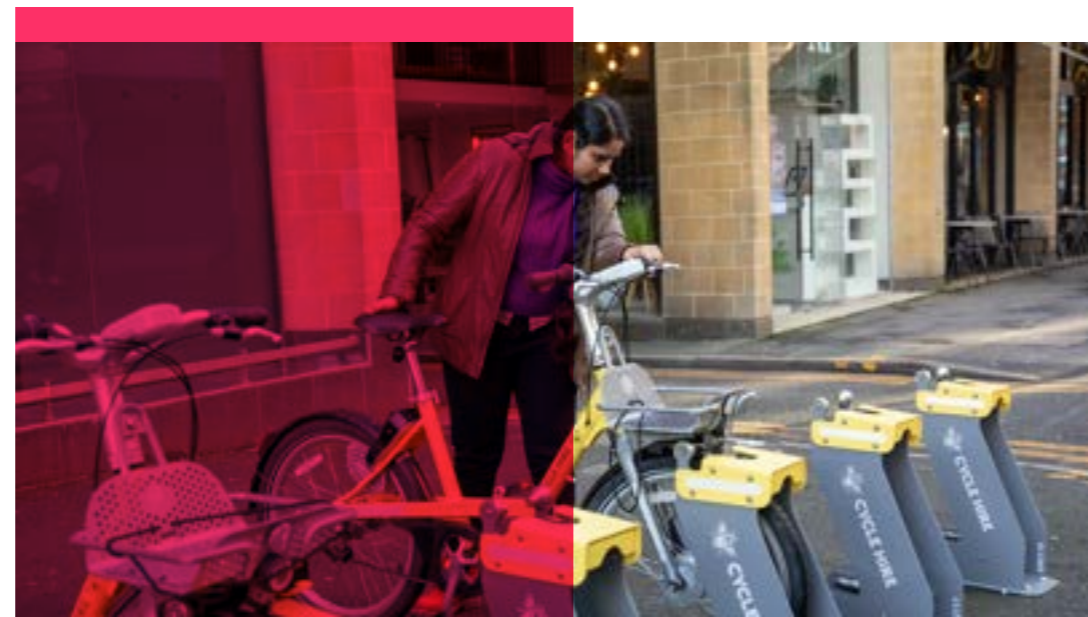
Prior to implementation, 50% of streets already had speed limits of 20 mph. Edinburgh implemented the 20-mph intervention in a further 30% of streets, which equated to an additional 1,572 roads being reduced to 20 mph.

This implementation resulted in 80% of streets in Edinburgh having speed limits of 20 mph (771 miles/1240.3 km), with a coherent network of 30-mph and 40-mph speed limits in the remaining 20% of streets.

A recent research paper⁷ examined the phenomenon of traffic evaporation, carrying out a review of existing studies and a case study of **Barcelona** following the ‘Superblocks’ tactical urbanism interventions in which selected streets in the city were closed to traffic and re-prioritised for seating, greenery and general public use.

The paper sets out that there is a well-established academic literature that demonstrates where more road-space is provided for general traffic, the volume of general traffic increases to fill the newly available space. Traffic evaporation is the opposite of induced traffic – it refers to the reduction in traffic flows which is often observed following a reduction in road space capacity.

The existence of this phenomenon means that the impacts of road space reduction on traffic congestion are less severe than predicted by traffic models. It also means that the concomitant impacts on air quality which are assumed to result from ‘traffic displacement’ are also less severe, or non-existent.



What are we going to do?

To achieve the committed modal shift targets in GMTS 2040 and CCTS, we must deliver an active travel network which enables Manchester residents, workers and visitors to make short journeys by walking and cycling – both to, from and within the city centre and in our neighbourhoods across the city. To do this, we will deliver sustainable transport measures which are designed for the hierarchy of road users:

1. walking and wheeling
2. cycling and public transport
3. servicing, business and delivery vehicles and shared vehicles including taxis
4. private car trips

This means that in designing and implementing changes to the highway network, we will:

- Take an approach to network management which prioritises movements by active travel and public transport as part of a holistic approach to integrated sustainable transport
- Reallocate road space for active travel, including footway widening, continuous footways, new crossings and improvements to existing crossings, protected space for cycling and filtering roads to allow safer use for active travel
- Seek to deliver an ambitious programme of active travel schemes as set out in our prioritisation framework, based on selected radial corridors and a network of quieter streets enabled by filtered permeability connecting between them, based around district centres, schools, colleges and parks

To enable and support people to use walking, wheeling and cycling for more everyday journeys we will:

- Reduce the default speed limit in the city to 20mph, and also reduce 40mph speed limits to 30mph, where justified and consistent with overall road safety
- An education and promotion campaign against pavement parking followed by a pilot scheme for targeted enforcement using existing powers, alongside lobbying central government to grant civil enforcement powers at the earliest opportunity

- Incorporate footway maintenance and repair, lighting, seating and other public realm improvements to support everyday walking and wheeling across all Council programmes and initiatives
- Deliver a substantial uplift in public cycle parking in city centres and district centres
- Work with TfGM and Beryl to expand the Bee Network Cycle Hire scheme, which currently offers 1,500 cycles including 300 e-cycles, primarily in central Manchester. Within the current scheme boundary across Manchester, Trafford and Salford approximately 198,000 people live within a five-minute walk of a docking station. We will support expansion across Manchester, so more Manchester residents, workers and visitors can benefit from the access to affordable public cycle hire.
- Roll out a citywide programme of secure, on-street cycle hangars, available for rent at an affordable price, targeted at households who cannot otherwise easily store one or more cycles off-street. The first phase of this will be a pilot project to establish good practice and test the concept.



Strategic Ambition

A network that connects the city, providing access to the city centre, local centres, and other important destinations

The Manchester Network Plan sets out our ambition for a city-wide active travel network that connects people with the places they want to go. While funding is not available to deliver all this network immediately, the Network Plan provides a mechanism from which we can seek and identify funding sources as they become available. When it is fully delivered the Manchester Network Plan will connect the city through a comprehensive network of active travel links.

The Network will enable people to make trips in their local area by walking, wheeling, and cycling while providing for trips across the city in all directions, including linking with public transport services and connecting with neighbouring areas.

Manchester city centre, as the regional centre for Greater Manchester, attracts people for a range of purposes such as employment, shopping, and leisure. The city centre has a large and increasing residential population as more people choose to live close to bustling and vibrant areas such as the Northern Quarter and Ancoats.

Data on existing travel patterns shows that cycle trips to the city centre are popular from some areas of the city but with many current and future communities within a 20-minute cycle trip, there is potential for a significant growth in the use of this mode to access the city centre and the wide range of amenities.

Across the city there are more than 20 local centres that are the location of important amenities that serve the local population, such as shops, healthcare, leisure, and education facilities. Many people live within a 15-minute walk or a 5-minute cycle trip of one or more of these local centres, however, a lot of short trips are made by car. Switching these trips to walking, wheeling, and cycling will reduce traffic congestion, help people stay healthy and active, and increase the vibrancy of our local communities.

There are a range of other key destinations across the city that generate a high number of trips and need to be better connected by sustainable means to support the environment, society, and the economy. A site of regional strategic importance is Manchester Airport, which is among the busiest in the country and employs thousands of people, many of which live within a short distance.

Another important area is the Oxford Road corridor which is a hub of activity around the two Manchester university campuses and a large healthcare site with many people travelling to and through this area for education and work every day. Further to this there are several other areas of employment and activity that attract high numbers of trips, many of which have the potential to be made by active travel should the appropriate conditions be met.

The cycling and walking network needs improving

The current network of active travel infrastructure in Manchester is limited in both its scope and quality. Recent schemes have delivered appropriate infrastructure in parts of the city, such as the Oxford Road/Wilmslow Road corridor and the Chorlton cycleway. However, many roads in the city have either substandard cycle infrastructure or none at all. While walking is better catered for in terms of footways, there are still examples of substandard pedestrian infrastructure and desire lines not being met across the city, or being blocked by inconsiderate parking that hinder or prevent many trips that would be made by walking and wheeling.

Achieving our targets to improve the walking and cycling network across Manchester, as set out in this strategy, will be key to improving active travel connections across the city. By working together we can make Manchester a more connected city that is accessible by walking and cycling.



What did you say?

Across Greater Manchester the lack of safe and appropriate infrastructure is the main barrier to people using active travel, particularly cycling, for many of their day-to-day trips with 49% of people stating safety as the reason they do not cycle at all or less often than they would like (Bike Life GM 2019).

As such, the Manchester Network Plan is at the core of the Active Travel Strategy as the Council recognises the importance of having the right infrastructure in place to enable people to consider active travel as a means to get around, particularly for journeys that they currently make by car.

Public engagement on this Strategy further emphasised the importance of appropriate infrastructure being in place for people to cycle or walk. Over 70% of people stated that more cycle infrastructure on roads along with traffic-free routes and quieter streets would mean they would cycle or walk more. Comments ranged from the need for protected cycle infrastructure on the main road network, particularly at busy junctions to feedback on more local infrastructure barriers such as the lack of pedestrian crossings restricting walking to local shops and amenities.

Many respondents to the survey stated the need for improved pedestrian crossing facilities to enable them to access schools, shops and doctors' surgeries on foot. Other significant issues raised included better road surfacing, enforcement against pavement parking and drainage issues.

The Strategy engagement also provided the opportunity to inform the components of the network based on peoples' knowledge of their local area. For example, one respondent suggested that 'Withington Road is a more suitable road than Alexandra Road to be in the Active Travel Network.' The respondent claimed that this route 'has more useful destinations on it (shops, doctors, church, and a school), it's not a bus route and it links up to Chorlton cycleway.'

What is already happening?

Manchester has a pipeline of schemes with committed funding from the Mayor's Challenge Fund and Active Travel Fund. These schemes are in varying stages of design and delivery. This Strategy aims to help with delivering the existing pipeline and the continuation of delivery from future funding sources, to build out the Network Plan and achieve the Strategy's aims and objectives.

A key part of this pipeline is work to deliver the 'City Centre Triangle' of routes as set out in the City Centre Transport Strategy to 2040. This comprises three major routes – Deansgate, Whitworth Street West and the Northern Quarter route.

Future funding for active travel will primarily be from Active Travel England, the new executive agency of the Department for Transport charged with enabling achievement of Gear Change – DfT's long term plan for walking and cycling, which has the overall aim of half of all journeys in towns and cities to be walked or cycled by 2030. Sitting underneath this is Local Transport Note 1/20, the government's design guidance for cycling, which ATE will be charged with design assurance, assistance and inspection to ensure its principles and standards are adhered to in active travel schemes.

A key aim of this strategy is to set out Manchester's principles and priorities in building the Manchester Network Plan so that we can draw in other sources of funding, to accelerate delivery. Through publishing the Network Plan we can make the case for bringing in place-based, housing-delivery, regeneration, developer contributions and other sources of funding beyond dedicated highways and transport funding.



What are we going to do?

The Manchester Network Plan provides the basis for how we are going to develop a connected and safe active travel network across the city.

The network will ensure that people will be able to reach the places they need to get to every day, such as work, school, college, university, healthcare, shopping and leisure.

The Network will be delivered based on the priorities identified (see section Prioritisation later in this Strategy) using local authority budgets enhanced through securing national and regional funding.

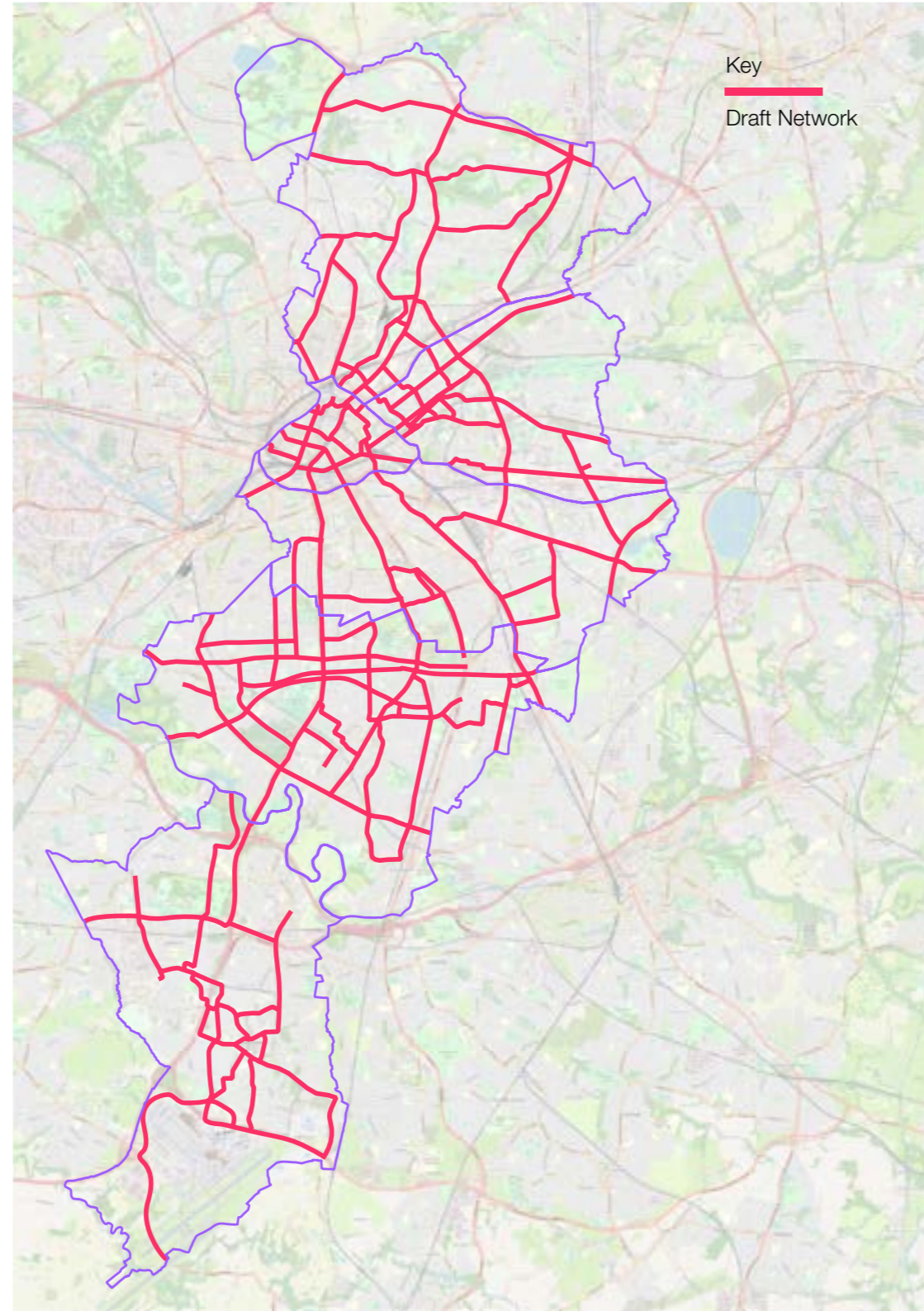
We will also use the land use planning system to secure developer contributions to deliver parts of the network that relate to planned and approved developments, particularly around the major strategic regeneration frameworks.

