



## **Resources and Governance Scrutiny Committee**

Date: Tuesday, 6 December 2022

Time: 2.00 pm

Venue: Council Antechamber, Level 2, Town Hall Extension

**There will be a private meeting for committee members only on Tuesday, 6 December 2022 from 1:30pm in Room 2006, Level 2, Town Hall Extension.**

Everyone is welcome to attend this committee meeting.

### **Access to the Antechamber**

Public access to the Council Antechamber is on Level 2 of the Town Hall Extension, using the lift or stairs in the lobby of the Mount Street entrance to the Extension.

**There is no public access from any other entrance.**

### **Filming and broadcast of the meeting**

Meetings of the Resources and Governance Scrutiny Committee 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 Resources and Governance Scrutiny Committee**

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**Councillors** - Simcock (Chair), Andrews, Davies, Good, Kirkpatrick, Lanchbury, B Priest, Rowles and Wheeler

## Agenda

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**1. Urgent Business**

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

**2. Appeals**

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

**3. Interests**

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

**4. Minutes**

To approve as a correct record the minutes of the meeting held on Tuesday, 8 November 2022.

5 - 16

**5. Housing Advisory Board**

Report of the Strategic Director – Neighbourhoods.

17 - 22

This report provides an update on the new governance arrangements (Housing Advisory Board) in respect of the Council Housing Stock.

**6. Housing Revenue Account**

To Follow

**7. Capital Programme - Impact of Recent Market Changes and Budget Process**

Report of the Deputy Chief Executive and City Treasurer.

23 - 32

This report provides members with an update on the impact of recent changes in financial and construction markets on the capital programme and provides an update on the proposed capital budget process for 2023/24.

**8. Update on Autumn Statement**

Report of the Deputy Chief Executive and City Treasurer.

33 - 46

This report updates on the main announcements from the Autumn Statement delivered by the Chancellor of the Exchequer, Jeremy

Hunt MP, to the House of Commons on 17 November 2022, with a focus on the implications for local government funding. The position will be clearer in late December 2022 when the Local Government Finance Settlement is received.

- 9. Setting of the Council Tax Base and Business Rates Shares for Budget Setting Purposes** 47 - 54  
Report of the Deputy Chief Executive and City Treasurer.

This report advises on the methodology of calculating the City Council's council tax base and business rates income for budget setting purposes for 2023/24, along with the timing of related payments and the decision on business rates pool membership.

- 10. Overview Report** 55 - 86  
Report of the Governance and Scrutiny Support Unit.

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

## Information about the Committee

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

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

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

The Council welcomes the filming, recording, public broadcast and use of social media to report on the Committee's meetings by members of the public.

Agenda, reports and minutes of all Council Committees can be found on the Council's website [www.manchester.gov.uk](http://www.manchester.gov.uk).

Smoking is not allowed in Council buildings.

Joanne Roney OBE  
Chief Executive  
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## Further Information

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

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This agenda was issued on **Monday, 28 November 2022** by the Governance and Scrutiny Support Unit, Manchester City Council, Level 2, Town Hall Extension, Manchester M60 2LA

## **Resources and Governance Scrutiny Committee**

### **Minutes of the meeting held on Tuesday, 8 November 2022**

#### **Present:**

Councillor Simcock (Chair) – in the Chair  
Councillors Andrews, Davies, Good, Kirkpatrick, Lanchbury, B Priest, Rowles and Wheeler

#### **Also present:**

Councillor Craig, Leader of the Council  
Councillor Akbar, Executive Member for Finance and Resources  
Councillor Stanton, Deputy Executive Member for Finance and Resources  
Councillor Reid  
Councillor Russell

#### **RGSC/22/47 [14.00-14.05] Minutes**

#### **Decision:**

That the minutes of the previous meeting, held on Tuesday, 11 October 2022, be approved as a correct record.

#### **RGSC/22/48 [14.05-14.50] Workforce Equality Strategy Implementation Update**

The Committee considered a report of the Director of Human Resources, Organisation Development and Transformation which provided an update on progress to date to increase diversity, to ensure the Council is an inclusive employer and to challenge discrimination.

Key points and themes in the report included:

- The context and background to the development of the Workforce Equality Strategy;
- How the Council had created a more diverse workforce at all levels by developing existing staff and opening opportunities out to Manchester residents through:
  - The Leadership Pathway Programme
  - Apprenticeships
  - Work experience
  - Involvement in career fairs across schools, colleges, universities and within the community;
- Engagement and communications on the Strategy;
- The development and embedding of the Our Manchester fifth behaviour (OM5B), which reinforces the Council's commitment to being an equal, inclusive, and fair organisation;
- Staff attendance at Equality, Diversity and Inclusion (EDI)-related training;

- Works to transform the ways in which the Council recruits and selects, including:
  - Procuring and implementing a new Applicant Tracking System, which will be more intuitive and easier for managers and applicants to use and will provide the data needed to plan improvements;
  - Improvements to recruitment processes;
  - Requesting that all selection panels are diverse in terms of gender and race; and
  - Creating a new website and developing a more compelling and appealing brand for the City Council as an employer.
- Progress and feedback from staff networks, equality champions and allies;
- Setting and monitoring targets across a range of measures;
- Workplace adjustments and trans inclusion; and
- New and existing policies and the Policy Forward Plan for the next 12 months.

A number of guests from the Council's Leadership Pathways Programme, Diverse Panels, Women's Equality Network, Pregnancy & Parenting Group, Neurodiverse Employees Group and the Race Equality Network Assurance Working Party attended the meeting and shared their experiences and achievements.

Key points and queries which arose from the Committee's discussion included:

- Expressing thanks to the guests who attended to share their experiences;
- Acknowledging potential implications from the Retained EU Law Bill, where EU derived law will expire on 31/12/2023 unless the government retains it;
- Whether some of the rights and protections identified in staff contracts would be revoked upon the expiry of the Retained EU Law Bill;
- Concern over some testimonials, particularly from female employees who felt they needed to take annual leave rather than sick leave for women's health reasons;
- Inconsistencies in managers' approaches to and understanding of equalities and how this could be resolved;
- Requesting that a future update report includes reference to the work and progress made by senior and middle managers to implement the Strategy;
- Noting the progress made on diverse interview panels, and querying what could be done to increase the number of these;
- Whether staff still self-define their equalities information;
- Recognising an increase in the number of disabled employees, and querying whether this was due to the Council proactively hiring more disabled people or current employees receiving a disability diagnosis during their employment;
- The need to raise understanding and awareness of a father's role and caring responsibility, particularly in male-dominated teams;
- Commending the Menopause Policy, but acknowledging a need to continue raising awareness and to address period-shaming;
- Whether the Council specifically recruits care-leavers;
- Requesting that a future update report examines progress to date against the schedule of actions from 2021/22; and
- The need to have a series of measures to track progress.

The Chair opened discussion on the item by thanking guests for their attendance and presentations.

The Director of Human Resources, Organisation Development and Transformation (HRODT) explained that nearly all of the Council's policies are embedded into employment contracts. The Council would be unable to vary these without employee consent and trade union agreement.

It was explained that employment contracts were based on English employment law and a set of terms and conditions, known as the 'Green Book', which are negotiated nationally through collective bargaining arrangements with the National Joint Council (NJC).

The Talent and Diversity Lead acknowledged the need for managers to be consistent in their approach to and understanding of equalities but that there also needed to be understanding and confidence. He acknowledged that some work was needed around supporting managers, being clear around unacceptable behaviour and what was expected of managers.

The Director of HRODT emphasised that there was not a 'one size fits all' approach to achieving consistency amongst managers. The new Our Manchester fifth behaviour - '*We show that we value our differences and treat people fairly*' – was important in raising expectations of staff and work was underway on identifying expectations of managers.

In response to a query regarding how the Council could increase the number of diverse interview panels, the Talent and Diversity Lead suggested that more could be done to highlight the purpose and importance of diverse panels and how these help the Council's decision-making processes.

Early discussions had been held with trade unions regarding the Council's recruitment and selection policy, which would enshrine the mandate for diverse panels, and this would be considered by Personnel Committee in the future. A new learning and development course would also be launched for managers who recruit, which the Director of HRODT hoped would help to embed understanding of the need for and advantages of diverse panels.

The Director of HRODT commented that many employees had found participating on a diverse recruitment panel hugely beneficial.

Reassurances were provided that the work over the past 12 months had tried to build understanding, buy-in and commitment and that this was essential to continue making progress.

In response to a query regarding whether staff still self-define their equalities information, the Director of HRODT advised that work had been undertaken to change the categories for those self-declaring their race, ethnicity and other equalities information because many of the previous categories were not felt to be correct. It was confirmed that staff could self-declare their equality information online and that this was confidential.

Officers were currently unable to assess whether the increase in the number of disabled employees was due to the Council proactively hiring more disabled people or current employees receiving a disability diagnosis during their employment. It was explained that the new recruitment system would be able to track different groups and how they progress through the recruitment process.

The Talent and Diversity Lead also clarified that the Employee Equality Networks individually define their membership criteria and not the HROD team.

The Director of HRODT acknowledged that a lack of understanding and awareness of a father's role and caring responsibility was a societal issue and that HROD would address individual examples on a case-by-case basis.

Members were also informed that the Council has an interview guarantee scheme for care-leavers, disabled people, and those leaving the armed forces. Statistics on the number of guaranteed interviews which have been held would be provided outside the meeting.

The Director of HRODT highlighted that progress was being made against the 2021/22 schedule and the team assessed this monthly. There was a range of measures in the Strategy, the majority of which are tracked, and a future update report could examine progress to date against the schedule of actions from 2021/22.

The Deputy Chief Executive and City Treasurer commented that it was important for the Council to encourage staff to be able and feel comfortable to express their views in order to make the necessary changes and progress.

The Executive Member for Finance and Resources thanked officers for the report and their work and expressed his gratitude to the guest speakers for their attendance and their honest, powerful and brave testimonies. He stated his belief that a talented and diverse workforce was essential for the Council to reflect the city's population and to provide better services for residents.

He welcomed the challenge from the Committee and highlighted the Council's journey since the Independent Race Review in 2019. It was important not to lose sight of this work as the country faced another period of austerity.

**Decision:**

That

1. the report and progress to date be noted and
2. the Committee requests the next update on the implementation of the Workforce Equalities Strategy examines the work of middle and senior management in achieving the priorities outlined in the Strategy.

**RGSC/22/49 [14.50-15.20] Update on Health and Wellbeing Strategy**



The Committee considered a report of the Director of Human Resources, Organisation Development and Transformation which outlined the Council's progress on delivering the Health and Wellbeing Strategy, the impact of the pandemic on the workforce and to the delivery of the strategy. The report also set out a plan to review the strategy and provided an insight into the Council's sickness absence rates.