As the network is developed the gaps where existing infrastructure is not in place or not up to the appropriate standard will be filled in. This will link our communities with each other, providing for those local journeys that can be walked, cycled or wheeled while facilitating connections with key destinations across the city such as the city centre.

Page 300 The Network will also connect outside of Manchester, linking with current and future schemes in the neighbouring districts of Bury, Oldham, Salford, Stockport, Tameside, and Trafford, as part of the Active Bee Network.

The Network will be continuous, direct, and coherent to provide ensure walking, cycling, and wheeling are the most convenient ways to travel for many journeys, particularly those over short distances.

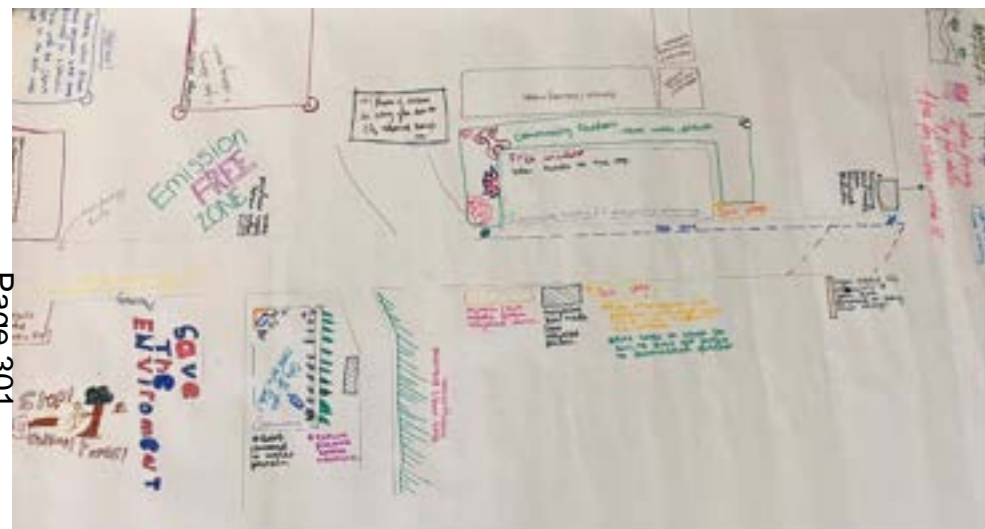
The Network will also be safe and attractive for all users, offering an inclusive way for people to travel around regardless of age, gender, or disability.



Ambition 1

Enabling safe active travel to schools and colleges

Travel to school walking and cycling rates have changed significantly over the last 10 years. The majority of primary school age children in Manchester walk to school (53.5%) but less than 1% cycle.



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Image of ideal local neighbourhood created by Manchester school student at Green Bee Youth Assembly, June 2022

Only a relative minority are driven (33%) - but one of the biggest barriers for those who might walk and cycle is the speed and volume of traffic, especially around the school where anti-social parking, idling and poor driving exacerbates the dangers.

The 'school run' is shown to be a significant part of peak time congestion, especially mornings (DfT data). GM travel diary data shows 9.9% of neighbourhood trips in Manchester are for 'escort to education,' accounting for over 75,000 trips per day. 2018 research from TfL's Walking Action Plan shows that a quarter of weekday morning peak car trips are for school drop-offs in London.

In common with many other areas, obesity rates increase significantly in Manchester's children between the ages of 4 and 11. In school reception year, 11.9% of children in

Manchester are considered obese, and 12.2% are considered overweight. By year 6, this rises to 27.3% obese and 14.7% overweight, meaning 42% of our Year 6 children are overweight or obese.

Parents who drive are often 'trip chaining' - driving to school in order to make a following journey by car, for example to work - increase in working from home provides increased opportunity for different travel to school behaviours, which could change ingrained travel choices for the remainder of journeys in a day.

The wider aim to establish the Bee Network integrated transport system is a crucial part of increasing the mode share of active travel for school journeys.

Rates of primary age children walking to school are good but could be improved to be well above the government target in the Cycling and Walking Investment Strategy 2 (2022) to "increase the percentage of children aged 5 to 10 who usually walk to school from 49% in 2014 to 55% in 2025" - as a dense, urban area Manchester could and should be significantly exceeding current figures, and **we are setting the target of 70% of children walking or cycling to primary school by 2028.**

Walking to school for secondary aged children is lower than primary at around 30%, which is perhaps to be expected given the wider catchment areas for secondary schools. Cycling to school for both primary and secondary age children is extremely low. **This strategy aims for 40% of secondary age children to walk or cycle to school by 2028.**

This will require increases in both cycling and walking to secondary schools, and the Council believes that with the right infrastructure in terms of safe routes and cycle parking provision, cycling can play a significant role.

The following motion was adopted by full Council in March 2022 (with an additional Motion in July 2022)

"Manchester City Council has declared 2022 the Year of the Child, and is committed to doing all we can to enable children to have a safe and active childhoods in our City.

This Council notes our commitment to enabling children and their families to walk and cycle to school and parks, and across the City, and the significant funds already committed to this. Further, we will:

1. Develop a programme of auditing school and park entrance points, to be completed within the next eighteen months, to ensure our records for these are up to date with a mechanism for regularly updating this.
2. Formulate a strategy to create safe crossing points for each of the school and park entrances over a precise timescale to be agreed with the Executive Member for the Environment, but with a view to the work being completed within the next 8 years;
3. Ensure that safe crossing points are an integral part of the Council's Active Travel Strategy which is currently being developed.
4. Lobby central government for funding to enable this plan to be achieved as quickly as possible.
5. Lobby Highways England to prioritise schemes and spending that improve pedestrian and cycle safety in the major road network."

This Strategy aims to fulfil the commitments made in this Motion.



Appendix 1, Item 21

A Safer Manchester

Increasing physical activity in children is a clear priority in terms of longer-term public health, which is why enabling children and young people to safely travel to school and college is a key aim of this strategy. Being active plays a key role in brain development in early childhood, and is also good for longer-term educational attainment. According to Living Streets research:

“Even a short walk to school contributes towards physical activity targets for both children and adults. Furthermore, supporting children to be more physically active from a young age increases the likelihood that they will continue to be physically active as adolescents and adults (Chief Medical Officers, 2011).”

In addition to physical health, children’s (and parents’) mental wellbeing can be supported by regularly walking to school. The mental health benefits of regular walking are widely accepted in the scientific community, by mental health practitioners and beyond.

There is a range of measures that the Council can take to enable safer access to schools by walking or cycling, from providing or upgrading crossing facilities, speed reduction, to roadspace reallocation and vehicle restraint, whether through timed measures like School Streets or more permanent filters to support a neighbourhood-wide approach.

A School Street is where the road is closed to vehicles (except limited access for residents) at pick up and drop off. The scheme is implemented using a Traffic Regulation Order (TRO) allowing road use to be restricted.

There are two kinds of School Street:

1. Temporary / Volunteer-led School Streets - where parents will apply for permission to close the street - usually a few times a year - and marshal the traffic themselves voluntarily
2. Permanent, Enforced School Streets - permanent school streets with related enforcement which mean drivers avoid the area without the need for volunteer marshalls - in force every weekday during term time.

School Streets will not be possible for every school, as some are on bus routes and/or main roads. The location of some schools makes it easier to implement a School Street scheme, for example where the school is on a cul-de-sac. Schools themselves may not support a school street, and it requires enthusiastic participation from volunteers (parents, governors, staff) if operated on a manual, marshalled basis.

Whilst the Council is open to and will encourage further volunteer-led School Streets, subject to funding, in advance of ANPR camera enforcement powers being granted, it is not considered scalable to operate volunteer marshalled School Streets on a long-term basis.

The ability to enforce School Streets with no physical barrier, though use of ANPR cameras, is subject to parliamentary approval for local authorities outside Greater London. We anticipate these powers being granted and implementable by early 2024, but this is subject to the uncertainty of the parliamentary process.

Achieving our targets to enable safe access to education by walking and cycling level, as set out in this strategy, will be key to addressing health, safety and access for all. By working together we can make Manchester a safer place and improve access to education.

What did you say?

We know through engagement that residents of Manchester would like to walk or cycle to school. 39% of respondents to the consultation stated they wanted to walk, wheel or cycle for journeys to education establishments including schools, colleges and universities.

There can be additional barriers to walking and cycling to education such as onward journeys of guardians dropping younger children off, ability of younger children and distance travelled to secondary education.

There is a latent demand of people wanting to walk or cycle to school, one survey respondent stated that “Improvements to paths would improve the wider community for work, leisure and health. this would include getting to work and group walking and cycling including get to school and educational visits.”

As such, this Strategy aims to enable people to consider active travel as a means to get to school and college, particularly for journeys that they currently make by car.

What is happening elsewhere?

Kesgrave High School, Ipswich - Almost 90% of the 1,800 students at Kesgrave High School in Ipswich regularly walked or cycled to school in 2022, demonstrating what can be achieved by a network of safe routes suitable for secondary aged children can deliver.

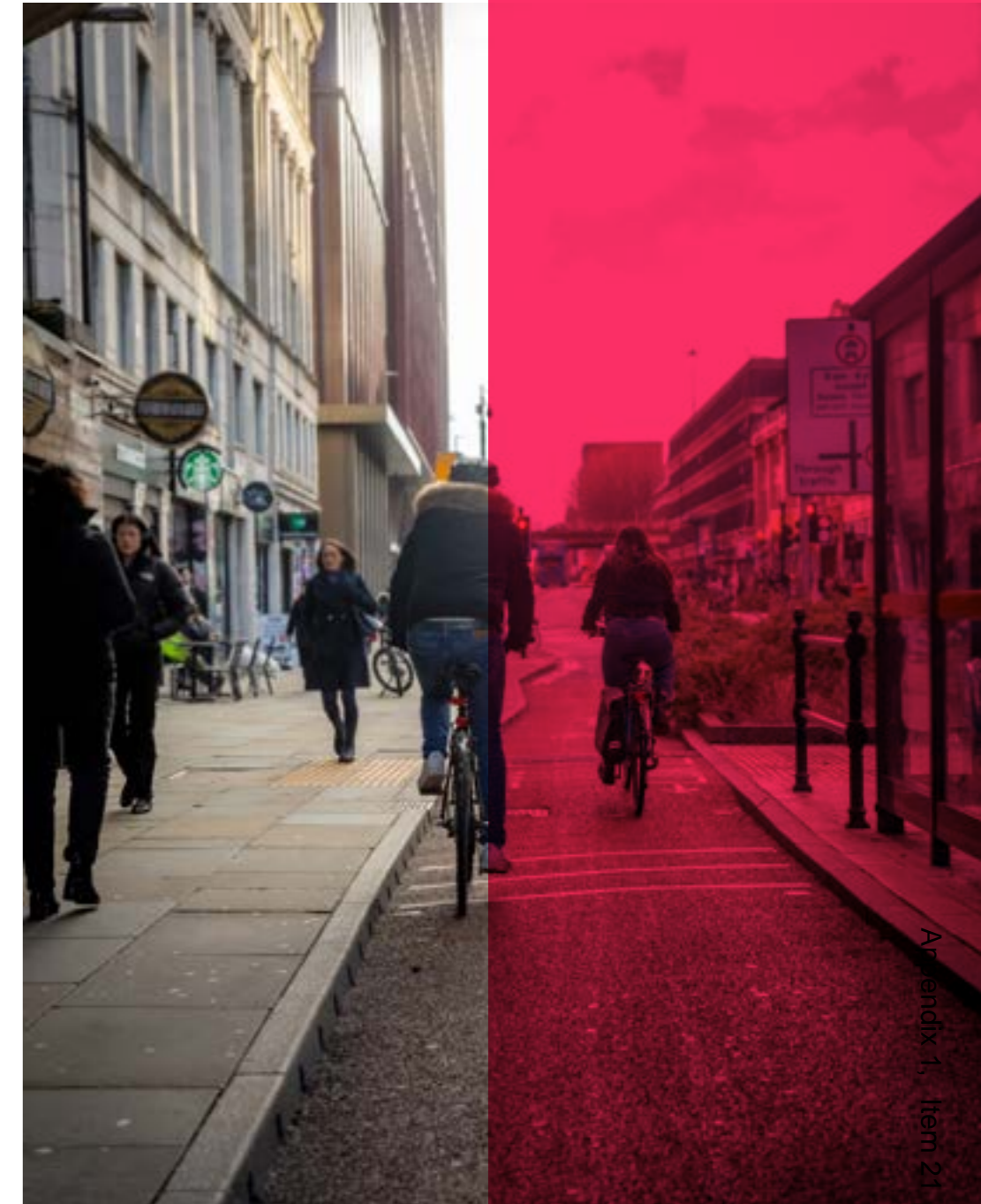
This represents 18,000 low cost, healthy, zero carbon trips per week. The national average for secondary school students walking to school is 37% and 4% for cycling. The surrounding area benefits from designed-in cycle lanes, built in the 1950s at the same time as local housing, rather than retrofitted afterwards.