Key points and themes within the report included:

- Promoting and supporting employee wellbeing is a key workforce priority for the Council;
- The Strategy is split into two thematic areas; '*high quality working life*' and '*mentally and physically healthy people*';
- The impact of COVID-19 on the delivery of the Strategy, and how the Council protected the health and safety of the workforce whilst continuing to deliver services to Manchester residents;
- The achievements of the Strategy to date;
- Improving the financial wellbeing offer for staff is a key priority in the context of the cost-of-living crisis with the Council providing access to financial education programmes, counselling, debt management, affordable borrowing, salary advances and a meaningful staff benefit package;
- How the Strategy will be reviewed through a model of best practice, staff engagement and workforce intelligence;
- 93,296 days were lost due to sickness absence in 2022, 27.4% of which were due to stress/depression and 13.5% due to Covid-19;
- Adults, Neighbourhoods and Children's Services have the highest levels of sickness;
- Mixed/multiple ethnic employees have the highest sickness absence rates of all ethnicities and employees aged over 50 have the highest sickness absence rates.
- Female staff also have higher sickness absence rates than males; and
- The Management Attendance Policy and role of HR in managing attendance.

Key points and queries that arose from the Committee's discussion included:

- Whether remote working had improved employees work-life balances;
- How many employees worked fully remotely and whether the Council would ever offer fully-remote working contracts;
- The Council's expectation that staff work from the office for half of the week, and whether this was operationally-led;
- The process for employees reapplying for flexible working if their initial request is denied;
- How consistency on flexible and remote working requests is managed between services;
- Whether the staff survey included sections on health and wellbeing and flexible working; and
- The significance of disability on absence and sickness rates; and
- A lack of statistics within the report related to the number of sickness days caused by disability; and

- What data the Council had on Return-to-Work meetings and the impact these had on recurrent sickness absence.

The Head of Workforce Strategy explained that the Health and Wellbeing Strategy was developed in 2018 based on the Council's understanding of the challenges faced by the workforce at that time. The impact of the Covid-19 pandemic on the workforce and delivery of the Strategy was highlighted and this was reflected in some of the sickness absence rates.

Some key achievements arising from the delivery of the Strategy to date included membership of the Good Employment Charter, the development of a Menopause Policy, the roll-out of Leadership and Development Programmes and a Mental Health First Aid programme.

The Head of Workforce Strategy also advised the Committee that the Council had improved its financial wellbeing offer to support staff with the cost-of-living crisis.

A review of the Strategy would be undertaken soon and would be informed by workforce engagement and sickness absence trends.

In response to queries around remote and hybrid working, the Head of Workforce Strategy explained that sickness absence rates decreased during the pandemic when some employees worked from home.

The Director of Human Resources, Organisation Development and Transformation (HRODT) explained that both currently and throughout the pandemic, approximately 50% of the staff worked from the workplace due to the nature of their role. It was confirmed that approximately 20-30 employees were permitted to work from home fully due to either medical conditions or the nature of their work, although they were required to physically attend team meetings.

Members were advised that the approach to hybrid working and office presence was both operationally-led, in that managers examined the nature of their workforce and the work they do, and the benefits of working in the office on team-building and socialisation.

The City Solicitor provided an example of how lawyers within the Children and Families Legal Group often benefitted from working from home whilst attending virtual court hearings, as this provided a level of quietness and confidentiality and allowed better focus. She explained that the operational element of working and the needs of the service and staff were key.

The Deputy Chief Executive and City Treasurer advised that the expectation for staff to work in the office 50% of their working week was a rule-of-thumb and that staff often felt differently about working practices. Some roles were difficult to recruit as candidates often wanted to work from home.

The Deputy Chief Executive and City Treasurer commented that the Council needed to support staff to work well, regardless of their location, but there needed to be a

connection between the workforce and workplace. It was her preference that team meetings and 1-2-1s were held in person.

In response to a query around the process for employees reapplying for flexible working if their initial request is denied, the Head of Workforce Strategy informed the Committee that a rejected application could be appealed to a senior manager within the service and that if new information or changes to circumstances had arisen, a new application could be submitted.

The Head of Workforce Strategy acknowledged issues around consistency in approving flexible working requests but commented that HR can provide support where applications are shared with them. Understanding and awareness of flexible and home working needed to be increased and a record of all approved requests was maintained. Figures on the number of flexible working requests that were approved could be provided following the meeting.

Members were also advised that there was a focus on health and wellbeing within the 2022 staff survey to understand the impact of work on this and these findings would be built into the Strategy.

The figures for Return-to-Work meetings were included in the HR Dashboard and shared monthly with Directorate Management Teams. Assurances were provided that HR Business Partners worked with Heads of Service in areas with high sickness absence rates and low Return-to-Work completion rates to understand patterns and impacts and how improvements could be made.

It was acknowledged that more work could and would be undertaken to address the equality impact of sickness absence. It was also confirmed that statistics related to the number of sickness days caused by disability were available and could be provided following the meeting.

The Executive Member for Finance and Resources took the opportunity to thank officers for their work on the Strategy. He recognised the need for the Strategy to benefit all Council employees and stated his belief that staff were the Council's biggest asset and that every employee should be able to fulfil their potential, develop their career and provide the most effective service for residents.

**Decision:**

That the report and progress to date be noted.

**RGSC/22/50 [15.20-15.50] Revenue Budget Update**

In introducing the item, the Chair proposed to take items 7 and 8 together.

The Committee considered a report of the Deputy Chief Executive and City Treasurer, which outlined the priorities for the services in the remit of the Committee and detailed the initial revenue budget changes proposed by officers.

Key points and themes within the Revenue Budget Update report included:

- The Council is forecasting an estimated budget shortfall of £44 million in 2023/24, £85 million in 2024/25, and £112 million by 2025/26;
- After the use of circa £16 million smoothing reserves in each of the three years, the estimated budget shortfall reduces to £28 million in 2023/24, £69 million in 2024/25 and £96 million by 2025/26;
- There remained a budget gap of £7 million to close to get to a balanced budget in 2023/24 despite proposals outlined in the report;
- The Council's 2023/24 funding from central government will be confirmed in the provisional finance settlement, expected late in December 2022;
- Increases in interest rates will have a significant impact on the cost of borrowing and the ability to support the future capital programme;
- The Council's robust reserves strategy has proven successful in managing risk and timing differences to deliver balanced and sustainable budgets and provide the time necessary to deliver on its planned savings
- The anticipated reduction in usable earmarked reserves over the next four years to under £100 million;
- Resources required as a result of inflationary pressures, service pressures and the reversal of the 1.25% National Insurance increase;
- Investment in anti-poverty measures, amounting to £1.8m in 2022/23 and £3.55m in 2023/24;
- Progress on identifying savings and cuts options;
- Public consultation on proposed Council Tax levels and the savings and cuts measures put forward by officers will take place between November 2022 and January 2023; and
- Next steps for the budget process.

Key points and queries which arose from the Committee's discussion included:

- Acknowledging that £24 million had been reincorporated into the budget position from business rates, and queried why this was not reflected for subsequent years;
- Whether there was any indication that the business rates pilot scheme was to continue;
- If the staff pay award had been agreed and whether this was more than budgeted for;
- The financial position of the Council if the period of austerity between 2010 and 2019 had not occurred;
- Whether it could be assumed that there would be no budget gap around gas inflation from 2024/25 onwards, given the volatility of energy prices;
- The cumulative effect of budget cuts year-on-year was powerful;
- The need to make more assumptions due to delays from government and the instability this causes;
- How the government's mini budget in October 2022 impacted the Council's borrowing costs; and
- Commending the Council on continuing to fund and support the welfare support budget and the Voluntary and Community Sector (VCSE).

The Deputy City Treasurer explained that the business rates pilot was due to end and had been removed from forward budget assumptions. The Department for Levelling Up, Housing and Communities had strongly indicated that the pilot scheme was unlikely to end next year and £12 million had been factored into the budget assumption for this.

Members were informed that the Council had collected more money from business rates last year than anticipated. This could only be spent in arrears and £12.649 million had been factored into the forecast business rates surplus for 2023/24

The Deputy City Treasurer explained that the government was intending to review the business rates pilot as it reviewed business rates more generally and had suggested the possibility of changing the baseline of the percentage of rates which councils could keep, which could detrimentally impact the Council's budget if increased. This was unlikely to change for 2023/24 due to delays to business rates reform and receiving the Finance Settlement.

The Deputy City Treasurer confirmed that the staff pay award had been agreed and was a flat increase of £1,925 for all employees, except the Chief Executive and craft workers, regardless of their position on their pay grade. Members were also advised that a 4% salary increase had been forecasted for subsequent years, compared to 2% usually budgeted for.

The Executive Member for Finance and Resources acknowledged that Manchester City Council was a well-managed and financially-responsible authority and stated that the fault was the direct result of ideological decisions taken by the government over the previous decade. He explained that the Council's budget had been unfairly cut by £428 million since 2010/11 and that if Manchester had received the average cuts to funding the city council budget would be £77 million per year better off.

Members were informed that the problem was not solely experienced by Labour Councils and there was a £3 billion shortfall and gap for local authorities across the country next year. A recent survey conducted by Grant Thornton found that 1 in 6 councils would run out of money in 2023/24.

The Executive Member for Finance and Resources provided assurances that the Council would continue to provide fundamental services for residents and focus on priorities which residents want. He called on the government to support councils during this period to enable them to continue providing essential services, driving local economic growth and support the most vulnerable in our communities.

In response to a query around gas inflation, the Deputy City Treasurer explained that the Council had been prudent in its assumptions, prices had fallen since the contract was entered into and it was anticipated that energy prices would reduce from the peak levels seen as the economy went into recession.

The Committee was also informed that interest rates had stabilised upon the current Prime Minister going into office and there was sufficient funding capacity within the capital financing budgets to fund the current programme. However, it was

acknowledged that there would be an impact on funding future programmes. It was difficult to predict the impact on future years' given current uncertainty.

The Leader of the Council reiterated that this was the most unpredictable financial year which the Council had faced in a considerable amount of time. She stated that there had been an intentional and ideological approach to the role and services of local authorities from the central government, which did not match with the support provided by local authorities during the pandemic. She reiterated that budget pressures were felt by local authorities across the country, regardless of political leadership, and asked that central government matched inflationary pressures and included inflationary uplifts in addition to a flat funding figure, which would enable local authorities to protect services.

The Leader of the Council also thanked staff for identifying savings in a thoughtful and considerate way which minimised the risk of impacting residents' lives, which the Executive Member for Finance and Resources and the Chair echoed.

**Decision:**

That the report be noted.

**RGSC/22/51 [15.20-15.50] Corporate Core Budget Proposal 2023/24**

The Committee considered a report of the Deputy Chief Executive and City Treasurer, the City Solicitor and the Assistant Chief Executive, which outlined the priorities for the services in the remit of this committee and detailed the initial revenue budget changes proposed by officers.

Key points and themes within the report included:

- The Council needed to identify savings/cuts/cost avoidance of over £100 million over the next three years;
- The Corporate Core is made up of Chief Executives and Corporate Services and has a gross budget of circa £329 million and a net budget of circa £79.8 million and employs over 2,000 Full-Time Employees (FTE);
- Traded services within Operations and Commissioning are also within the remit of the Resources and Governance Scrutiny Committee, and have a gross budget of £22.2 million, a net credit budget of £14.4 million and 126 employees;
- Core budget savings will be delivered through a combination of:
  - Transformation delivered through the Future Shape Programme.
  - Review of workforce structures and capacity
  - Good housekeeping and delivery of efficiencies.
  - 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.
- Further budget savings and efficiencies made up £300k additional income generation and £3.29 million efficiencies;
- Budget pressures and workforce implications; and

- Future opportunities and risks.

The Committee discussed this report with item 7 – Revenue Budget Update.

### **RGSC/22/52 [15.50-16.00] Overview Report**

The Committee considered the report by the Governance and Scrutiny Support Unit which provided details of key decisions that fell within the Committee's remit and the Committee's work programme, which was to be amended as appropriate and agreed.

An update was requested on the progress of a previous recommendation that a Major Contracts Oversight Board be established. It was confirmed that the Board was due to hold its first meeting at the end of November 2022.

The Chair also requested that a report on the Council's Complaints Policy be added to the Committee's work programme.

### **Decision:**

That the report be noted and the work programme agreed and amended to include a report on the Complaints Policy.

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**Manchester City Council  
Report for Information**

**Report to:** Resources and Governance Scrutiny Committee – 6 December 2022

**Subject:** Housing Advisory Board

**Report of:** Strategic Director Neighbourhoods

### Summary

This report provides an update to the Committee on the new governance arrangements (Housing Advisory Board) in respect of the Council Housing Stock.

The new advisory board provides oversight of MCC Housing Services (formerly Northwards ALMO). The advisory committee is a key contributor to empowering our tenants and ensuring that North Manchester residents help shape and hold to account the Council's Housing Service.

### Recommendations

Members are asked to note and comment on the report.

**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

The Council's Housing Retrofit programme is a key part of the City's drive to zero carbon by 2038

Our Manchester Strategy outcomes	Summary of how this report aligns to the OMS
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	As the largest single landlord in the City the Housing service is a major source of contracts and supplies that ideally are sourced locally
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's ambitions.

A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	The council's housing service is one of the largest single community influencers in. By including tenants directly in the management of their homes they will be empowered and will be able to have a wider neighbourhood impact.
A liveable and low carbon city: a destination of choice to live, visit, work	Central to the transfer of the management of the housing service is the required external investment needed to retrofit existing homes in order to achieve a zero-carbon housing stock.
A connected city: world class infrastructure and connectivity to drive growth	The housing service is a major contributor to the North Manchester infrastructure and regeneration.

**Contact Officers:**

Name: David Ashmore  
Position: Director of Housing Services  
E-mail: david.ashmore@manchester.gov.uk

**Background documents (available for public inspection):**

None

## 1.0 Introduction

- 1.1 This report provides an update to RAGOS as to the progress on establishing the new Housing Services Advisory Board, following the previous update to the Committee in March 2022.
- 1.2 In January 2021, Manchester City Council agreed to bring the ALMO Northwards Housing back in house, agreeing to insource the housing management and maintenance function. The transfer of the ALMO took place on the 5th July 2021. As part of the transfer, it was agreed that a new governance model must be put in the place, to ensure increased resident representation and independent expertise in the oversight of the social housing provider (MCC)
- 1.3 The new Housing Advisory Board went live in July 2022 with RAGOS playing an instrumental role in the formation of the new arrangements, including the terms of reference and the role profiles for board members.
- 1.4 Internal Audit were commissioned to review the processes undertaken to form the new board, finding a reasonable opinion in terms of the proposed governance arrangements. The initial report made 4 recommendations, two of which have fully implemented. These related to the Housing Advisory Board having oversight of the housing services risk register and detailed performance information.
- 1.5 Two recommendations have been partially implemented and relate to developing a more bespoke learning and development offer for board members and more detailed reporting on equalities information. Both of these items are being actively progressed.
- 1.6 The purpose of the Housing Advisory Board is to provide the oversight of the delivery of the housing services to the Council's housing stock (formerly Northwards); primarily in, but not limited to, North Manchester.

This includes the reviewing of the performance of all housing functions and the engagement of residents in the effective delivery of housing operations services, where Manchester City Council is the landlord.

The Housing Advisory Board does not cover the council's PFI, This City or properties managed by Registered Providers.

The Board has oversight of significant aspects of MCC Housing Services in North Manchester such as:

- The implementation of the Social Housing Bill (Regulation), including the emerging consumer standards and tenancy satisfaction measures
- The performance of the council's housing repairs and maintenance service
- Maintaining Decent Homes and Fire and Building Safety
- Delivery of the Capital Programme (e.g. Decent Homes)

- Development of the service's Place Called Home vision
- 1.7 As an advisory board the Housing Advisory Board has no decision-making powers of its own and does not form part of the Council's formal committee structure.
- 1.8 Key areas of responsibilities as a Board member include
- Review performance and delivery of the consumer standard including the new satisfaction measures and accountability to residents as detailed in the Resident Charter to be launched
  - Promote equalities and the diverse interest of residents and leaseholders
  - Review the impacts of investment in ensuring the Council maintains decent homes, fire and building safety and customer satisfaction.
  - Review draft reports on significant decisions to be taken by the Council in relation to the housing function
  - Be consulted on and advise on key changes to strategy, key policies, significant service changes and development proposals.
  - Provide oversight of the HRA projected by virtue of the transfer of the service back to the council.
  - Receive and consider complaints data to inform service delivery
  - Have oversight of the risk register for the housing service.
  - Review the connectivity of the core housing provision with neighbourhoods and other community delivery impacts.
  - Review the debt management and financial inclusion services to ensure that tenancies are sustained whilst income is managed
  - Act in accordance with the Council's powers and responsibilities and its Constitution.
- 1.9 The Housing Advisory Board meets bi-monthly and has met three times at the point of publication of this report, with further meetings scheduled throughout 2022/23 and 2023/24
- 1.10 The membership of the Housing Advisory Board 2022/23 consists of
- 5 local residents/tenants
  - 6 elected members (including the Chair, Exec Member for Housing and Development)
  - 3 co-opted housing professionals

The board members are listed below:

- Chair: Cllr Gavin White (Chair) in the Chair's absence Cllr Sam Lynch, Deputy Executive Member for Housing and Development will attend and act as Chair.
- Resident Members: Susan Taylor, Norman Hesketh-Hart, Christine Leyland, Natalie O'Reilly, Phil Foran.

- Elected Members: Cllr Shazia Butt, Cllr Appleby, Cllr H Priest, Cllr Sadler, Cllr Collins.
- Co-opted Members: Safeena Rather, Stephen Repton, Chris Forrester

The recruitment of the resident members to the board received a very high response, with over 300 residents expressing an interest. Although there were only 5 resident places on the board, we are keeping in touch with all the applicants to ensure we have a vibrant and diverse network of residents to engage with on our future plans as well as how we are performing week in, week out.

1.11 Set out below is the Housing Advisory Board Agenda which took place on 24 November 2022 and 29 September 2022.

Item	Description	Lead	Report	Page No
1	Welcome & Introductions	Chair	Verbal	-
2	Apologies for Absence	Chair	Verbal	-
3	Minutes of the Last Meeting and Matters Arising - <i>to agree as a correct record the minutes of the Shadow Board held on 29 September 2022</i>	Chair	Enclosed	2
4	a) Performance Q2 2022/23 b) Voids Report	Angela Raftery Anne Duffield	Enclosed Enclosed	7 24
5	ASB Policy Review	Claire Tyrrell	Enclosed	31
6	Tenant Satisfaction Measures – Regulator of Social Housing	Angela Raftery	Enclosed	54
7	A Place Called Home & Annual Report 2021/22	Angela Raftery	Enclosed	68
8	Housing Support Fund Update	Angela Raftery	Enclosed	97
9	Risk Register	Angela Raftery	Enclosed	100
10	A. O. B.	Chair	Verbal	-
<p><b>2023 Meetings</b>  Thursday 26 January @ 6pm  Thursday 23 March @ 6pm  Thursday 18 May @ 6pm  Thursday 20 July @ 6pm  Thursday 28 September @ 6pm  Thursday 30 November @ 6pm  <b>Venue:</b> White Moss Road Neighbourhood Office, White Moss Road, Manchester, M9 6NZ</p>				



MANCHESTER  
CITY COUNCIL

**Housing Advisory Board**

**Date: Thursday 29 September 2022 @ 6:00pm**

**Venue: White Moss Road Neighbourhood Office**

**Chair: Councillor White**

Item	Description	Lead	Report	Page No
1	Welcome & Introductions	Chair	Verbal	-
2	Apologies for Absence	Chair	Verbal	-
3	Minutes of the Last Meeting and Matters Arising - <i>to agree as a correct record the minutes of the Shadow Board held on 14 July 2022</i>	Chair	Enclosed	2
4	Communications & Engagement	Sara Orme	Enclosed	6
5	Safeguarding & Board Champion Role	Claire Tyrrell	Enclosed	25
6	Development of a Place Called Home	Dave Ashmore	Enclosed	29
7	Finance, including focus on rent consultation and support fund.	Dave Ashmore	Enclosed	37
8	Housing Retrofit	Dave Ashmore	Enclosed	40
9	Performance	Angela Raftery	Enclosed	47
10	A.O.B.	Chair	Verbal	-

**Date of Next Meeting: 24<sup>th</sup> November 2022 @ 6pm**

**Venue: White Moss Road Neighbourhood Office, White Moss Road, Manchester, M9 6NZ**

- 1.12 In addition to the formal meetings every two months, we have introduced as part of the Board's collective learning and development, deep dive sessions on areas of particular focus and interest. For example, on 15 November 2022, there was a session on the Housing Revenue Account, with further deep dive sessions planned in the New Year on Zero Carbon and the Social Housing Bill.
- 1.13 All papers and minutes are circulated to Housing Advisory Board members and to North Manchester members for completeness.

## 2.0 Conclusion

- 2.1 In conclusion, the new governance arrangements have been successfully implemented from July 2022 with a full complement of resident, independent and elected members in situ. The remit of the board has been established and three meetings held in 2022/23, scrutinising a range of themes from performance, regulation, housing retrofit, HRA finance, annual report, capital programme and many more.
- 2.2 As set out in the report there are two audit recommendations to fully implement over the remainder of the financial year, which relate to learning and development and further equalities reporting.

**Manchester City Council  
Report for Information**

**Report to:** Resources and Governance Scrutiny Committee – 6 December 2022

**Subject:** Capital Programme – Impact of Recent Market Changes and Budget Process

**Report of:** Deputy Chief Executive and City Treasurer

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**Summary**

This report provides members with an update on the impact of recent changes in financial and construction markets on the capital programme and provides an update on the proposed capital budget process for 2023/24.

**Recommendations**

The Committee is recommended to note the contents of the report.

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**Wards Affected:** All

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

Under the governance process for capital expenditure decision making, zero and low carbon measures are a key component. All capital projects are reviewed throughout the approval process with regard to the contribution they can make to Manchester being a Zero-Carbon City. Projects will not receive approval to incur costs unless the contribution to this target is appropriate.