This example shows that where the necessary infrastructure is provided, and enables cycling and walking to be a natural choice which is quicker, safer and more enjoyable, it is entirely possible for teenagers to travel to school under their own steam.

Proposals

In order to achieve the objective of 70% of primary aged children and 40% of secondary aged children walking or cycling to school by 2028 we will:

- Expand our School Streets programme and deliver at least one school street in each ward by 2028
- Enact Full Council Motions from March and July 2022
- Create safe crossing points for every school in the city as soon as possible and by 2030 at the latest
- Prioritise clusters of schools and colleges and the placing of filters to enable safe active travel to schools and colleges in delivering local active travel measures
- Expand cycle parking at schools and colleges



Ambition 2

Improving health, wellbeing and quality of life through transport investment

This strategy sets out our ambition to help address poor health, improve wellbeing and enhance quality of life for the residents of Manchester.

Up to 80% of what makes a difference in population health happens outside the health service. This makes the role of this strategy, and others like Our Manchester and GM Moving in Action, crucial to achieving positive change.

The key focus of this strategy is to use investment in walking and cycling infrastructure, and support other organisations to increase levels of physical activity, tackle poor air quality and improve access to services and areas of greenspace to ensure the people of Manchester can live long, happy and healthy lives.

Experience has shown that by providing the right environment and removing the barriers to greater walking and cycling we can:

- Get more people more active to improve physical health and wellbeing
- Support a reduction in car trips which will improve air quality
- Provide people with the infrastructure and tools to make access to healthcare services and greenspace easier
- Help make walking and cycling a fun way to spend time with friends and family

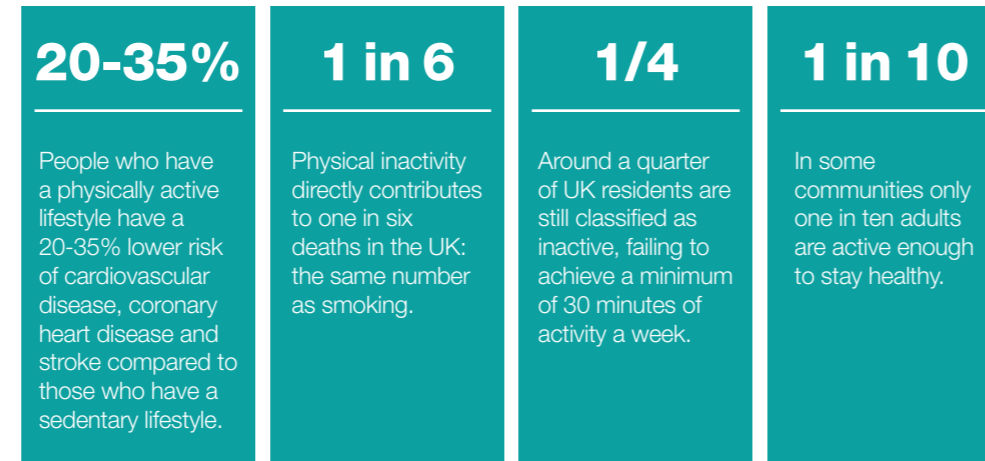
“In Greater Manchester our poor health is not only about the air we breathe but because we aren’t active enough and we need to be cycling and walking more.”

Greater Manchester’s Director of Public Health for Air Quality, Eleanor Roaf

A Healthier Manchester

As set out in the Manchester Population Health Plan, Manchester’s population is sicker and dies younger than some other cities’ populations, and shockingly inequality sees 3.5 times more early deaths in the city’s most deprived areas compared to the least. The work needed to improve Manchester’s population

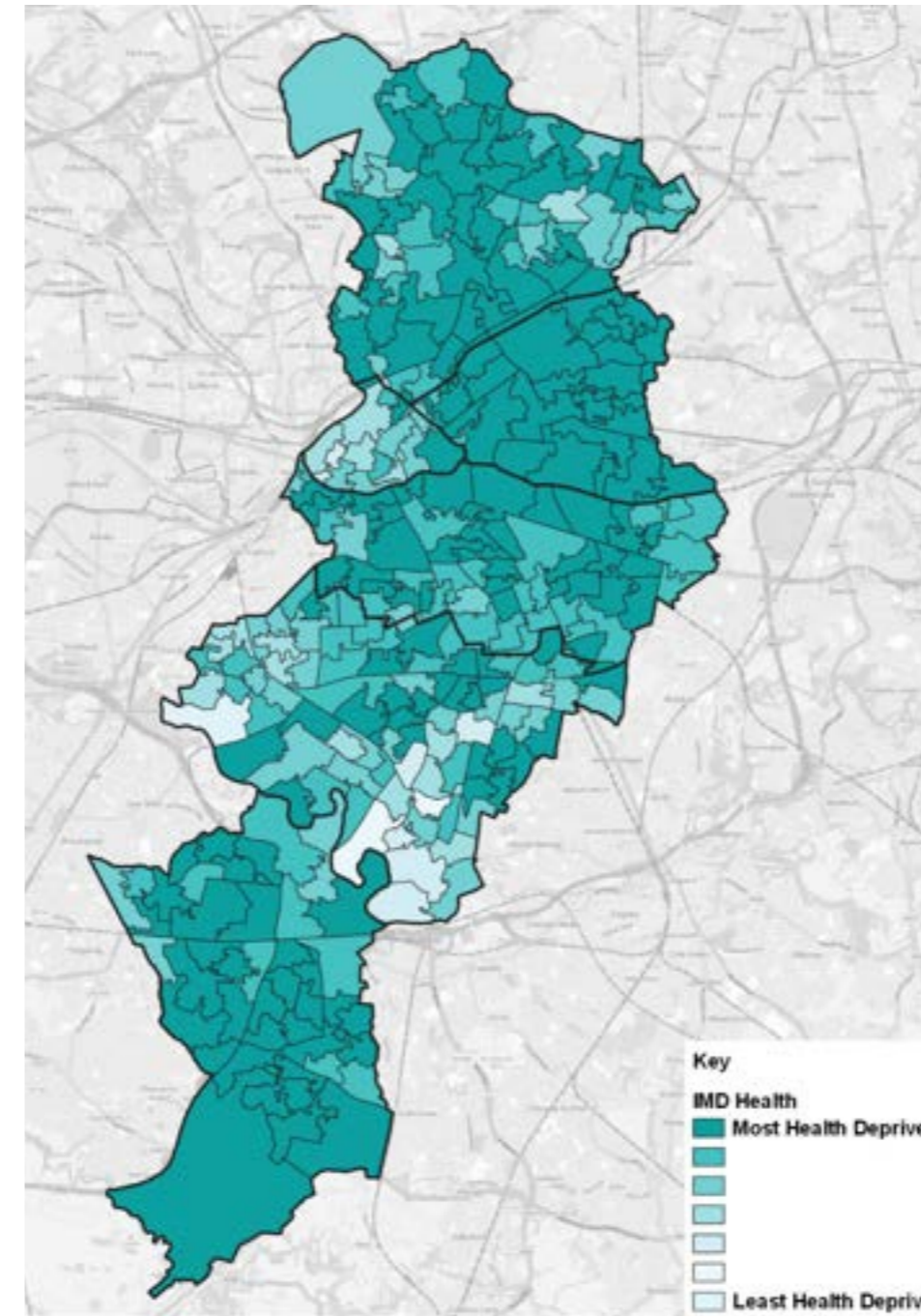
health needs to be delivered by everyone, not just health and social care workers and services. This is the essence of the Our Manchester approach: we will focus on what people say matters most to them and involve residents and communities to be active partners in their health and wellbeing.



Manchester performs better than the national and regional average for adults who are overweight or obese but much worse for year 6 children. Within Manchester there are big disparities.

As the map shows many wards in Wythenshawe and north and east Manchester have higher levels of health deprivation – these wards have above average obesity levels, lower car ownership, higher rates of death from respiratory diseases, and more children receiving free school meals. In addition to this disparity in health there is further inequality across Manchester in terms of access to healthcare services due to a lack of viable transport options, and also inequality of access to areas of greenspace, which is widely regarded as being good for mental health and wellbeing.

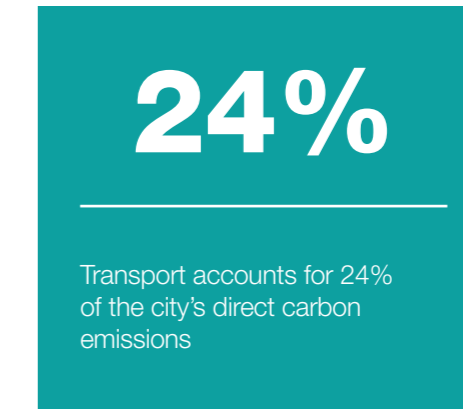
This inequality and the impact it has on the health and happiness of residents highlights the need for walking and cycling interventions to be focused in areas of greatest need.



Dirty air makes a major contribution to ill health and early death in our communities. In towns and cities, road vehicles are the main source of air pollution.

Everyone is at risk. Air pollution harms our health at every stage of life – and the most vulnerable people in society are hit hardest – children, older people and those already in poor health. Air quality is particularly poor around some schools in Manchester, this can cause health problems like asthma, wheezing, coughs and infections like pneumonia.

The Council published a Climate Change Action Plan 2020-25, in March 2020, committing the council to reducing CO2 emissions from homes, workplaces and ground transport by 50% during 2020-25. Transport accounts for 24% of the city’s direct carbon emissions, and within that 95% of these emissions are from on-road vehicles.



Achieving our targets to increase walking and cycling levels as set out in this strategy will be key to addressing health inequality, achieving these ambitious decarbonisation goals and improving quality of life for everyone.

What did you say?

The consultation results show that residents of Manchester would like to access healthcare establishments using active travel and travelling to medical appointments were mentioned by survey respondents as a journey they would like to be able to take by walking or cycling.

However, walking and cycling health and safety concerns were raised by survey respondents as an issue, although the health benefits were cited as a reason for choosing to walk or cycle, as the quote below from one survey respondent illustrates:

“I cycle to work everyday but the route is horrendous for a cyclist. Virtually zero cycle lanes roads very congested and pretty much everyday a near miss, thankfully! But it's still quicker and healthier than driving”.

From previous consultations we also know that addressing poor air quality is a priority for many people across Manchester. Our conversation on the City Centre Transport Strategy in 2018 highlighted that poor air quality is a strong concern, with 90% of respondents seeing it as an important issue to tackle.

Furthermore, 80% of respondents agreed that improving cycling, walking and public transport infrastructure would be the best way to improve air quality.

What is already happening?

Lots of great initiatives and schemes are already happening in Manchester and across Greater Manchester. For example:

- Community Bike Libraries in Chorlton, Beswick, Moston and Harpurhey, Cheetham Hill and Wythenshawe, offering low-cost cycle hire and training
- Manchester City Council e-cargobike library – offers affordable short and longer term hire of e-cargobike to residents and businesses, can carry up to 180kg load (including rider)
- Back on Track to deliver projects encouraging disadvantaged groups in Manchester to walk more
- The Resonance Centre CIC to run a series of user-led circular walks for people who are not in work and/or who are living with a mental health condition
- Air quality awareness programmes to encourage people to take action against air pollution

- Working more with schools to support walking/cycling, anti-idling, and trialling ‘green screens’ around playgrounds
- promoting the contribution of green infrastructure across the city

We will build on these schemes and others across Manchester whilst also learning from good practice elsewhere. Milan has had a combination Low Emissions Zone and Congestion Charge Zone in the city centre since 2012, and it has reduced NO2 emissions by 76% and the number of average daily car trips by 38%. Milan adopted an ambitious cycling strategy in 2021, planning for 750km of protected cycle paths by 2035 in a model of concentric routes around the city with radial corridors from the suburbs to the centre.

During the Coronavirus pandemic, Milan reallocated 35 kilometres of city centre road space for cycle lanes, created new and widened pavements, designated streets as a priority for pedestrians and cyclists and imposed a speed limit of 30 kilometres per hour. The city wants cycling to become the primary mode of transport for at least 20 percent of its residents by 2035, and will seek to ensure that 80 percent of homes are within one kilometre of a fully protected cycle route

What are we going to do?

The Council, working with partners will promote active travel measures to help improve the health, well-being and quality of life of the people of Manchester. Achieving this requires cross-cutting investment and cross-discipline working and the city council will work with a range of partners to increase the investment per person in active travel measures every year.