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

<b>Manchester Strategy outcomes</b>	<b>Summary of how this report aligns to the OMS/Contribution to the Strategy</b>
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	The capital programme contributes to various areas of the economy including investment in public and private sector housing, education and children's social care, transport infrastructure, major regeneration activities, environmental, cultural and leisure services.
A highly skilled city: world class and home-grown talent sustaining the city's economic success	The capital programme includes substantial investment in education and also provides opportunities for the construction industry to bid for schemes that could provide employment opportunities at least for the duration of contracts.
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	The capital programme includes investment in adult and children's social care, education, housing and the environment, cultural and leisure services, all of which contribute towards the strategy.
A liveable and low carbon city: a destination of choice to live, visit, work	Investment in all areas of the capital programme contributes towards this community strategy, notably the investment in sustainable and affordable housing, building schools for the future, transport, environmental and major regeneration programmes.
A connected city: world class infrastructure and connectivity to drive growth	The capital programme includes investment in highways infrastructure, and broadband expansion.

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

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

#### **Financial Consequences – Revenue**

None.

#### **Financial Consequences – Capital**

None.

#### **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.

- Report to the Executive 16<sup>th</sup> February 2022 – Capital Strategy and Budget 2022/23 to 2024/25
- Report to the Executive 16 November 2022 – Capital Programme Monitoring 2022/23

## 1.0 Introduction

- 1.1 The purpose of the report is to provide members of the Committee with an update on the capital programme in the context of recent market changes, specifically inflation and interest rate increases, and also to provide an update on the capital budget process for 2023/24.

## 2.0 Background

- 2.1 The Executive approved the Capital Budget for the period 2022/23 to 2024/25 in June 2022 as part of the Capital Outturn Report. Since then, subsequent capital budget update reports have been to the Executive and the current forecast for the approved programme over this and the next 3 years is £1,037.8m.
- 2.2 Since the start of 2022 the rate of inflation has increased significantly, with the construction industry particularly affected. The Council has seen costs rise across the programme, with some projects seeking budget increases given the severity of the cost increases. The Bank of England has sought to use monetary policy to curb inflation and has therefore increased interest rates away from the historic lows. This, coupled with market expectations regarding the impact of inflation in the medium term, has seen the cost of additional borrowing for the Council increase.

## 3.0 Current Approved Capital Programme and Capacity

- 3.1 The current forecast for the approved capital programme as at the end of September 2022 is shown in the table below.

<b>Manchester City Council Programme</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>All Years Variance to Current Budget</b>
<b>£'m</b>					
Highways	39.9	28.2	5.2	0.0	0.0
Neighbourhoods	86.1	16.1	4.4	2.9	(0.1)
The Factory and St John's Public Realm	79.4	0.0	0.0	0.0	0.0
Growth and Development	95.3	93.5	29.9	3.6	(0.9)
Town Hall Refurbishment	74.9	86.1	40.7	0.0	0.0
Housing – General Fund	16.3	36.8	17.6	7.8	0.0
Housing – Housing Revenue Account	40.8	58.8	30.7	6.4	0.1

Children's Services	44.9	5.4	0.5	0.0	(0.1)
ICT	4.8	2.0	0.1	0.0	0.0
Corporate Services	15.2	1.4	0.5	0.0	0.0
<b>Total (exc. Contingent budgets)</b>	<b>497.6</b>	<b>328.3</b>	<b>129.6</b>	<b>20.7</b>	<b>(1.0)</b>
Contingent Budgets	15.4	18.0	28.2	0.0	0.0
<b>Total</b>	<b>513.0</b>	<b>346.3</b>	<b>157.8</b>	<b>20.7</b>	<b>(1.0)</b>

- 3.2 The programme represents significant investment in the city and its infrastructure and contains projects at all stages of development and build. This means that the recent volatility in inflation and financial markets has implications in terms of the costs of construction as well as the cost of financing.
- 3.3 Construction inflation is currently estimated at 16.7% in the year to September 2022 based on the latest Business, Energy and Industrial Strategy (BEIS) statistics and has been relatively high for some time. A number of requests to increase budgets on major projects have been approved by Executive and Council in recent months for cost increases caused by inflation. Whilst the forecast over the medium term is for inflation to subside, the price increases are not expected to reverse and therefore costs across the programme will stay at these higher levels. The risk of further inflation pressures across the programme therefore remains.
- 3.4 In parallel, and linked in part to inflationary pressures, financial markets have also seen significant volatility in interest rates. The cost of debt available to the Council from the Public Works Loan Board) has on average more than doubled since December 2021, which means that ongoing revenue costs associated with additional borrowing have increased.
- 3.5 The financing of the programme above, including borrowing, is shown in the table below. It highlights the significant level of additional borrowing required to fund the approved programme.

	<b>Draft Funding 2022/23 £m</b>	<b>Draft Funding 2023/24 £m</b>	<b>Draft Funding 2024/25 £m</b>	<b>Draft Funding 2025/26 £m</b>	<b>Draft Funding All Years £m</b>
Grants	106.6	83.1	41.8	3.6	235.1
Contributions	29.0	19.8	0.0	0.0	48.8
Capital Receipts	37.0	27.0	12.6	7.8	84.4
Revenue Contributions to Capital	47.2	45.9	22.7	6.4	122.2
Capital Fund	5.3	3.2	1.3	0.0	9.8
Borrowing	287.9	167.3	79.4	2.9	537.5
<b>Total</b>	<b>513.0</b>	<b>346.3</b>	<b>157.8</b>	<b>20.7</b>	<b>1,037.8</b>

3.6 It is important to note that the current approved programme remains affordable within the existing budgets available for capital financing. The Council has prudently budgeted for capital financing costs across a number of years and built up a capital financing reserve from funding including underspends in the historic annual capital financing budget to smooth the effects of potential increases in interest rates. Specifically for Our Town Hall which accounts for a large portion of the borrowing requirement, a carefully planned strategy including the approach to the Minimum Revenue Provision (MRP) was devised to ensure that the additional revenue costs for the decant and the additional borrowing costs did not put any additional pressure on the revenue budget. However, the combined impact of construction cost increases and interest rate rises means that future borrowing capacity is diminished.

3.7 Given the ongoing market volatility in both costs and interest rates, and the implications further increases would have on the approved programme, calculating future financing capacity is extremely challenging. However, it is clear that additional borrowing capacity is limited unless additional revenue budget is committed to fund capital financing costs, which would contribute towards the budget gap that the Council faces. There is also a need to ensure that the overall level of debt the Council has remains prudent and affordable in the longer term. With the changes in market conditions, a more cautious approach is now required for additional capital investment.

#### **4.0 Proposed Financing Approach**

- 4.1 In order to maximise the use of resources, it is proposed that the following principles are followed to ensure that the limited capital resources are clearly prioritised to achieve best value for money. If projects demonstrate that they support the achievement of corporate priorities, including both low carbon and social value, then they will be supported to proceed if:
- the project is fully funded by external grants and contributions;
  - the project generates additional capital receipts to the Council, so the impact on resources is minimal; or
  - the project will generate a robust net income stream or revenue savings that is sufficient to meet the associated capital financing costs and therefore be funded on an invest to save basis.
- 4.2 Additional borrowing will only be considered for funding a project as a last resort, if there are no other funding sources available and the project is of critical importance to the Council. Any impact on the Council's revenue budget will be clearly set out and form part of the decision making.
- 4.3 Work will also continue to identify and review how other income sources could be used within the programme, such as Section 106 receipts and maximising the use of external grant funding. This will include continuing to review all government funding streams available and seeking to bring fragmented funding streams together to complement investment proposals.
- 4.4 The current programme will be reviewed to ensure that there are robust plans in place for all of the current funding in place. Any future projects which remain at an early stage of project development will be reviewed to ensure they remain a strategic priority and affordable.
- 4.5 The Strategic Asset Management Plan (SAMP) will create a long-term plan for the evaluation and review of the Council's assets, including the commercial estate and community assets, and will be the subject of a report to a future meeting of the Committee.
- 4.6 The SAMP work may create income to support the capital programme through the disposal of assets which are deemed to be surplus to the Council's requirements. These receipts can then be used to fund future capital investment. Given how property markets can be volatile, these receipts should not be committed for investment until they are realised and should be spent in arrears.

## **5.0 Proposed Budget Approach**

- 5.1 The Council's capital investment priorities are contained within the current Capital Strategy and reflect the Our Manchester Strategy. In summary they are:
- Investment into neighbourhoods and communities;

- Investment in growth and regeneration;
- Delivery of the Zero Carbon action plan;
- Delivery of the Housing Strategy;
- Maintenance of corporate assets; and
- Investment in new and upgraded transport infrastructure

5.2 Capital investment proposals must support one or more of these priorities and must be affordable and sustainable within the capital and revenue budget.

5.3 The capital budget process is being refined and aligned more closely with the annual Council budget. The capital programme which is being developed will ensure an appropriate balance between:

- Asset based investment decisions, including corporate assets, driven by the Strategic Asset Management Plan. This will include the annual Asset Management Programme (AMP);
- Delivery of infrastructure requirements, such as Highways, active travel and digital connectivity, historically the Council has used a significant amount of borrowing to support the Highways Capital programme;
- Delivery of strategic priorities, including zero carbon, affordable housing, and ensuring there is some capacity to invest in neighbourhoods; and
- Grant and external contribution funded programme, if they support strategic priorities. Major parts of the capital programme including school maintenance and places and the highways programme are supported by government grants.

5.4 For the 2023/24 budget, given the market and capacity uncertainty, it is anticipated that additional capital investment proposals will be tightly focussed on a number of key priorities.

5.5 The Council has a large number of existing corporate assets on its balance sheet which require annual capital expenditure to keep the asset to a good standard. Last year a one-year programme was agreed for both Highways and the Corporate Estate and it is proposed that proposals for a further year for both areas are included within the Capital Strategy reported to Executive in February. The intention will then be to establish an ongoing, multi-year investment and asset management programme for these assets.

5.6 It is expected that other schemes will come forward, provided they meet the funding criteria detailed at paragraph 4.1 above.

## **6.0 Proposed changes to the approval process**

6.1 Previous reports to the Committee have detailed the capital approval process. It is important that the approval process remains fit for purpose and reflects best practice. Following the most recent review, which incorporated key stakeholder feedback, there are a number of proposed changes which will be brought forward as part of the Capital Strategy for 2023/24.

- 6.2 A key objective of the changes is to provide a strong strategic top down as well as bottom-up approach to the development of the future programme. This will ensure that all scheme proposals will be considered together at the same time so that only those that are key priorities are taken forward, with the pipeline reviewed twice a year as part of the budget setting process. This will ensure that the maximum benefit is gained from council resources. The prioritisation process will build in a stronger approach to planning for place and have a greater focus on neighbourhoods.
- 6.3 *Due Diligence template* – to support more robust decision making at the early stages a due diligence template will be completed detailing the associated assumptions around benefits, costs and links to strategic priorities. This will support greater scrutiny of projects at the inception stage and allow a more holistic approach to developing the business case by allowing other services to comment at that stage.
- 6.4 *Improved Place Focus* - to increase the neighbourhood focus, recognising the impact of capital investment on place, Neighbourhood management teams will be invited to scrutinise projects at the inception stage, to ensure they align with neighbourhood plans.
- 6.5 *Key Decisions* – currently the key decisions for capital expenditure are taken at the point that expenditure is about to be incurred. This limits effective scrutiny which should be at the point the project is approved and added to the capital budget. It is therefore proposed to alter the Council's constitution to make the key decision at the point the budget increase is approved. This would enable scrutiny at an earlier stage of a project and support better decision making.
- 6.6 *Project Governance* – the approval review process will increase the multi-disciplinary peer review to provide more robust challenge to investment proposals, and to ensure that the benefits ascribed to the projects are realistic and achievable. A member and senior officer led Capital Board will also be established to regularly review the project pipeline, alongside the capital financing forecast.
- 6.7 *Budget Approvals* – the capital budget process is to be refined with the priorities set each year as part of the annual budget cycle. To support this, it is intended to reduce the frequency of capital budget requests to Executive and Council from monthly to quarterly.
- 6.8 These proposals will continue to be developed and will form part of the Capital Strategy to go to Executive in February.

## **7.0 Recommendations**

- 7.1 Members are asked to note the contents of the report.

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**Manchester City Council  
Report for Information**

**Report to:** Resource and Governance Scrutiny Committee – 6 December 2022

**Subject:** Autumn Statement 17 November 2022

**Report of:** Deputy Chief Executive and City Treasurer

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**Summary**

On 17 November 2022, the Chancellor of the Exchequer, Jeremy Hunt MP, delivered an Autumn Statement to the House of Commons. This report updates on the main announcements from the Statement with a focus on the implications for local government funding. The position will be clearer in late December 2022 when the Local Government Finance Settlement is received.

**Recommendations**

Resources and Governance Committee are recommended to consider the content of this report and comment on the Autumn Statement announcements.

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**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.

<b>Manchester Strategy outcomes</b>	<b>Summary of how this report aligns to the OMS/Contribution to the Strategy</b>
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 report sets out the main announcements in the Autumn Statement, with a focus on those which relate to local government funding and the potential impact on Manchester City Council. The detail and actual levels of funding will not be known until at least the Finance Settlement expected mid to late December 2022.

### **Financial Consequences – Capital**

There are no capital consequences arising specifically 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 February 2022](#)  
[Medium Term Financial Strategy 2022/23 to 2024/25 -Executive Meeting February 2022](#)  
[Revenue Budget Update - Resource and Governance Scrutiny – 8 November 2022](#)

## 1. Introduction

- 1.1. On 17 November 2022, the Chancellor of the Exchequer, Jeremy Hunt MP, delivered an Autumn Statement to the House of Commons. He noted that in the face of “unprecedented global headwinds”, people are worried about the future, and he is delivering a plan that seeks “to tackle the cost-of-living crisis and rebuild our economy”. The statement provides a plan for the short term and guidelines for the medium term.
- 1.2. A total of £55bn was announced in either public spending cuts or tax rises within the statement. Pensions and benefits were increased by the September 2022 inflation rate of 10.1%, coming into place in April 2023. The triple lock on pensions will be preserved and there will be continued support for energy costs. Government department spend will increase more slowly than planned, below the current inflation rate. The exceptions are health and education, which have had increases in their budgets. Departments will have to “make efficiencies to deal with inflationary pressures in next two years”.
- 1.3. The Chancellor’s new fiscal rules are looser than those they replace, only requiring debt as a percentage of GDP to be falling by year-5 (2027-28). Even then, debt is barely falling by that point, and the plans still assume annual borrowing of around £70-80bn. The statement was accompanied by an independent economic forecast from the Office of Budget Responsibility (OBR). The Statement and the OBR forecast can be found [here](#) and [here](#).
- 1.4. This short paper provides a summary of the key announcements, structured over four areas:
  - Announcements with a direct impact on MCC funding
  - Stability
  - Growth
  - Public Services and Finances
- 1.5. Further detail on the Local Government related announcements is expected in early December when a policy document will be released by DLUHC in relation to local government finance position, and the provisional settlement with LA allocations is expected to be published late December.

## 2. Announcements with an impact on the Councils revenue funding

- 2.1. There were several announcements which will have a direct impact on the funding available to the Council. The financial impact on the Councils position will not be known until the finance settlement is received, expected late December. It should be noticed there are several key funding sources which were not mentioned, there remains a risk they could be lower than anticipated in the current MTFP.
- 2.2. There will be no cuts to the funding allocations announced in Spending Review 2021. Growth in spending from 2025-26 will increase at a lower rate than previously anticipated (“grow more slowly than the economy”).

### *Adult Social Care*

- 2.3. Nationally resources for adult social care will increase by £2.8bn in 2023-24 and by £4.7bn in 2024/25, through a combination of;
- new money (£1bn in 2023-24 increasing to £1.7bn),
  - the postponement of the adult social care charging reforms (£1.3bn in 2023/24 increasing to £1.9bn in 2024/25)
  - an assumed 1% increase in the Adult Social Care precept (£0.5bn in 2023-24 increasing to £1.1bn in 2024/25),
- 2.4. An additional £1bn of new grant funding will be provided in 2023/24 and then rise to £1.7bn in 2024/25. Of this additional new money, £600m in 2023/24 and £1bn in 2024/25 will be allocated through the Better Care Fund to “get people out of hospital on time”. The remainder will be allocated through a ringfenced grant within the local settlement (£400m in 2023/24 and £690m in 2024/25).
- 2.5. In addition, the government intends to delay adult social care charging reforms from October 2023 to October 2025 (the fair cost of care component was not specifically mentioned and remains an area of uncertainty). The funding allocated for implementation will be maintained within local government to enable local authorities to address current adult social care pressures. This is £1.3bn in 2023-24 and £1.9bn in 2024-25 and will be allocated at the Local Government Finance Settlement through the Social Care Grant.
- 2.6. With all these funding announcements it is expected that there will be new expenditure demands, it was purposely assumed that the fair cost of care reforms would be cost neutral to the Council, whilst knowing that they would cost more than the government had allocated to them. The care market is expecting a movement towards the fair cost of care rates.
- 2.7. The Council’s MTFP assumed an increase in BCF and IBCF grants of £2m. Whilst Local Authority allocations are not yet known the Autumn statement indicates significantly more than this may be received. However, some elements of this funding will be ringfenced and come with additional expenditure expectations, particularly in relation to the NHS and hospital discharge. In addition, the care market is fragile, and expectations have been raised in the care market in relation to financial support for the Fair Cost of Care work. In the absence of a direct policy framework, the 2023/24 care market uplift will need to be carefully considered.
- 2.8. Once the full impact of extra demands is known, it may mean that any additional funding could potentially offer more opportunity to further increase the pace of the resilient discharge programme and investment in supporting community infrastructure (including the Front Door redesign) and in proactive prevention. The funding could also bring some opportunity to consider the profile of the proposed adult’s savings over the next three years and any supporting investment to deliver the significant change proposed.

### *Business Rates*

#### 2.9. Business rates related announcements include:

- The multiplier will be frozen in 2023/24 for the third year in a row. Local authorities “will be fully compensated for the loss of income as a result of these business rates measures”. This could be better than expected for the Council’s budget position if reimbursement is at the September 2022 CPI rate of 10.1%. This is yet to be confirmed.
- Business rates reliefs. There will be an extension and enhancement of the Retail, Hospitality and Leisure (RHL) reliefs scheme into 2023/24, plus a Supporting Small Business Scheme (SSBS). Local authorities will be compensated in the usual way through section 31 grants.
- The revaluation of business rates will go ahead in April 2023 but there will be a more generous transitional scheme, with additional Government support, this will dampen the impact of any downward and upward revaluations. This has no effect on billing authorities, it simply makes the transitional support scheme more generous. It does mean that businesses with increases in their valuations will be paying more business rates in future years, despite the multiplier freeze.

2.10. From a local authority perspective, the decision to freeze the multiplier in 2023-24 is the most important one. Freezing the multiplier will cost the Treasury £1.7bn in 2023-24 (rising in future years). Business rates income, baselines, and tariffs and top-ups are usually uprated in line with the multiplier. When the multiplier is capped or frozen, the Government pays compensation to local authorities via a section 31 grant. This grant has now become a very important part of funding to local authorities.

2.11. The Council’s MTFP assumed a multiplier increase of 2.6% which was in line with expected inflation at the time of the Spending Review, October 2021. If the Council is compensated at the September 2022 CPI level of 10.1% there may be additional funding available. However, this needs to be considered alongside the overall settlement for the Council which will not be known until late December. In addition, the council's budget assumes the continuation of the 100% business rates pilot for a further year, 2023/24. This has not been confirmed.

#### *Council Tax*

2.12. The Government is giving local authorities extra flexibility in setting council tax by increasing the referendum limit for increases in council tax by 5% per year from April 2023, including the Adult Social Care precept. The core Council Tax threshold will increase from 1.99% to 2.99%, and the ASC precept will increase from 1% to 2% in 2023/24. There was no update on the cap for major preceptors. The Government argue this will allow councils greater flexibility to set council tax based on the needs, resources and priorities of their area.

2.13. The MTFP currently assumes a total increase of 2.99%. Manchester has a relatively low Council Tax base; each 1% increase raises c£2m additional income.

*Summary impact of revenue funding announcements*

- 2.14. Whilst it is expected the announcements outlined above will have a positive impact on the funds available to the council for the next couple of years there are still significant unknowns. There has been no announcement on the future of New Homes Bonus, the MTFP currently assumes this will continue for one more year with an MCC receipt of £5m. Another big risk is the Services Grant. In 2022/23 this is £822m nationally, £12.3m for MCC. This funded the National Insurance increase which has now been reversed therefore is expected to decrease nationally by £200m (24%). There is also a risk it could be distributed across Local Authorities on a different basis.
- 2.15. There was no update on the long-anticipated Fair Funding review, which will assess levels of 'need' across the country and redistribute funding accordingly. There was also no update on the Business Rates reset, which will redistribute growth in the business rates system since 2013, across all Local Authorities.
- 2.16. There were a number of other core announcements made in the Autumn Statement that could impact on Manchester as follows:
- **Social Housing rent cap.** The Chancellor announced there would be a rent cap on all social housing in 2023 of 7%. The inflation being experienced by the HRA is well in excess of this and the cap will increase pressure within the HRA.
  - **Schools Budget increase.** The Government has increased the national Education and Skills Budget by £2.3bn in order to provide more financial support to schools. It is not yet clear how this will be allocated and how much, if any, will be directed to the High Needs Block.
  - The Government is refocusing investment zones to what will be now called '**knowledge-intensive growth clusters**', centred on, and working with, local universities.
  - The **Levelling Up White Paper** commitment to sign new "trailblazer" devolution deals with the Greater Manchester Combined Authority is set to be delivered by early 2023. The Statement noted that the Government is in discussions with the GMCA to devolve further powers such as skills, transport and housing through consolidating funding. The Government is also exploring the potential to provide single departmental-style settlements at the next Spending Review to give partners more flexibility and accountability over key economic growth funds.
  - The Government has committed to a further £1.7 billion of funding for the second round of the **Levelling Up fund**. All successful bids will be announced before the end of the year.
  - **National Living Wage (NLW).** The Government has decided to increase the National Living Wage by 9.7%, from £9.50 to £10.42 per hour from April 2023. As a comparison - the Manchester Living Wage (MLW) will increase to £10.90 from April 2023 and reflects the Living Wage Foundation's real living wage.
  - **Low Pay Commission (LPC).** The LPC monitor and evaluate the National Living (NLW) Wage and recommend the rate that should apply each April. Within findings released alongside the Autumn Statement, the LPC are projecting a target of £11.08 for April 2024's NLW (within a range that spans

£10.82 to £11.35). This is a significant increase and will again be a factor in determining the level of future local government pay awards.