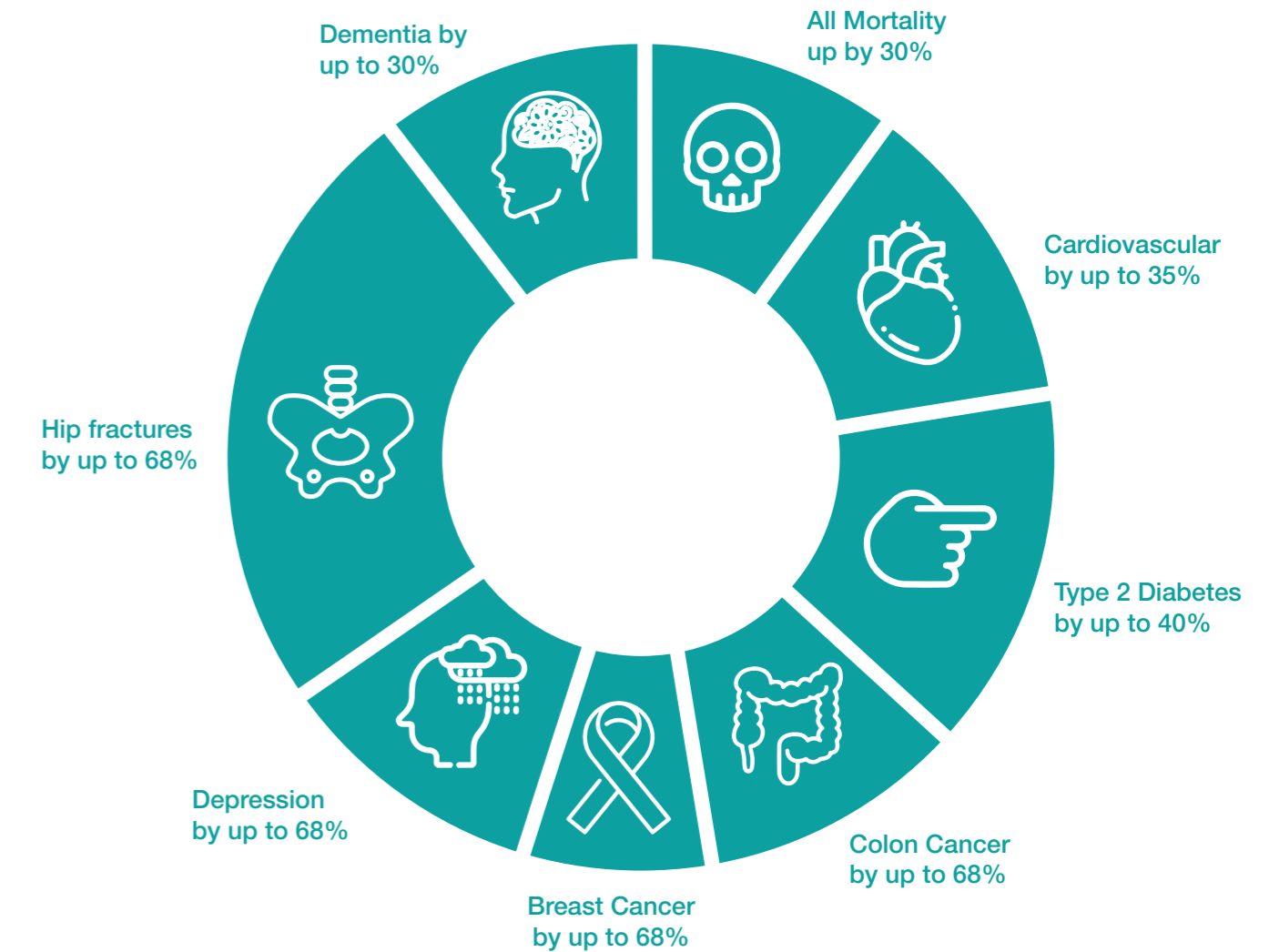
Investment will be prioritised in areas of greatest need by considering inequality, health and air quality – this investment will focus on:

- Providing people with easy access to a safe and good quality network for walking and cycling
- Improving access to public transport hubs, medical centres and areas of green space
- Delivering smaller packages of promotional activities and behaviour change measures to help support and encourage people to use active travel

Reasons to Travel Actively

Walking and cycling are great ways to explore your town centre and they are great for your health, the environment and high street benefits including:

- Improving strength, burning calories and making your heart healthier.
- Swapping short car journeys with walking or cycling is not only a great way to build exercise into your day but will also help reduce carbon emissions making your local streets nicer places to spend time.



Source: Public Health England



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Ambition 3

Reflect the diversity of Manchester and address transport inequalities

Manchester is a diverse city – the various socio-demographic attributes can impact how an individual or group accesses active travel in the area.

The Manchester Active Travel Strategy aims to overcome any socio-demographic barriers and provide equitable access to active travel for the people of Manchester.

Institute for Civil Engineers has published an article which discussed designing inclusive walking and cycling infrastructure. The article stated that designers cannot rely solely on their own knowledge if they are to create streets that work for everyone, instead designers should use the lived experiences of diverse people to start from a place of understanding the needs of individuals.

Walking, including with mobility aids, is one of the main ways of being physically active for women, disabled people, older people, people on lower incomes, and people from South Asian, Black and other minority ethnic backgrounds. Ensuring walking routes are safe and pleasant is therefore a significant equalities issue.

As discussed when outlining the other ambitions, the identified active travel network across Manchester will improve safety and access to key destinations within the district by walking, wheeling and cycling.

This ambition looks specifically at the needs of the different demographics within Manchester and how active travel can reduce inequality by providing new, and improving existing, connections to key services.



Appendix Item 21

Manchester is a Diverse City

Manchester has over 550,000 residents, each with different attributes that make up an individual's identity. The intersection of these attributes has the potential to impact a person's willingness to use, and accessibility to, active travel as a mode of transport. Attributes that have been considered as part of the strategy are sex, gender identity, age, employment status, disability, ethnicity and sexual orientation.



The different experiences people have when walking, wheeling and cycling are vital to designing and creating inclusive places. In March 2022, Sustrans and Living Streets published guidance "Walking for Everyone: A guide for inclusive walking in cities and towns". The guidance states that while differences exist between different demographic groups, many of the barriers to improve walking and wheeling are shared.

Therefore, rather than focusing on the differences between people, instead address common issues and solutions that would benefit many people across different marginalised groups. To do this the guidance recommends improving governance, planning and decision making, creating better places for everyone to walk and wheel

and support everyone to walk and wheel. Specific recommendations include ensuring pavement space is reserved and maintained for people walking and wheeling and raising the profile of walking and wheeling, and equipping people with the information and tools they need.

Achieving our targets to increase accessibility by walking and cycling for all, as set out in this strategy, will be key to supporting the diverse nature of Manchester. Where the lack of infrastructure combines with wider cultural, social or other barriers, we can provide equality of opportunity.

What did you say?

The engagement brought up concerns around inclusion across the network, with concerns mainly relating to disability access in areas as well as issues relating to the ease of access for the older population.

One respondent stated that as a wheelchair user they

'cannot wheel up the road for cars on the pavements.'

An additional comment stated that as a disabled cyclist

'They find the speed bumps difficult to get round on a tricycle.'

Softer measures such as behaviour change initiatives and enforcement were commonly cited by respondents to the engagement as ways of overcoming social barriers to promote wider inclusion.

These were particularly around the education of motor vehicle users and enforcement of speed limits and parking restrictions. For example, many respondents stated their desire to see the enforcement of 20mph and 30mph speed limits in certain locations.

However, the desire to see more enforcement was not just limited to restrictions on speed, with parking restrictions also a common theme picked out by the respondents including tackling the issue of parked cars acting as a barrier to walking and cycling, particularly for those using non-traditional cycles or in wheelchairs due to limited space.

Suggested interventions include 20mph in all residential areas and a city wide pavement parking ban.



What is already happening?

In 2021, GM Walking gave grants to nearly 90 local voluntary and community groups with the aim of getting Greater Manchester walking. They offered the grants to support a huge range of activities that encourage people who are usually less active to start or to increase the amount they regularly walk. Almost half of the successful applications were from organisations based in the most deprived 20% of the region.

Organisations with a specific inclusion demographic supported by GM walking include:

- Praxis Care to run a weekly walking group for current and ex-tenants of supported accommodation
- Richmond Fellowship Manchester Women's Service to go on fortnightly walks
- Lesbian Immigration Support Group to organise walks for service users throughout Greater Manchester
- We Matter CIC to set up a women's walking group in Longsight
- The Booth Centre to run a project encouraging people who are homeless or at risk of homelessness to get walking in Greater Manchester's greenspaces
- The Greater Manchester Rape Crisis and Sexual Assault Centre to run walks for their service users
- Great Places Housing Group to run day trips to popular walking spots for vulnerable adults with a range of mental and physical health challenges
- The River Manchester to run monthly park walks for socially isolated local people, including those who have suffered domestic abuse
- Dynamic Support of Greater Manchester Ltd to take socially isolated and vulnerable women from diverse ethnic backgrounds on days out walking scenic routes across the region
- Canal and River Trust to promote walking and active lifestyles to young people and veterans
- Angels of Hope for Women to run a peer-supported walking groups, workshops and walk and talk sessions for women from diverse ethnic backgrounds
- Future Directions CIC to start a walking group for people with learning disabilities and additional support needs
- The Pakistani Resource Centre to run weekly walks and promote the benefits of walking and healthy lifestyles to centre users
- Manchester Deaf Centre set up a fortnightly specialised walking group for deaf, hard of hearing and deafened people

***“Speaking on behalf of my daughter, I would just like to say how absolutely fantastic the walkabout has been.*”**

The fact she can get out and about with a group of her peers has had a huge effect on both her mental and physical health.”

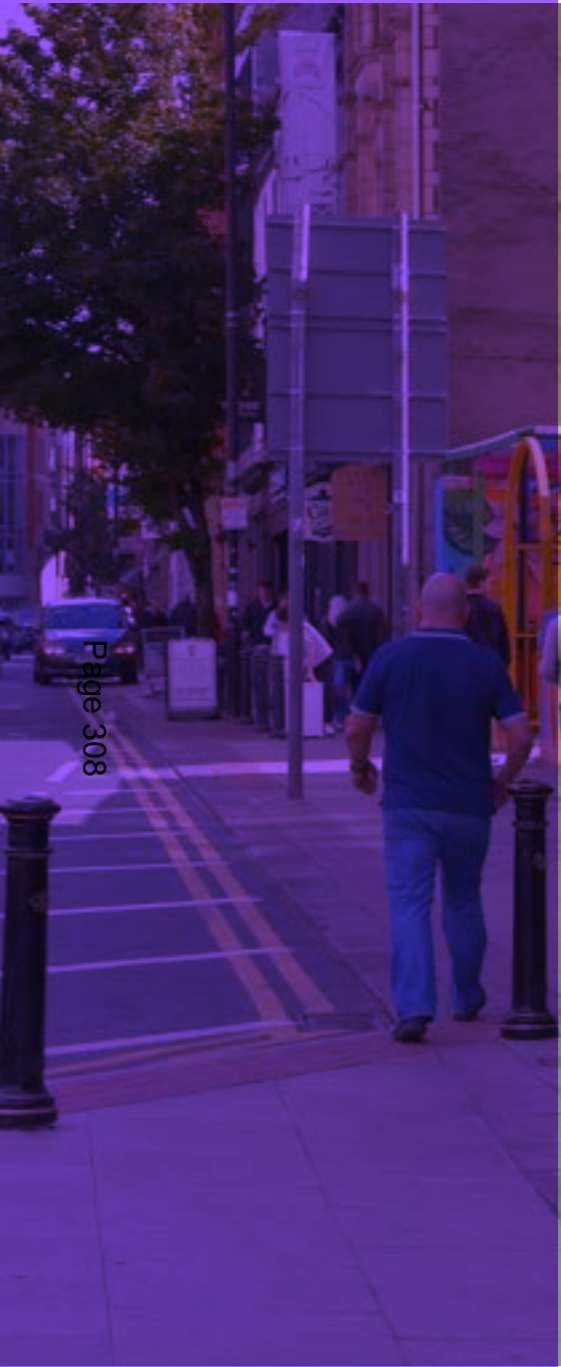


What are we going to do?

Manchester City Council want to promote measures to make active travel accessible for all through the implementation of new schemes and MCC-led built environment initiatives, therefore removing access barriers in all new active travel interventions, including:

- Engage with marginalised groups to understand local community requirements for walking, wheeling and cycling.
- Continuous footways across side roads to remove issues of dropped kerb/level access at side road junctions, with clear priority for pedestrians and people wheeling.
- Carry out proactive enforcement against pavement parking using existing powers and lobby government to prioritise acting on the consultation to give local authorities outside London civil enforcement powers.
- Ensuring all kerb-separated cycle tracks are suitable for non-standard cycles including tricycles, as set out in LTN 1/20 guidance.
- Removing all access barriers to off-carriageway walking and cycling paths which prevent access to non-standard cycles, including tricycles.
- Ensure that the needs of people with disabilities who may require access by motor vehicle are protected when designing schemes which otherwise 'filter out' motor vehicles.
- Lighting to improve safety perception, particularly when walking, wheeling or cycling alone in the dark.
- Utilise open spaces where possible and avoid closed areas to increase passive surveillance and increase safety perception for active travel users.
- Link areas of higher deprivation to key destinations by active travel modes to increase accessibility without the reliance on private vehicle ownership.
- Promote and support community schemes and groups.





Prioritisation

Developing a robust Investment Plan involved identifying which areas of the city warranted the highest priority for investment, particularly with the funding that will become available in the short and medium term. To achieve this, we implemented a two-stage prioritisation process:

- **Stage 1** involved the analysis of a range of data and information on where current walking and cycling journeys take place along with where there is the most potential for increases in the future. This provided an understanding of where the areas of the city are that have the greatest potential for increases in active travel.
- **Stage 2** will focus on assessing the identification and prioritisation of schemes within the areas identified as priorities. The assessment will consider the deliverability and feasibility of potential interventions.