### **3. Stability**

- 3.1. The Office of Budgetary Responsibility (OBR) notes that over the past six months the global energy and food supply shocks emanating from Russia's invasion of Ukraine have intensified. European wholesale gas prices have risen ten-fold from pre-pandemic levels, and it is now expected energy prices are likely to remain four times higher in the medium term. Rising energy, food, and other goods prices have also pushed up interest rates in an effort to curtail inflation, which has hit its highest rate in the UK (as in much of Europe) for over 40 years. This has considerably affected the global and national economic recovery from the pandemic and increased the financial pressure on governments that emerged from it with higher debt. This places significant pressure on households and businesses at the local level.
- 3.2. The Autumn Statement seeks to both provide support to the most vulnerable and stabilise the position across the economy. This includes further cost-of-living payments to those in receipt of various benefits and cuts to business rates, as well as additional spending on health and social care, and schools (rising to £5.9 billion and £2.5 billion respectively in 2024/25). Support on paying energy bills is also provided by the government beyond April 2023 for a further 12 months. These are largely financed by windfall taxes on energy companies.

### **4. Growth**

- 4.1. The Autumn Statement focuses on three core priorities for economic growth: energy, infrastructure and innovation.
- 4.2. Amongst the announcements made were:
- The building of new infrastructure such as roads, train lines and communities will be safeguarded by £600bn in capital investment over the next 5 years, including a recommitment to Northern Powerhouse Rail and the HS2 line going to Manchester.
  - The second round of the Levelling Up Fund will allocate at least £1.7 billion to priority local infrastructure projects. Successful bids will be announced before the end of the year.
  - The government aims to secure energy security through delivering new nuclear power, including a £700 million commitment to building the Sizewell C nuclear plant, and the roll out of more offshore wind and solar power schemes.
  - There will be a refocus to the Government's Investment Zones programme and existing expressions of interest will not be taken forward. The revised programme will be used to catalyse the 'highest potential knowledge-intensive growth clusters' and leverage local research strengths.
  - Spending on Research and Development projects is set to increase to £20bn by 2024/25.



- The government will review retained EU law in key growth industries (digital technology, life sciences, green industries, financial services, and advanced manufacturing) and will be reviewing how the UK can better regulate emerging technologies.
- The review of the Digital Markets, Competition and Consumer Bill will be brought forward to provide the Competition and Markets Authority with new powers to promote and tackle anti-competitive practice in digital markets.

## 5. Public Services and Finances

### 5.1. In terms of the state of the economy and public finances:

- The OBR predicts GDP will fall by 1.4% in 2023 but the UK will come out of recession in 2024. This is a shallower recession than the Bank of England forecast. However, this still means that the UK economy will not reach its pre-pandemic size until 2024.
- The OBR expects UK inflation to be 9.1% on average in 2022, and 7.4% in 2023.
- Unemployment is expected to raise by around 550,000 jobs over the next 12 – 18 months, before falling back in 2025.
- In addition, the OBR forecasts house prices to fall by 9.0% back to around Q3 2021 levels between Q4 2022 and Q3 2024.

OBR Forecast	2022	2023	2024	2025	2026	2027
GDP Growth	4.2%	(1.4%)	1.3%	2.6%	2.7%	2.2%
CPI Inflation	9.1%	7.4%	0.6%	(0.8%)	0.2%	1.7%
Unemployment	3.7%	4.1%	4.9%	4.7%	4.3%	4.2%
Net Borrowing	£177bn	£140bn	£84.3bn	£76.9bn	£80.3bn	£69.2bn

5.2. Government departmental funding set in 2021 Spending Review will be cash flat for the next 2 years with a rise of 1% in real terms over the 3 years that follow. The Government will protect the increases in departmental spending in cash terms already set out in existing plans, however departments will have to make efficiencies to compensate for inflation.

5.3. There were a considerable number of announcements on tax rates and allowances:

- Corporation tax to increase to 25% from 1 April 2023 up from 19% (raising £18bn pa), and the Bank Corporation Tax Surcharge will be charged an additional 3.0% on profits over £100m
- Threshold for higher income tax at 45% to be reduced from £150,000 to £125,140.
- Allowances and thresholds for income tax and national insurance contribution thresholds (including those relating to employers) will be frozen for a further two years, going to April 2028.
- Inheritance tax nil rate band to remain fixed to April 2028 at £325k and £650k for a couple (this would have been £428k had it been linked to inflation)

- Higher income tax threshold for 40% tax to be frozen at £50,270 until 2027/28, an additional 2 years, bringing an estimated 5.2m additional workers into the higher tax band
- The dividend allowance will be cut from £2,000 to £1,000 next year, and then to £500 in April 2024.
- Capital Gains tax annual exempt amount will reduce from £12,300 to £6,000 from April 2023, and to £3,000 from April 2024
- Married couples' allowance and Blind Persons allowance to be updated by CPI (10.1%) for 2023/24.
- Stamp duty will remain as per the Growth Plan budget announcement until 31 March 2025 (up from £125k to £250k on residential property, nil rate threshold for First Time Buyer's Relief up from £300k to £425k, and First Time Buyer's Relief up from £500k to £625k)
- Electric vehicles to pay vehicle excise duty from April 2025 in the same way as petrol or diesel vehicles, with zero emissions liable to pay the lowest first year rate at £10, moving to the standard rates of £165 per year from year two.
- Electricity Generator Levy of 45% introduced temporarily
- Energy Profits Levy (EPL) a tax on energy companies will increase from 25% to 35% from 1 January to March 2028, raising £40bn over 6 years
- Freezing VAT thresholds for companies at £85,000 until 2026 which will mean thousands of more small businesses paying higher VAT.

5.4. The core changes for local taxation from the Autumn Statement includes:

- Business Rates multiplier frozen for 3rd year (from 2020/21), saving ratepayers £9.3bn over the next 5 years. Billing authorities will be funded by Government for this loss in income, although level of compensation is still to be confirmed.
- Business Rates Revaluation to go ahead from April 2023
- £13.6bn support through transitional relief scheme to support business facing large movements in bills following the revaluation
- Extended Retail Relief to be extended and increased to 75% with a cap of £110k, providing £2.1bn of support to businesses.
- Supporting Small Business Relief will support those no longer eligible for Small Business Rates Relief or Rural Relief so bill increases will be no more than £600 per year, providing £500m worth of support
- Improvement Relief for qualifying property improvements to be introduced from April 2024
- 2023/24 Council Tax core precept referendum limit increasing from 2% to 3%, with Adult Social Care precept increasing from 1% to 2%, resulting in an overall increase of 2%. A 1% increase in Manchester Council Tax raises c£2m, meaning this would raise an additional c£4m if adopted in full.

5.5. Energy and Climate Change. There was considerable focus on energy schemes, but little new commitments made on climate change and net zero policy. Key announcements made include:

- The Energy Price Guarantee (EPG) which will cap unit price of gas and electricity to an average of £2,500 for 6 months will increase to an average of £3,000 pa from April 2023.
- The Alternative Fuels Payment (AFP) will double support for households that use alternative fuels from £100 to £200 per household, along with a fixed payment of £150 to all UK non-domestic consumers.
- The Energy Efficiency Taskforce (EETF) will provide £6bn from 2025-28 to reduce energy consumption by 15% by 2030, this is in addition to the £6.6bn provided.
- Beyond April 2024, the Government will work with consumer groups and industry to consider the best approach to consumer protection, including options such as social tariffs, as part of wider retail market reforms.
- The Government stated that it remains fully committed to the historic Glasgow Climate Pact agreed at COP26, including a 68% reduction in emissions by 2030.
- A new ambition was set for the UK's buildings and industry to reduce energy consumption by 15% against current levels. The Chancellor suggested this was equivalent to annual energy bill savings of £28bn.
- The Treasury will continue with plans to spend £6.6bn on energy efficient buildings in this Parliament, through schemes including the Public Sector Decarbonisation Scheme and the Social Housing Decarbonisation Fund. There was no mention as well of any changes to the Government's Affordable Housing Scheme.
- No mention was made about changes to fuel duty.
- As noted above, electric vehicles are subject to road tax for the first time, though at a lower rate, and from 2025.
- There was no new money provided for climate change measures between now and 2025.

5.6. Welfare and wages - The core announcements on additional welfare support and wage measures include:

- In 2023/24 an additional £900 per household will be provide to those on means tested benefits, £300 to pension households and £150 to people on disability benefits.
- Pension triple lock protected and welfare benefits to rise in line with inflation from April 2023 at 10.1% (CPI in September), giving benefit claimant an average £600 per year more, and commitment to link to inflation in 2024/25
- From April 2023 benefit cap to rise by 10.1% from £20,000 to £22,020 for families, and from £13,400 to £14,753 (with higher increases in Greater London)
- In work conditionality for UC claimants to support transition to work
- £1bn to extend Household Support Fund in 2023/24, and to be administered by local authorities (as was in 2021/22 and 2022/23)
- £280m DWP investment to tackle fraud, error and debt
- Social Housing rent cap of 7.0% in 2023/24
- As noted above, the National Living Wage (NLW) to increase by 9.7%, from £9.50 to £10.42 per hour from April 2023. As a comparison - the Manchester

Living Wage (MLW) will increase to £10.90 from April 2023 and reflects the Living Wage Foundation's real living wage.

- The Housing Benefit to Pension Credit merger date will now take effect in 2028-29.
- The retirement age for men and women will be reviewed.

#### 5.7. Health & Social Care - A summary of core announcements included:

- The Dilnott social care charging reforms due in October 2023 delayed for 2 years to October 2025.
- A review of Integrated Care Boards is to be launched led by former Health Secretary Patricia Hewitt.
- The NHS is to receive an additional funding of £3.3bn each year for the next two years.
- A NHS Workforce plan is to be published on measures to make the best use of medical staff and retention

#### 5.8. Education

- Core Schools budget uplift of £2.3bn in 2023/24 and a further £2.3bn in 2024/25, bringing the core school's budget to a total of £58.8bn, after adjusting for the removal of employer costs of the Health and Social Care Levy, £2bn greater than the SR2021 levels.
- Adviser on skills reform appointed to advise Chancellor and Education Minister on maximising education commitments.