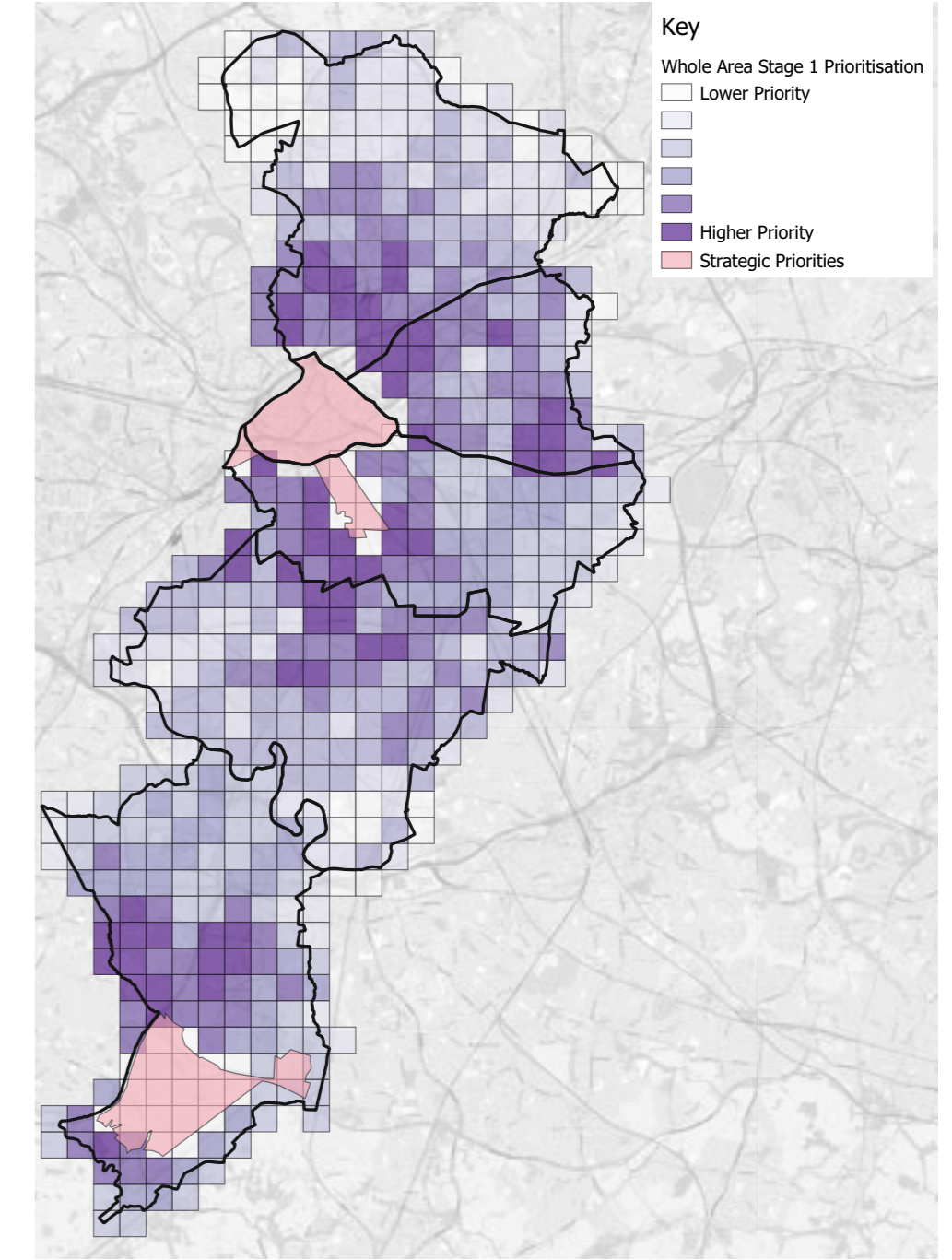
The prioritisation will ultimately assist decision making and investment planning and can be reviewed and updated in response to future data and intelligence.

Stage 1

The city centre, Oxford Road corridor and the Airport are already identified as strategic priorities so they were not included within the prioritisation scoring as they would have dominated the top priorities.

As part of the place-based approach, priorities were identified within each of the city areas. The assessment for each area was done in isolation and as such the top priority in the North may not equal the top priority in South but this provided a range of priorities and a pipeline of schemes across the city.

The adjacent plan shows the areas in darkest colour that have been identified as priorities for investment.



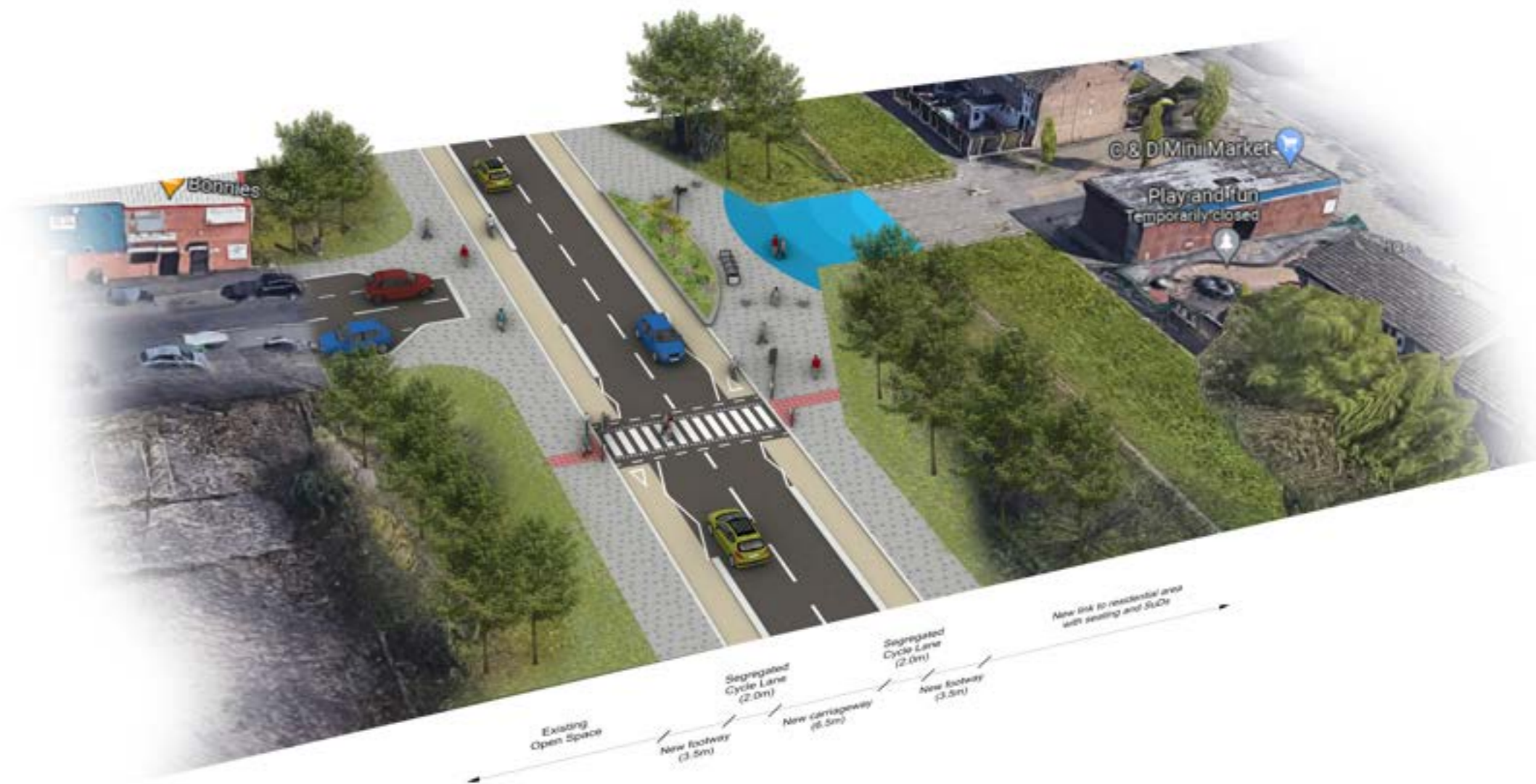


Stage 2

For the priority areas identified in Stage 1 schemes will be identified that include the appropriate infrastructure interventions, such as:

- Segregated cycle tracks
- Modal filters
- Side road treatments
- Junction improvements
- Crossing points
- School Streets

An example of the type of scheme is shown in the cross section of potential interventions on the A662 Ashton Old Road, on the next page.



The next 5 years

A set of commitments has been devised which, dependant on funding, will be used to measuring the success of the Active Travel Strategy and active travel interventions in Manchester. The commitments are for the next five years, up to 2028. The strategy will be reviewed in ~18 months against identified metrics of success and results will be published publicly.

Target

Turning short journeys to walking and cycling and double cycling mode share

Implement an annual active travel focussed transport survey for Manchester

Double

mode share for cycling



Make walking the **natural choice** for short journeys



Reduce the default speed limit in the city to **20mph**, and also reduce **40mph** speed limits to **30mph** by 2028, where justified and consistent with overall road safety

Strategic Ambition

Access to regional centre, district centres, parks and other key destinations

20%

of the identified active travel network will be delivered



Develop proposals for an additional **30%** of the identified active travel network



Improvements to **2 local centres** per year

Ambitions

Enabling safe active travel to schools and colleges



Deliver **one** school street per ward



Enable **70%** primary aged children **40%** secondary aged children walking or cycling to school

Improving health wellbeing and quality of life through transport investment



Invest a minimum of **£10** per capita per year



Double the number of people who live within a **10** minute walk or cycle to local green spaces

Reflect the diversity of Manchester and address transport inequalities



Removing all access barriers to off-carriageway walking and cycling paths which prevent access to non-standard cycles

Set up a consultative panel to access scheme options at an early stage, representing a broad spectrum of

interest and experiences

Acknowledgements

This Strategy has been prepared by officers from Manchester City Council who are passionate about seeing real change happen across Manchester. Input and support during the development of the strategy and network plan has also been provided by local Councillors, Manchester Cycle Forum, members of the public, consultants Sweco and design agency Studio Up North.

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Mangoppear Creative - Unsplash

Jonny Gios - Unsplash



MANCHESTER
CITY COUNCIL

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Manchester Active Travel Strategy and Investment Plan

Public Engagement Summary Report

Manchester City Council

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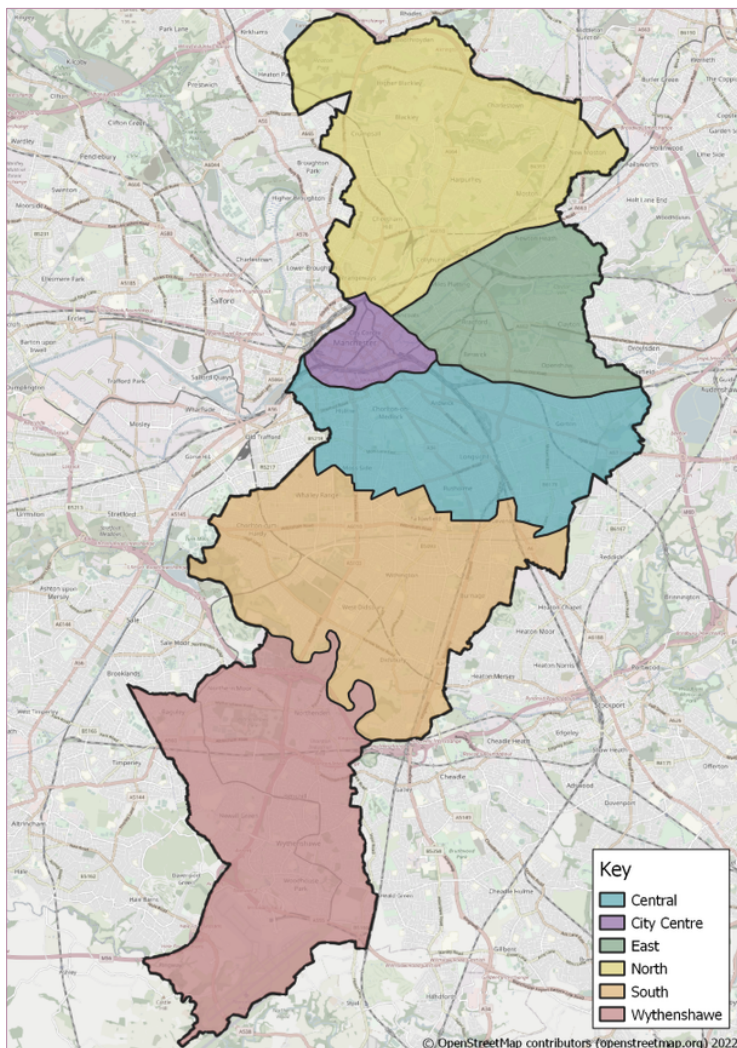
Prepared For: Manchester City Council

1 Introduction

1.1 Manchester Active Travel Strategy and Implementation Plan

Manchester City Council (MCC) have commissioned Sweco to assist with preparing the Manchester Active Travel Strategy and Investment Plan (MATSIP). The Strategy and Investment Plan will cover the whole city, with analysis and the generation of a pipeline of schemes on a broad geographical basis of across the city and focussing on key areas of North, Central, East, South and Wythenshawe, shown in Figure 1.

Figure 1 - Manchester Active Travel Strategy area



1.2 Purpose of this document

This Public Engagement Summary Report sets out the results and findings of the public engagement that has been undertaken as part of the Manchester Active Travel Strategy and Investment Plan project. The report highlights concludes with key themes that will be taken forward and included in the strategy document.

1.3 Engagement Approach

Comprehensive engagement with the public, elected members, officers, and key interested groups is a fundamental part of developing a robust, inclusive and effective Active Travel Strategy.

The following engagement objectives were identified:

- To gather intelligence and technical, policy and local knowledge that can improve the strategy and help achieve its objectives
- To enable a wide range of stakeholders to take ownership of the plans set out in the strategy and its investment plan, through involvement in its production

The engagement approach has five stages:

1. Early Engagement
2. Network Level Engagement
3. Place-based Workshops
4. Scheme Level Engagement
5. Final Output

1.3.1 Early Engagement

An initial two-stage stakeholder mapping exercise has been undertaken which includes:

1. **Identifying the stakeholders** - building on the information gathered at the Inception & Expectation Meeting, our own local knowledge, relationships and experience and by the project team holding a session focussed on users;
2. **Categorising each stakeholder** - looking at how the schemes could impact individual stakeholders to establish different levels of engagement

In July 2022, twenty three engagement calls were undertaken, lasting approximately thirty minutes each, which were predominantly one-to-one – a member of the project team engaging with a key stakeholder. Some meetings were attended by multiple stakeholders and therefore a total of 29 stakeholders were engaged.

Stakeholders that were engaged include representatives from:

- MCC
- TFGM
- Neighbouring authorities
- WalkRideGM
- Groundwork
- MCR Active

The purpose of this stage was to provide an opportunity for the project team to present to stakeholders about their important role in the process and address any queries or concerns stakeholders had ahead of the later stakeholder engagement and public consultation. At this stage stakeholders had the opportunity to input into challenges

and opportunities around the development of the MATSIP to supplement the data and information being analysed.

The desired outcomes for this stage of the engagement process were to bring key stakeholders up to date with progress and previous work undertaken, raise awareness of the project and supplement data with stakeholder opinions.

Key themes that were identified, which will be used to shape the strategy going forward, include:

- Infrastructure
- Funding
- Behaviour Change
- Governance/Politics

1.3.2 Network Level Engagement

After the early engagement was undertaken, a draft network for the strategy was devised and presented to key stakeholders within MCC and to the Manchester Cycling and Walking Forum. This involved a slideshow presentation followed by an open discussion ahead of the public engagement.