#### 5.9. Housing – stamp duty - Previously announced stamp duty cuts remain but they will be time limited. Under Liz Truss's previous 'Growth Plan' the Government increased the nil-rate threshold of stamp duty land tax (SDLT) from £125,000 to £250,000 for all purchasers of residential property in England and increased the nil-rate threshold paid by first time buyers from £300,000 to £425,000. At the same time, the maximum purchase price for which first time buyers' relief can be claimed was increased from £500,000 to £625,000. This will now be a temporary SDLT reduction, which will remain in place until 31 March 2025; proposed legislation will be amended to reflect this.

#### 5.10. Efficiency Savings Review - The Government will launch an Efficiency Savings Review to identify further savings in departmental budgets. The Review will target increased efficiency, reprioritise spending away from lower-value programmes, and review the effectiveness of public bodies; Government will report on progress in the spring.

### 6. Conclusion

#### 6.1. This Autumn Statement has two important strands to it – to emphasise that the Government is taking seriously the significant challenges that global factors and recent economic instability has brought whilst supporting the most vulnerable. It puts off some of the more difficult issues off until 2025.

- 6.2. A significant amount of both 'stealth' tax rises and public spending cuts were announced, softened by support being given in a number of areas, particularly around the energy price and cost-of-living crisis.
- 6.3. The support provided around the Social Care levy and increases in Council Tax will need to be considered carefully given the wider crises that residents and businesses are enduring. The Statement does not adequately provide significant support that will alleviate local government finance in the short-term.
- 6.4. The ongoing challenges to the UK economy that has existed since 2008 on living standards has been particularly focused on by expert commentators. The forecast from the Office for Budget Responsibility suggests the crisis in living standards is only worsening. As the IFS note, this year the UK is set to see the largest fall in real household disposable income per head (4.3%) since the late 1940s. In 2023, it will see the second-largest fall (2.8%). Modest growth may return after that, but even by 2027/28 the UK is not expected to have had a single year of growth higher than the pre-2008 average since 2015/16. As a result, average household income per head is due to be the same in 2027/28 as it was in 2018/19, and it will be 31% below where it would have been if the pre-2008 trend had continued.
- 6.5. In relation to Local Government funding, it is positive that no additional cuts are proposed, however the significant existing and anticipated inflationary increases will not be funded and future spending will not keep pace with growth in the economy.
- 6.6. There could be additional resources available over and above current MTFP assumption. This includes Adult Social Care Funding, compensation for Business Rates indexation, and any decision to increase Council Tax over the amounts currently assumed. However, there remain a number of significant unknowns which may mitigate the above. This should become clearer when the policy statement by DLUC is provided in early December and with the full funding envelop announced in the provisional finance settlement expected late December.

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**Manchester City Council  
Report for Resolution**

**Report to:** Resources and Governance Scrutiny Committee –  
6 December 2022

**Subject:** Setting of the council tax base and business rates shares for  
budget setting purposes

**Report of:** The Deputy Chief Executive and City Treasurer

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### **Summary**

To advise on the methodology of calculating the City Council's council tax base and business rates income for budget setting purposes for 2023/24, along with the timing of related payments and the decision on business rates pool membership. In line with previous years the Chair of the Committee will be requested to exempt various key decisions from call in.

### **Recommendations**

Members are asked to:

1. Note that the Deputy Chief Executive and City Treasurer, in consultation with the Executive Member for Finance and Resources, has delegated powers to:
    - Agree the estimated council tax surplus or deficit for 2022/23;
    - Set the 2023/24 council tax base for tax setting purposes in accordance with the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2013;
    - Agree the estimated business rates surplus or deficit for 2022/23;
    - Calculate the 2023/24 business rates income for budget setting purposes in accordance with the Non-Domestic Rating (Rates Retention) Regulations;
    - Determine whether the Council should be part of a business rate pooling arrangements with other Greater Manchester local authorities in 2023/24;
    - Set the dates of precept payments to the Greater Manchester Combined Authority.
  
  2. Note that the Chair of the Resources and Governance Scrutiny Committee will be requested to exempt various key decisions from the call in procedure.
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**Wards Affected:** All

**Contact Officers:**

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Position: Deputy Chief Executive and City Treasurer  
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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.

- The Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012.
- The Non-Domestic Rating (Rates Retention) Regulations 2013.
- The Non-Domestic Rating (Rates Retention) (Amendment) Regulations 2014.
- The Non-Domestic Rating (Rates Retention) (Amendment) Regulations 2016.
- The Non-Domestic Rating (Rates Retention) and (Levy and Safety Net) (Amendment) Regulations 2017.
- The Non-Domestic Rating (Rates Retention) and (Levy and Safety Net) (Amendment) Regulations 2018.
- The Non-Domestic Rating (Rates Retention) and (Levy and Safety Net) (Amendment) and (Levy Account: Basis of Distribution) Regulations 2019.
- The Non-Domestic Rating (Rates Retention, Levy and Safety Net and Levy Account: Basis of Distribution) (Amendment) Regulations 2020.



## 1.0 Introduction

- 1.1 The Council is required to notify the precepting authorities regarding the council tax and business rates decisions as part of the budget process. These are by prescribed statutory dates.

The decisions are as follows:

- agree the annual estimated council tax surplus or deficit by 15 January 2023;
  - set the annual council tax base by the 31 January 2023;
  - agree the annual estimated business rates surplus or deficit by 31 January 2023; and
  - set the annual Business rates base by the 31 January 2023.
- 1.2 The actual level of the council tax is subject to further approval and will be set out in the Council Tax Resolution report to March Council.
- 1.3 All the decisions and estimates will take account of the known impacts of the current economic climate and assumptions of the future financial implications.
- 1.4 In December 2020, along with the Provisional Settlement, the Government announced billing authorities declaring deficits on their 2020/21 Collection Fund, as forecast in January 2021, were mandated to spread this deficit over three financial years (2020/21, 2021/22 and 2022/23). This applied to both council tax and business rates and removed any deficit due to additional retail, hospitality and leisure relief which was funded by section 31 grant. 2022/23 will be the final year of this spreading impact.
- 1.5 The spreading of deficits does not impact on the underlying council tax and business rates base position.

## 2.0 Council Tax Surplus / Deficit

- 2.1 Billing authorities are required under section 32 of The Local Government Finance Act 1992 to estimate the council tax surplus or deficit on their Collection Fund for the relevant year. Any such estimated surplus or deficit is shared between the billing authority and its major precepting authorities.
- 2.2 The City Council is to notify the precepting authorities (Police and Crime Commissioner, and Mayoral and Fire and Rescue elements of the Greater Manchester Combined Authority), of its estimated Collection Fund surplus or deficit by 15 January 2023.
- 2.3 Due to the requirement to use the most up to date information, (as at 31 December 2022) and to notify precepting authorities this by 15 January 2023 there will be a request to the Committee Chair to exempt the decision from call in. The Deputy Chief Executive and City Treasurer, in consultation with the

Executive Member for Finance and Resources, has delegated power to agree the estimated council tax surplus or deficit.

- 2.4 In 2022/23, as part of its response to the energy crisis the Government launched the Council Tax Energy Rebate scheme offering £150 grant to support residents with increasing energy bills. In some cases, where the taxpayer failed to redeem vouchers, provide bank details or requested directly, this was provided through application of a council tax credit reducing their liability. Grant will be transferred to the Collection Fund to match the reduced income in 2022/23 so the Collection Fund this is not distorted.

### **3.0 Setting of Council Tax Base**

- 3.1 Section 31B of the Local Government Finance Act 1992, the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012, and amendments introduced by the Local Government Finance Act 2012, require the Council to calculate its tax base for tax setting purposes. This calculation is to be based on data available as at 30 November 2022 and the decision must be made between 1 December 2022 and 15 January 2023. The City Council is required to notify the precepting authorities of its calculation for 2023/24 by 31 January 2023.
- 3.2 If the calculation has not been agreed by 15 January 2023 the regulations provide that the responsibility for calculating the council's tax base transfers to the precepting authority. They must calculate the tax base on behalf of the City Council, and themselves, based on the information available. This information will include any recommendations of the Deputy Chief Executive and City Treasurer; it will also include any amount calculated by the Secretary of State for the purposes of distribution of government funding.

#### *Basis of Calculation of Tax Base*

- 3.3 The calculation of the council tax base is, in essence, the number of dwellings within the Council's boundary presented as 'Band D equivalent'. This means dwellings falling outside Band D are converted into a proportionate Band D value based on the table below. Once the Band D bill is calculated and approved the individual band bills are calculated in the ratios proportionate to Band D.

Band	Proportion of Band D
Band A	6/9
Band B	7/9
Band C	8/9
Band D	9/9
Band E	11/9
Band F	13/9
Band G	15/9
Band H	18/9

- 3.4 The number of properties is adjusted to take account of discounts and exemptions for disabled occupants, single occupiers, students, exempt dwellings, as well as reductions in accordance with the council tax support scheme, this will also reflect empty homes premiums. A further adjustment is made for non-collection of council tax.
- 3.5 The statutory timescale for undertaking the tax base calculation means that the tax base calculation for 2023/24 is based on information that will be out of date by the time that the bills are issued in March 2023. Whilst this would not be an issue for most authorities, the fluctuating numbers of students and the transient population in Manchester make it difficult to predict how many properties will be exempt, empty or occupied by a single person on 1 April 2023 and the forthcoming financial year. There will be more accurate student data available by the declaration deadline, as student discounts and exemptions tend to increase towards the end of the first academic term in December. Therefore, figures on which the tax base will be calculated represent a 'best estimate' at a point in time.
- 3.6 The tax base calculation will include assumptions about the potential changes in the following, between 1 December 2022 and 31 March 2023:
- New properties;
  - Properties that are demolished;
  - Exempt properties (including all student households);
  - Disabled relief;
  - Single person discounts;
  - Empty properties; and
  - Council tax support scheme claimants.
- 3.7 Prior to the introduction of the Council Tax Support Scheme on 1 April 2013 council tax benefit was classed as income within the Collection Fund and had no effect on the council tax base calculation. However, after this date the council tax base calculation must include an estimate of the amount of council tax foregone due to the support scheme and this estimate is based on the forecast number of claimants.
- 3.8 The Council Tax Support Scheme, set the maximum level of council tax support for working age households at 82.5% of council tax due.
- 3.9 The council tax base for 2022/23 was estimated at 127,620 Band D equivalents, up from 119,649.3 in 2021/22. The council tax base for 2023/24 will be recalculated to reflect the most up to date position and support the key decision required. The Deputy Chief Executive and City Treasurer, in consultation with the Executive Member for Finance and Resources, has delegated power to agree the tax base for council tax setting purposes.
- 4.0 Basis of Calculation of Business Rates Base**
- 4.1 Since 2017/18 Manchester has been part of the Greater Manchester business rates retention pilot which means that 99% of yield will be retained by the

Council and 1% paid to the Greater Manchester Combined Authority, for the Greater Manchester Fire and Rescue Service.