2 Online Consultation

2.1 How were people engaged?

To ensure that the engagement was inclusive, multiple engagement options were established to collect information. These included an online survey, an email address and in-person workshops.

The online consultation utilised ArcGIS, an online platform that included the survey and an interactive map for geographically specific comments.

To promote the survey, communications through MCC social channels, including locally specific targeting, and the Council's website were utilised and the survey was also forwarded to those on the Walking and Cycling mailing list. Communications about the events were also disseminated through organic networks via MCC Neighbourhoods officers, elected members and local interest groups. Attendees at the public engagement workshops were also directed to the online consultation to give feedback on the strategy.

In total, there were 964 individual responses to the online engagement. This included a total of 1,341 comments on the interactive map as some respondents chose to add multiple comments.

2.2 Question responses

The online questionnaire included the following questions:

- How do you typically travel around Manchester?
- What are the main barriers to walking, wheeling and cycling in Manchester?
- What suggestions do you have for improving conditions for walking, wheeling and cycling in Manchester?
- What kinds of journeys would you like to do by walking, wheeling or cycling?

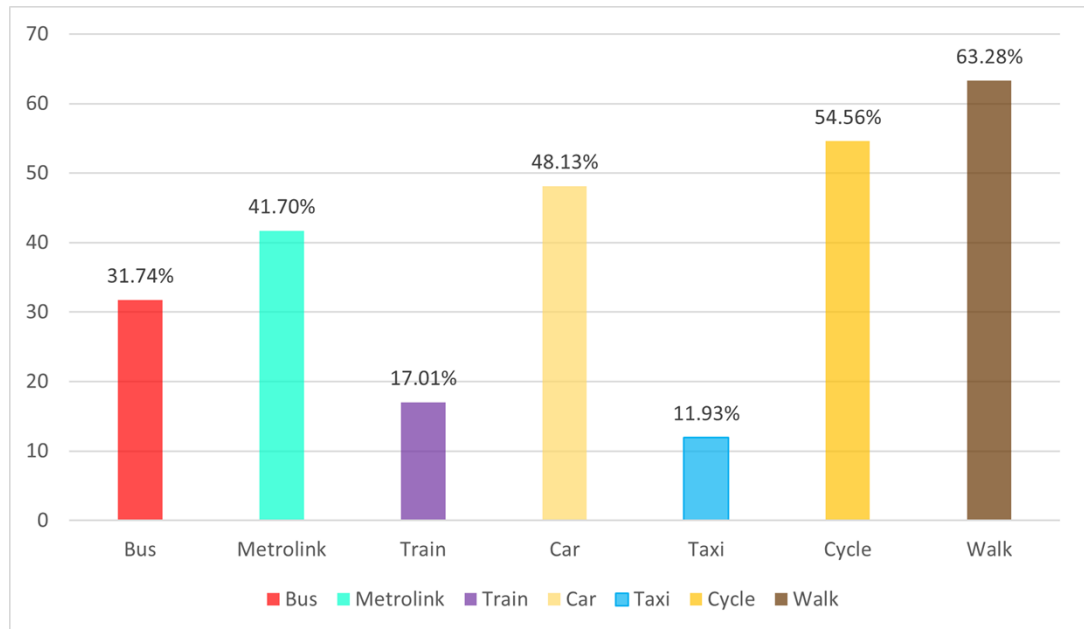
Along with these questions, respondents were also able to add comments to a map to identify geographically specific issues and opportunities regarding active travel in Manchester. The below section summarises the responses to each of the survey questions.

2.2.1 How do you typically travel around Manchester?

More of the respondents to the survey walk for journeys in Manchester than any other mode of transport, 63%, followed by cycling, 55%. This means that the respondents to the survey are generally already using active travel modes more than other forms of transport. Therefore, respondents to the survey have a good understanding of the current situation for active travellers in Manchester. Respondents could indicate more than one mode, matching normal travel habits.

Almost half, 48% of respondents use a car which is more than any form of public transport. Taxi has the lowest use by respondents, 12%.

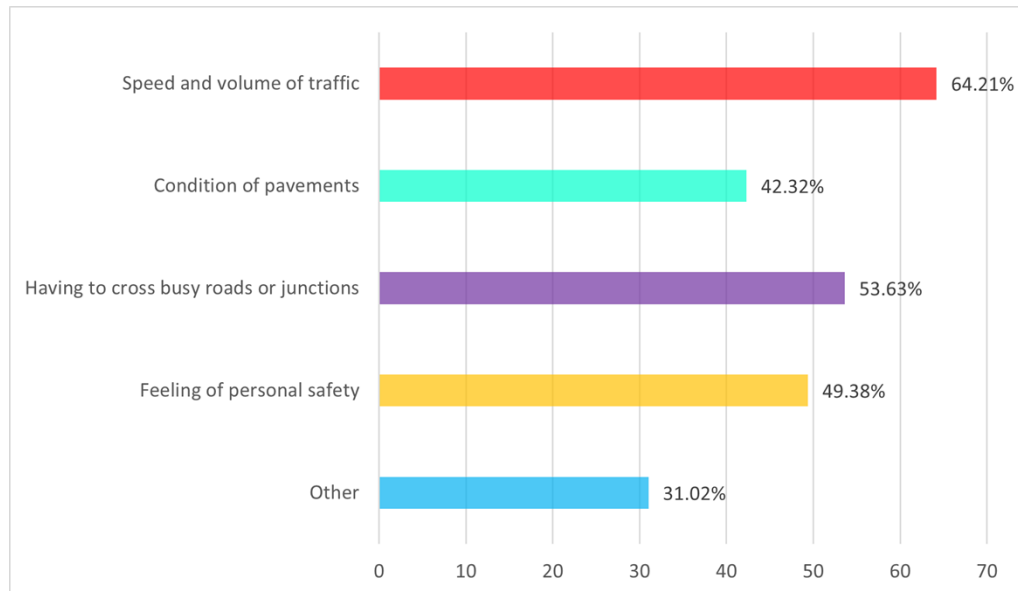
Figure 2 – Method of travel



2.2.2 What are the main barriers to walking, wheeling and cycling in Manchester?

The main barrier to active travel in Manchester, identified by the online engagement, is the speed and the volume of the traffic which was cited by 64% of respondents. This is closely followed by having to cross busy roads or junctions, cited by 54% of respondents. This indicates that the conflict between active travel modes and motor vehicles is a particularly contentious issue for respondents to the survey when considering active travel.

Figure 3 – Barriers to active travel



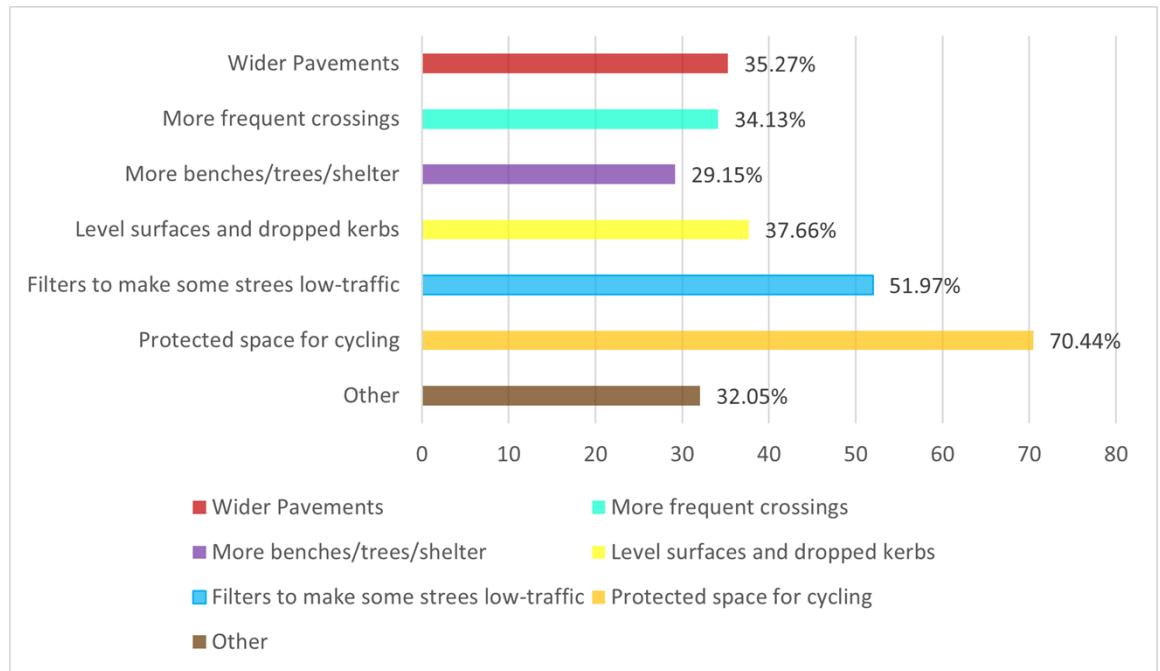
Other responses, additional to the options presented in the survey include:

- Poor weather or lighting conditions
- Pavement parking acting as a physical barrier
- Lack of dedicated infrastructure for active travel

2.2.3 What suggestions do you have for improving conditions for walking, wheeling and cycling in Manchester?

To overcome the barriers identified above, respondents to the survey were asked for suggestions to improve the conditions for active travel. The most common response, selected by 70% of respondents, was to create protected spaces for cycling, followed by implementing filters to make some streets low-traffic which was selected by 52% of respondents. Both of these correlate with the issues identified above as they reduce the conflict between active travel modes and motor vehicles.

Figure 4 – Suggestions to improve active travel



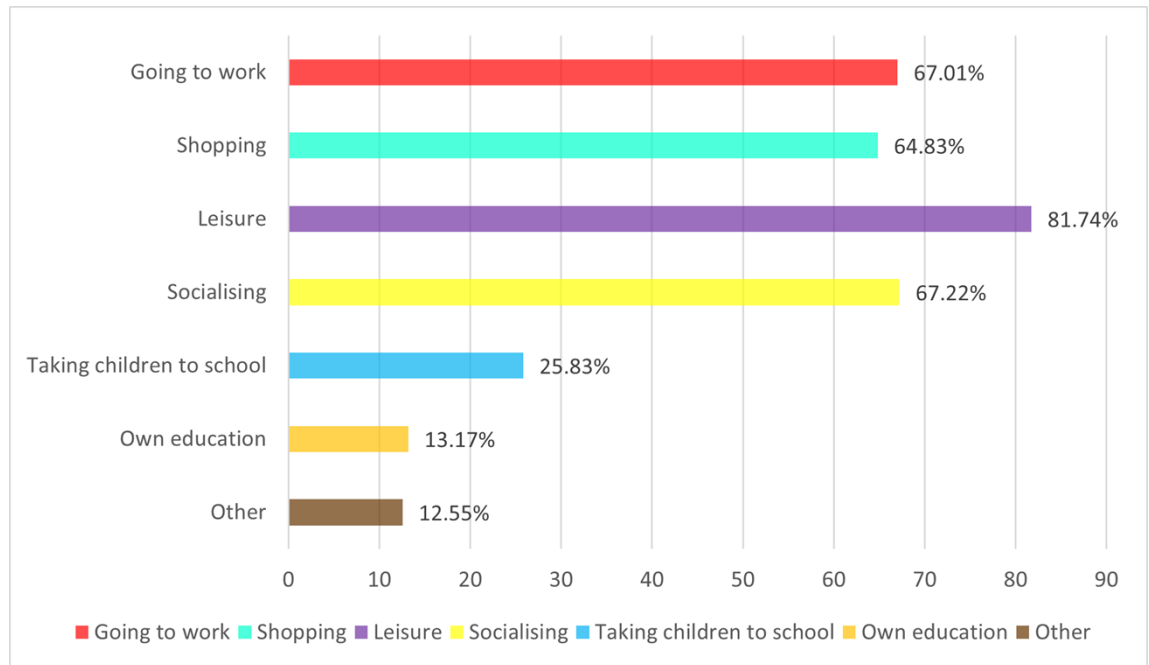
Other suggestions include:

- Enforce parking restrictions to remove barrier of parked cars on pavements
- Implement more cycle parking
- Education for cycle users and motorists

2.2.4 What kinds of journeys would you like to do by walking, wheeling or cycling?

Most of the respondents would like to use active travel for leisure activities, 82%. However, there is also a large proportion of respondents that would like to either walk, cycle or wheel to work (67%), for socialising (67%) and shopping (64%). This highlights a potential latent demand of people who would like to cycle for more journeys.

Figure 5 – Potential active travel journeys



Other potential choices from the survey for active travel journeys include:

- All journeys
- For fitness/health benefits
- Medical appointments
- None at all

2.2.5 Map responses

Along with the survey questions summarised above, respondents to the online consultation were able to provide geographic specific comments on an interactive map using the ArcGIS capabilities.

A map showing the locations of each of the geographic responses to the online consultation can be found in Figure 6 below. The map shows that the comments are spread across the whole of Manchester district with clusters around the city centre and in the southern part of Manchester and relatively fewer comments in the North and Wythenshawe.

Comments ranged from suggested junction improvements at specific locations to identified routes that require upgrades. The comments were used to update the draft network and help to identify the key themes set out in Section 5.

Figure 6 - Draft Network

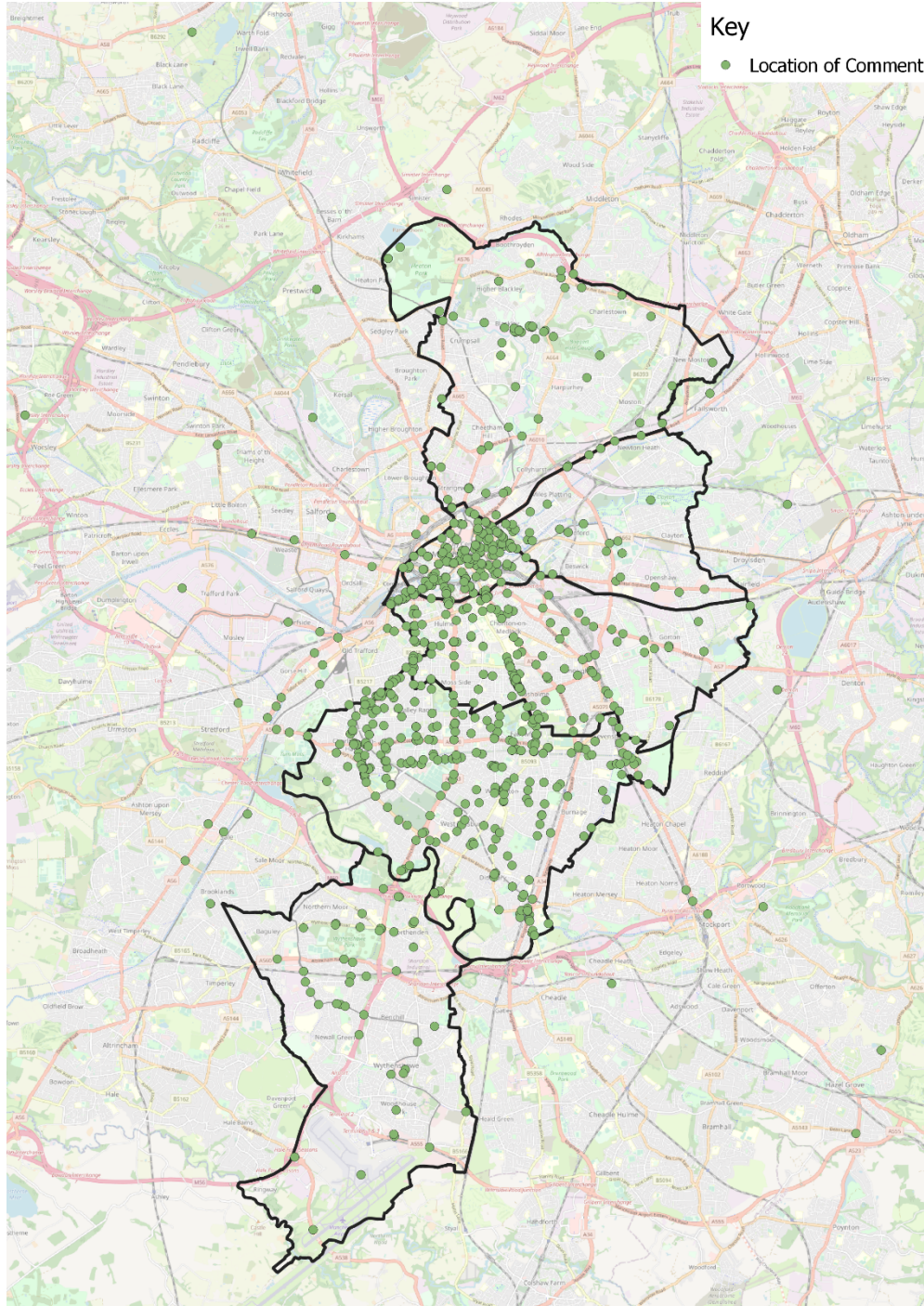


Figure 7 below shows the geographic spread of respondents to the survey based on their postcode. The map shows that respondents came from across the whole of the city of Manchester and also outside of the city as these respondents may work in, or visit, Manchester. The top 20 postcode locations of respondents is shown in below.

Figure 7 – Postcode Location

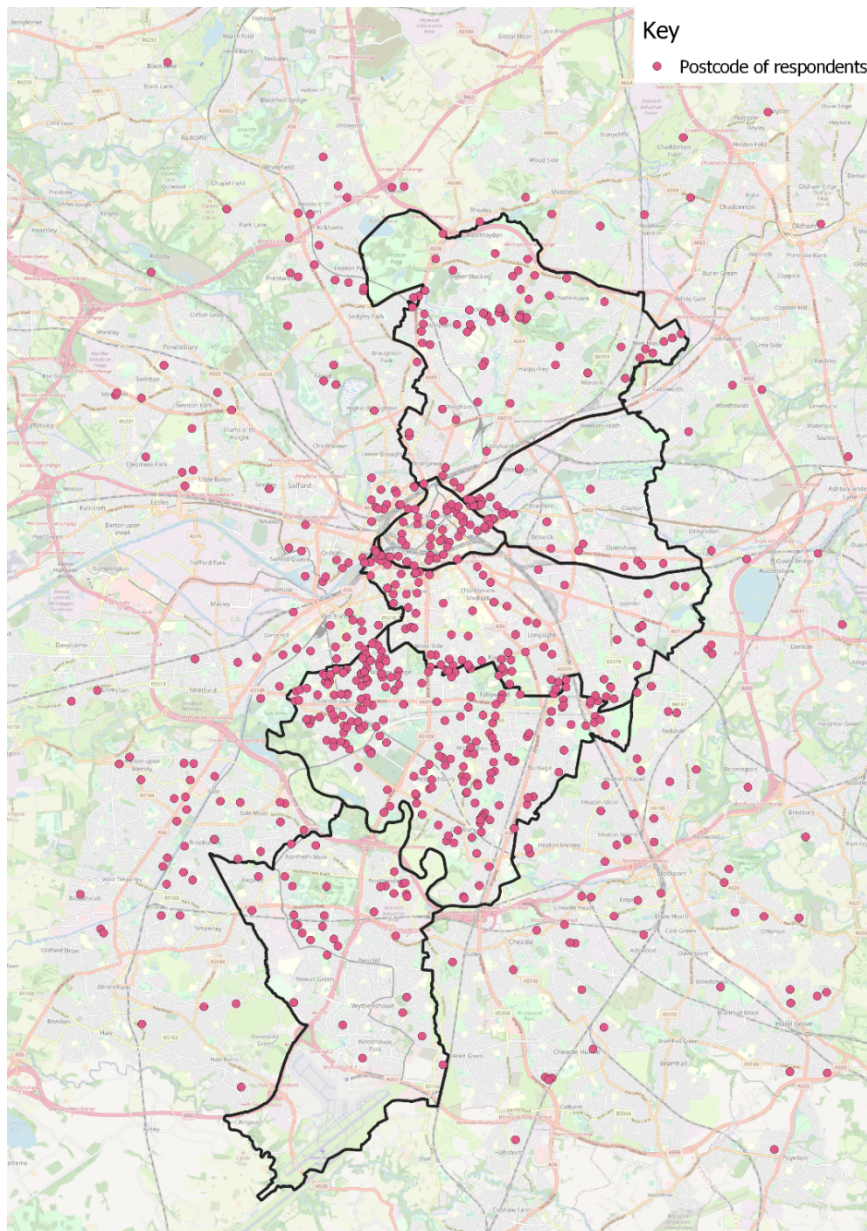


Table 1 - Postcode locations and counts

| Postcode | Area | Value |
|------------|--|-------|
| M21 | Chorlton | 72 |
| M20 | Didsbury, Withington | 68 |
| M16 | Whalley Range | 66 |
| M14 | Fallowfield, Moss Side, Rusholme | 47 |
| M19 | Levenshulme | 40 |
| M4 | Ancoats, Northern Quarter | 38 |
| M9 | Blackley, Charlestown, Harpurhey | 36 |
| M15 | Hulme | 31 |
| M1 | City Centre (Piccadilly) | 26 |
| M33 | Brooklands | 26 |
| M3 | City Centre (Deansgate, Castlefield) | 25 |
| M8 | Crumpsall, Cheetham Hill | 21 |
| M23 | Baguley, Brooklands | 20 |
| M22 | Northenden, Sharston | 16 |
| M40 | Collyhurst, Miles Platting, Moston, Newton Heath | 16 |
| M18 | Gorton, Abbey Hey | 14 |
| M13 | Ardwick, Longsight, Chorlton-on-Medlock | 14 |
| SK4 | Heatons (Stockport) | 12 |
| SK8 | Cheadle (Stockport) | 12 |
| M25 | Prestwich, Sedgeley Park (Bury) | 11 |

The most common postcode of respondents was M21 with 72 people responding from that location.

2.2.6 Further comments

If particular issues or opportunities could not be picked up using the survey questions or the interactive map, respondents were able to give additional comments using a

free text section. These have been incorporated in the overall analysis which led to the key themes identified in Section 5.

3 Public engagement workshops

3.1 Workshop summary

In November 2022, a series of workshops were held across Manchester with members of the public to give the opportunity for local communities and residents to feed into the strategy.

At the workshops the public were asked for input on:

- The draft network
- Routes or areas they think should be a priority for improvement
- Any challenges they currently experience when walking, wheeling, or cycling including any barriers that stop them from choosing to walk, wheel or cycle, and
- Any opportunities they can see to improve the situation for walking, wheeling, and cycling.

Maps were presented of the draft network which gave attendees the opportunity to add comments to, based on the bullets above, these were used alongside the online comments to identify the key themes set out in summarised in Section 5.

Representatives of Sweco were in attendance to provide technical support along with MCC officers to answer questions specific to the local authority.

Workshops were held in each of the five key areas of focus which gave people the opportunity to review and comment on the work undertaken so far in respective areas. The five workshops were held at the following locations at the dates and times included in the table below.

Table 2 - Workshop locations and dates

| Area | Location | Date | Time |
|--------------------|---|------------|-------------|
| South | Didsbury Good Neighbours, Gillbrook Rd, Didsbury, Manchester M20 6WH | 02/11/2022 | 16:00-20:00 |
| East | The Grange Community Resource Centre, Pilgrim Drive, Beswick, Manchester, M11 3TQ | 03/11/2022 | 16:00-20:00 |
| Wythenshawe | Wythenshawe Forum (Fleming Rd, Manchester, Greater Manchester) | 07/11/2022 | 16:00-20:00 |
| North | Abraham Moss - Woodlands Suite | 09/11/2022 | 16:00-20:00 |
| Central | Brunswick St, Manchester M13 9SX | 10/11/2022 | 16:00-20:00 |

The workshops were promoted by MCC through social media and the MCC website to ensure they were well attended, as well as through organic networks via MCC Neighbourhoods, elected members and local groups. Attendance numbers varied across each of the sessions with the Central and the South being the most highly attended.

3.2 Email responses

The MCC Walking and Cycling enquiries email address (walk-cycle@manchester.gov.uk) was provided to allow those unable to attend the workshops or have difficulties navigating the online survey.

Email responses were received from individuals but also groups including:

- Manchester University NHS Foundation Trust (MFT)
- British Horse Society
- Manchester and Salford Ramblers

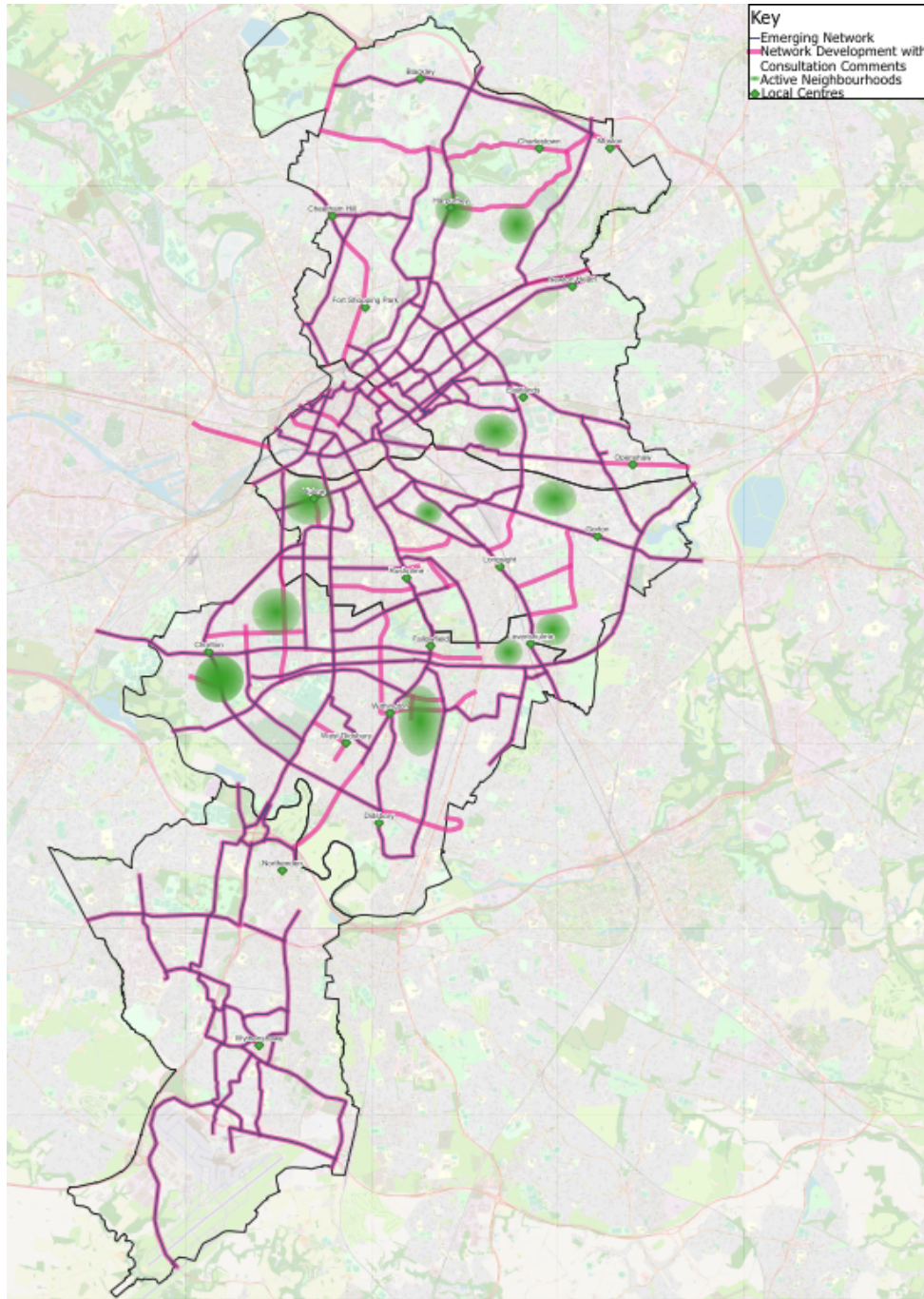
The comments received via email were analysed alongside those received in the workshops and online and have fed into the key themes identified in Section 5.

4 Updated network

Based on comments received at the workshops, online and via email, the draft network was updated to include additional links and locations that were identified by members of the public. This is shown in the map below where the blue lines show the draft network presented in the workshops and the pink lines showing the updated network.

The updated network will be taken forward and considered as part of the Active Travel Strategy development.

Figure 8 - Draft Network



5 Key themes

To support the strategy development, key themes were identified through analysis of the comments received online, through the workshops and via email. These themes will be included in the strategy and help to formulate the objectives, potential schemes and the multi-criteria prioritisation framework.

5.1 Identified themes

The following four key themes were identified through analysis of the engagement responses:

- Safety
- Maintenance of existing infrastructure
- Introduction of new infrastructure
- Softer measures

The following sections include some quotes from the consultation responses that support each of the themes.

5.1.1 Safety

Comments received through the engagement process regarding safety related to a number of issues with the two most prominently cited being lighting and parked cars.

Lighting was identified as a particular safety issue with a large number of comments specifying poor lighting as a barrier to active travel. For example one respondent stated that areas were “intimidating to walk around at all times [due to] dim lighting”.

Parked cars were highlighted as an issue as they create barriers for those wanting to walk, wheel or cycle on pavements or in cycle lanes. This was cited by people in the online survey and supported by comments received during the public workshops including one respondent which stated “Too many cars parked on pavement [so have to] walk in the road”.

5.1.2 Maintenance of existing infrastructure

As well as detailing the location of new and more appropriate routes for the network. The online and in-person engagements were also useful for discovering existing routes that respondents felt were appropriate to be included in the network but where maintenance was needed to improve their condition. Many comments related to the presence of debris such as litter or vegetation, narrow and uneven pavements including potholes and junctions requiring upgrades or improvements. All of which respondents claimed affected their current walking, wheeling and cycling experience.

With regards to narrow and uneven pavements, one respondent detailed how potholes across the network in general pose a safety concern. The respondent described the presence of potholes as ‘very alarming’ and claimed they ‘can knock cyclists off bikes into the path of traffic and cause damage to people and their bikes.’ The poor surfacing of routes across the network was also cited as a key barrier to walking and cycling. For example, one respondent stated how the ‘uneven surfaces’ on Sackville Street/Lower [sic] Portland Street made this route a ‘bit scary for cycling.’ Peace Road, Ardwick, was another example of a route where maintenance is required to help alleviate the ‘uneven road surface’ here.

Debris and overgrown vegetation on existing routes were identified as a key issue. For example, one respondent expressed their desire to see 'Chorlton and other cycleways kept free of leaves in the autumn and litter at all times.' The respondent went on to claim that 'several people have had accidents recently on Upper Chorlton Road because of leaves hiding either the kerb or grids.' Another respondent stated, "many of the footpaths are not kept clear and have a lot of litter, fly tipping and are overgrown, requiring more regular maintenance".

Many respondents discussed how improvements to existing crossings and junctions are needed to improve the walking and cycling experience across the network. Including responses such as 'active travel priorities should aim to ensure all signalised junctions have proper pedestrian crossings', 'new or improved routes which cross or junction with the main highway network should have appropriate signal-controlled/grade-separated crossings suitable for all user groups' and 'all major junctions should have advanced start lights for cyclists (i.e get green light first)'.

5.1.3 Introduction of new infrastructure

New infrastructure was regularly suggested by respondents to the public consultation. A lot of the comments were more general and asked for "new cycle lanes" however specific comments were also included regarding the implementation of modal filters and new CYCLOPS junctions.

Within the online consultation, the suggestion of implementing 'filters to make some streets low traffic' was a popular choice amongst respondents. Many respondents expanded on this within the comment section, detailing specific locations where this measure would be welcomed. One respondent expressed their desire to see the installation of filters upon Burton Road, with this road described as being 'dangerous to cycle down due to the volume of cars parked either side and cars on the road trying to pass cyclists with no room.' A further respondent cited Stockport Road and Chapel Street as key routes that would benefit from 'more permanent filters' due to speeding being a 'constant problem.' The same issue is also present upon Parsonage Road, with one respondent suggesting filters are needed here due to combat the issue of speeding cars and cars parked either side of the route, meaning 'there is not enough room for cars to overtake cyclists safety.'

Many respondents discussed the provision of CYCLOPS junctions across the network. One respondent, who uses Withington Road in Whalley Range, claims the 'CYCLOPS junctions are inconsistent' with one having 'green boxes with cars for straight on, the other doesn't.' Further comments relating to CYCLOPS junctions included; 'revert back to CYCLOPS junction in Burnage', 'the lack of upgraded crossings and CYCLOPS junctions on Oxford Road-Wilmslow Road cycleway is what puts me off from using most of it' and 'junction feels unsafe on main cycling route on Wilmslow Road, CYCLOPS needed here.' Praise for CYLOPS junctions was received through the consultation with one respondent stating, 'CYCLOPS junctions are amazing, I use these to cycle to see my family and they make my journey much safer and easier.'

5.1.4 Non-infrastructure measures

Non-infrastructure measures such as behaviour change initiatives and enforcement were commonly cited by respondents to the engagement. These were particularly around the education of motor vehicle users and enforcement of speed limits and parking restrictions.

For example, many respondents stated their desire to see the enforcement of 20mph and 30mph speed limits in certain locations. Examples included the enforcement of a '30mph speed limit outside Bowker Primary School on Middleton Road' and the enforcement of 20mph limits outside Manchester Girls School on Grangethorpe Road with traffic here described as 'carnage' at 'school run time.'

However, the desire to see more enforcement was not just limited to restrictions on speed, with parking restrictions also a common theme picked out by the respondents. One respondent stated that more enforcement is needed on Upper Chorlton Road with 'lots of vehicles parked within cycle lanes and on footways.' Barlow Moor Road was also discussed as a location where respondents felt more parking enforcement was needed, with one comment detailing the 'inadequate enforcement of parking on the northbound cycle lane.'

In addition to comments relating to specific locations, general comments relating to enforcement were also discussed. Comments regarding general suggestions included 'preferably 20mph in all residential areas', 'city centre pavement parking ban' and 'the limit should be 20mph within the inner ring road and camera enforced.'

6 Next Steps

6.1 **Strategy development**

The next step is to develop the Active Travel Strategy. The key themes identified from the engagement, and the network development work, will be taken forward, together with established best practice to inform the strategy development.

Appendix A – Engagement Comments

- Spreadsheet of combined comments

**Manchester City Council
Report for Resolution**

Report to: Executive – 15 February 2023

Subject: Health and Care Integration: Establishment of Manchester Partnership Board as the Locality Board of Manchester

Report of: The Chief Executive and Place-Based Lead

Summary

This report sets out the intention to establish Manchester Partnership Board as the locality board for Manchester as a further step towards health and care integration.

The Integrated Care Board for Greater Manchester (NHS GM) was established with effect from 1st July 2022 replacing ten CCGs in Greater Manchester. The existing s.75 partnership agreement between MCC and the CCG was transferred to NHS GM) on that date. Manchester now intends to establish Manchester Partnership Board as the locality board for Greater Manchester, bringing together responsibility for the pooled budget with the exercise of NHS GM functions delegated to place level.

Recommendations

The Executive is recommended to:-

- (1) Note and agree the process for establishing Manchester Partnership Board as the locality board for Manchester.
 - (2) Note that the locality board will operate as a hybrid committee arrangement and accordingly:
 - (3) Support the decision of NHS GM to delegate functions at place level to Manchester Partnership Board;
 - (4) Agree that Manchester Partnership Board acts as a s.75 committee that has responsibility for the Better Care Fund pooled budget; and
 - (5) Agree that Manchester Partnership Board operates as a consultative forum that consists of health and care leaders at place level.
-

Wards Affected: All

| |
|---|
| Environmental Impact Assessment - the impact of the issues addressed in this report on achieving the zero-carbon target for the city |
|---|

| |
|-----|
| N/A |
|-----|

| |
|--|
| Equality, Diversity and Inclusion - the impact of the issues addressed in this report in meeting our Public Sector Equality Duty and broader equality commitments |
| The formal establishment of Manchester Partnership Board as the locality board for Manchester and as a component of Greater Manchester Integrated Care System at place level will lead to improved health and care outcomes for all Manchester residents and is specifically aimed at addressing existing health inequalities. |

| Manchester Strategy outcomes | Summary of how this report aligns to the OMS/Contribution to the Strategy |
|---|---|
| A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities | |
| A highly skilled city: world class and home grown talent sustaining the city's economic success | |
| A progressive and equitable city: making a positive contribution by unlocking the potential of our communities | The formal establishment of the Manchester Partnership Board is a further step towards health and care integration in Manchester. Healthy cared-for people is one of the priorities addressed by Our Corporate Plan. We will work together with partners to join up support, care and health services to enable our residents to be healthy and well. |
| A liveable and low carbon city: a destination of choice to live, visit, work | |
| A connected city: world class infrastructure and connectivity to drive growth | |

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

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

Financial Consequences – Revenue

Financial Consequences – Capital

Contact Officers:

Name: Gareth James

Position: Head of People, Place and Regulation (Legal and Democratic Services)

E-mail: gareh.james@manchester.gov.uk

Background documents (available for public inspection):

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

NHS Long Term Plan, 2019

NHSE policy paper ‘Integrating Care – next steps to building strong and effective care system’, 2020

White Paper, “Integration and Innovation – working together to improve health and social care for all”, Feb 2021

Better care Fund section 75 2022/23 – report to Executive 22nd March 2022

1.0 Introduction and purpose

- 1.1 Manchester Partnership Board (MPB) is established in shadow form and represents each of the key organisations and sectors engaged in health and care in Manchester, including MCC, MFT, GMMH, MLCO, Primary Care, VCSE and NHSGM.
- 1.2 We are asking the Board of NHS GM to approve the establishment of MPB as the formal locality board for Manchester. NHS GM approval is required as MPB would be established as a committee of NHS GM.

2.0 Background

- 2.1 On 1st July 2022 the Health and Care Act 2022 was enacted, which disestablished Clinical Commissioning Groups (CCGs) and established Integrated Care Boards (ICBs).
- 2.2 Manchester now makes up part of the ICB for Greater Manchester (NHS GM), along with the other nine GM localities. As part of the ICB arrangements, each locality is required to formally establish a locality board to exercise functions delegated to the locality from NHS GM.
- 2.3 Engagement between partners in MPB and between MPB and NHS GM took place in November and December 2022, preparatory to asking NHS GM to approve the establishment of the locality board. This included discussion of the legal form that MPB should take.

3.0 Remit of MPB

3.1 Hybrid form

- 3.1.1 MPB will operate as a 'hybrid' committee. Its remit is threefold:
 - It will be a committee of the ICB at place level, which is able to exercise delegated functions of the ICB other than those functions which relate to the BCF s.75 agreement.
 - It will be responsible for the BCF s.75 pooled budget which the MHCC Board was previously responsible for. Note that decisions in connection with the s.75 agreement can only be made by MCC and the ICB representatives on MPB as they are the parties to the agreement but that decisions on matters within the scope of the s.75 agreement will be taken in full sight of other health and care partners.
 - It will be a consultative forum that brings the leaders in health and care together to take strategic decisions at one time and in one place. This may include decisions on matters that have been delegated to individual representatives.

3.1.2 MPB's terms of reference have been updated to reflect the hybrid role of the locality board and have been approved by MPB. The terms of reference and other documents including the s.75 agreement have been submitted to NHS GM for approval ahead at its Board meeting on 15th February.

3.2 Delegated NHS GM Functions

3.2.1 We are asking NHS GM to formally approve MPB becoming the locality board for Manchester. The Board of NHS GM has been asked to designate MPB as a committee of the ICB using powers contained in the Health and Care Act 2022

3.2.2 On 1st July 2022, the Board of NHS GM delegated certain of its functions in connection with place to the newly appointed Place Based Leads. Once NHS GM agrees to MPB becoming the locality board for Manchester, the ICB functions previously delegated to the Place Based Lead will be transferred to MPB.

3.3 S.75 Partnership Agreement between MCC and NHS GM

3.3.1 MCC entered into a series of successive s.75 partnership agreement with Manchester CCG with effect from 1st April 2017. Decisions in connection with the s.75 pooled budget were previously taken at MHCC Board, as MHCC was the partnership between MCC and Manchester CCG.

3.3.2 The current version of the s.75 agreement was approved by Executive on 22nd March 2022 and expires on 31st March 2023. It has undergone several revisions by way of deeds of variation. The s.75 agreement transferred to NHS GM upon dissolution of the Manchester CCG and MHCC Board on 1st July 2022.

3.3.3 In order to meet Better Care Fund (BCF) planning requirements, it is necessary to continue to maintain a s.75 pooled budget arrangement with the ICB. MPB will be able to take strategic commissioning decisions making best use of the pooled budget.

3.3.4 Operational commissioning will continue to take place in accordance with NHS GM and the Council's respective governance arrangements as set out in their respective constitutions, schemes of delegation and standing financial instructions or standing orders.

3.3.4 The latest revisions to the s.75 agreement are set out in the Executive Director of Adult Social Services budget report dated 16th February 2023.

3.4 Relationship with the Health and Wellbeing Board

3.4.1 Health and Wellbeing Boards continue to play a key role within integrated care systems. Decisions taken by MPB will be reported to the Health and Wellbeing Board in Manchester. MPB's decisions will be informed by the Joint Strategic Needs Assessment and Health and Care Strategy that are produced

by the Health and Wellbeing Board.

- 3.4.2 Overall strategic oversight of the BCF pooled fund is retained by the Health and Wellbeing Board, which shall continue to make appropriate recommendations as to any action which it deems necessary. The Health and Wellbeing Board will continue to have responsibility for compliance with the BCF plan in accordance with Government Guidance.