- 4.2 The retained business rates income is subject to a safety net and Greater Manchester authorities, under the 100% retention agreement, are protected at 97.0% of their baseline funding level compared to retained business rate income, which is adjusted to include section 31 grants and tariffs or top up payments. This change in funding has brought a higher level of uncertainty in council resources and has implications for how the budget is set.
- 4.3 The starting point for the calculation is the estimate of gross business rates payable by business ratepayers in 2023/24. This includes a forecast for growth, for businesses added to, or deleted from, the rating list in the forthcoming the year. This is adjusted by the forecast cost of mandatory reliefs including small business rate relief, charity and community and amateur sports club relief, partly occupied relief and empty property relief. It is further adjusted for discretionary reliefs including the cost of relief to charities, non-profit making bodies and reliefs funded by a section 31 grant. This gross rate yield net of reliefs is then reduced by an allowance for the costs of collection, an estimate of non-collection, and the effect of appeals against rateable values.
- 4.4 From 1 April 2023 a new rating list will be applied by the Valuation Office Agency (VOA), known as a revaluation. This will aim to set Rateable Values (RV), on which business rates bills are based, to reflect the market rental values of properties as at 1 April 2021. The draft list will not be released until late December so it is not yet clear what impact this will have on the Council's rating income. However, at national level the Government aims to maintain fiscal neutrality by adjusting the multiplier by the overall movement in RV. Further adjustments will be made to the Council's tariff or top up amount to counteract any shift in gross rates.
- 4.5 The calculation of the impact of appeals in 2023/24 will be based on data and information provided by the VOA, the government agency responsible for administering appeals, and from local systems. This will include outstanding appeals lodged with the VOA relating to the 2017 rating list and a forecast of those still to appeal against this list as businesses will have until 30 September 2023 (6 months) to lodge these; it will also include an estimate of appeals expected to be received in 2023/24 relating to the 2023 rating list, based on the effects of the settlements of historic appeals and known intelligence. Appeal volumes are proving to be volatile; following the introduction of the reformed appeal process 'Check, Challenge and Appeal' in 2017, where a RV can be adjusted following a check from a ratepayer, rather than progressing to the Challenge or Appeal stage so these may not be included within VOA appeal data. There is limited information available from the VOA for the new process; therefore, authorities are reliant on historical information and trends.
- 4.6 The Council continues to facilitate four Enterprise Zones where growth above the prescribed baseline is retained locally. Enterprise Zones offer business rate relief for up to 5 years (funded by government), simplified planning and

capital allowances (tax relief) that aim to encourage new businesses to locate within the area. Changes in the rating list for properties in the enterprise zones are considered and reported separately.

- 4.7 The Non-Domestic Rating (Rates Retention) Regulations require that the Council estimates the shares of business rate income for 2023/24 and notifies Central Government and the Greater Manchester Combined Authority of these amounts by 31 January 2023.
- 4.8 Given the requirement to notify Central Government and the Greater Manchester Combined Authority by 31 January 2023 there will be a request to the Committee Chair to exempt the decision from call in. The Deputy Chief Executive and City Treasurer, in consultation with the Executive Member for Finance and Resources, has delegated power to agree the estimated business rates income for budget setting purposes.

## **5.0 Business Rates Surplus / Deficit**

- 5.1 Billing authorities are required under section 32 of The Local Government Finance Act 1992 to estimate any business rates surplus or deficit on their Collection Fund for the relevant year. Any such estimated surplus or deficit is shared between the billing authority and the Greater Manchester Combined Authority, (for the Greater Manchester Fire and Rescue Service).
- 5.2 The City Council is to inform Central Government (NNDR1 return) and the Greater Manchester Combined Authority by 31 January 2022 of its forecast business rates Collection Fund surplus or deficit.
- 5.3 Due to the requirement to use the most up to date information, including the latest estimated collection rates, (to the 31 December 2022) and to notify Central Government and the Greater Manchester Combined Authority by 31 January 2023 there will be a request to the Committee Chair to exempt the decision from call in. The Deputy Chief Executive and City Treasurer, in consultation with the Executive Member for Finance and Resources, has delegated power to agree the estimated business rates surplus or deficit.

## **6.0 Pooling of Business Rates**

- 6.1 The Greater Manchester and Cheshire business rates pool, which included the ten Greater Manchester authorities and Cheshire East was established in 2014/15, with Cheshire West and Chester joining in 2015/16. However, this was dissolved in 2020/21 due to the uncertainty and risk of collection linked to the pandemic; and a Pool was not invoked in 2022/23.
- 6.2 On 22 September 2022 an in-principle application was submitted to Government for the ten Greater Manchester authorities to form a Pool in 2023/24. Each authority will need approval, through its respective governance arrangements, and a final decision on whether to participate in the 2023/24 Pool is required within 28 days of the Provisional Local Government Finance Settlement, which is expected in late December, with a date to be confirmed.

- 6.3 The purpose of pooling business rates across the individual authorities is not intended to alter individual authorities' income levels but to retain any levy that would have otherwise been paid by certain authorities to Central Government. The levy is applied to the growth above the Baseline Funding Level for tariff authorities, namely Trafford Borough Council in Greater Manchester. The levy would then be retained locally by the levy authority and the Pool.
- 6.4 If any of the ten authorities, which have expressed an interest so far, decide to withdraw from the Pool then the proposed pool will dissolve for 2023/24. The remaining authorities would not have the opportunity to create a new Pool.
- 6.5 The decision on whether Manchester City Council should continue to be part of the pooling arrangement is delegated to the Deputy Chief Executive and City Treasurer in consultation with the Executive Member for Finance and Resources.

## **7.0 Timing of Payments**

- 7.1 Payment dates for the share of council tax payable to the Greater Manchester Combined Authority must be agreed and notified before 31 January 2023. The payment dates are proposed as the 20th of each month for 2023/24, the same dates as for 2022/23.
- 7.2 The Non-Domestic Rating (Rates Retention) Regulations state that the Council should make payments of business rates shares in accordance with the schedule of instalments. There is an option to agree different dates with the Greater Manchester Combined Authority if required. The payment dates are proposed as the 20th of each month for 2023/24, the same dates as for 2022/23.
- 7.3 If the business rates pool is enacted in 2023/24, Manchester, as the lead authority, will be responsible for administering the payments and receipts of top up and tariffs to members of the Greater Manchester Business Rates Pool. Government will pass top up payments to Manchester in line with the dates in the schedule of instalments and Manchester will distribute these to the top up authorities on the same dates. Manchester will also receive tariff payments from the tariff authorities on the same date, thus avoiding investment implications.

## **8.0 Recommendation**

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

**Manchester City Council  
Report for Information**

**Report to:** Resources and Governance Scrutiny Committee – 6 December 2022

**Subject:** Overview Report

**Report of:** Governance and Scrutiny Support Unit

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### **Summary**

This report provides the following information:

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

### **Recommendation**

The Committee is invited to discuss and note the information provided and agree the work programme.

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**Wards Affected:** All

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### **Contact Officer:**

Name: Charlotte Lynch  
Position: Governance and Scrutiny Team Leader  
Telephone: 0161 219 2119  
E-mail: [charlotte.lynch@manchester.gov.uk](mailto:charlotte.lynch@manchester.gov.uk)

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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.

None

**1. Monitoring Previous Recommendations**

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

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

Date	Item	Recommendation	Action	Contact Officer
None				



## 2. Key Decisions

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

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

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

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

An extract of the most recent Register of Key Decisions, published on **28 November 2022**, containing details of the decisions under the Committee's remit is included below. This is to keep members informed of what decisions are being taken and, where appropriate, include in the work programme of the Committee.

Corporate Core					
<p><b>Manchester City Centre Triangle (2021/01/14A)</b></p> <p>The approval of capital expenditure for the construction of a scheme to connect travel hubs in the city centre</p>	<p>City Treasurer (Deputy Chief Executive)</p>	<p>Not before 31st Aug 2022</p>		<p>Checkpoint 4 Business Case</p>	<p>Steve Robinson, Director of Operations (Highways) steve.robinson@manchester.gov.uk</p>

<p><b>Contract for Provision of ICT and Digital resources to Manchester City Council (2022/01/31A)</b></p> <p>The appointment ICT and Digital resources to Manchester City Council.</p>	<p>City Treasurer (Deputy Chief Executive)</p>	<p>Not before 28th Feb 2022</p>		<p>Report &amp; Recommendation</p>	<p>Joanna Thorne joanna.thorne@manchester.gov.uk</p>
<p><b>Write off of EoN Reality loan (2022/03/01B)</b></p> <p>Under the delegation agreed at February 2022's Executive, write off of existing £1.1m loan to EoN Reality Ltd and outstanding interest, following confirmation that the company has been liquidated.</p>	<p>City Treasurer (Deputy Chief Executive)</p>	<p>Not before 1st Apr 2022</p>		<p>Companies House – liquidation progress report</p>	<p>Tim Seagrave T.Seagrave@manchester.gov.uk</p>
<p><b>Framework Agreement for Senior Permanent and Interim Executive Search (2022/06/09A)</b></p> <p>The appointment of Agencies to deliver Permanent and Interim Senior Recruitment Services.</p>	<p>City Treasurer (Deputy Chief Executive)</p>	<p>Not before 9th Jul 2022</p>		<p>Report &amp; Recommendation</p>	<p>Mike Worsley mike.worsley@manchester.gov.uk</p>
<p><b>Contract for the provision</b></p>	<p>City Treasurer</p>	<p>Not before</p>		<p>Report and</p>	

<p><b>of a Contract Management System (2022/06/15B)</b></p> <p>To contract with a software supplier to provide MCC with a new Contract Management System.</p>	<p>(Deputy Chief Executive)</p>	<p>15th Jul 2022</p>		<p>recommendation</p>	
<p><b>Framework Agreement for the Provision of Commercial Office Furniture and Furniture Services (2022/08/04A)</b></p> <p>The appointment of Provider to deliver Commercial Office Furniture and Furniture Services.</p>	<p>City Treasurer (Deputy Chief Executive)</p>	<p>Not before 4th Sep 2022</p>		<p>Report and recommendations</p>	<p>Mike Worsley mike.worsley@manchester.gov.uk</p>
<p><b>Award new Case Management System replacement (2022/08/08A)</b></p> <p>To award the bid to a new supplier for the Neighbourhoods and Licensing including Taxi Licensing Case Management System.</p>	<p>City Treasurer (Deputy Chief Executive)</p>	<p>Not before 8th Sep 2022</p>		<p>Briefing Document</p>	
<p><b>Hybrid Cloud Programme</b></p>	<p>City Treasurer</p>	<p>Not before</p>		<p>Checkpoint 4</p>	<p>Chris Wanley, Director of ICT</p>

<p><b>(2022/08/19B)</b></p> <p>To approve capital expenditure to allow Manchester City Council ICT to create a Hybrid Cloud Programme that will refresh aging infrastructure and support its strategy to move to cloud-based technology solutions.</p>	<p>(Deputy Chief Executive)</p>	<p>19th Sep 2022</p>		<p>Business Case</p>	<p>chris.wanley@manchester.gov.uk</p>
<p><b>Award of Electricity Supply contracts from existing Framework Agreements (2022/08/22A)</b></p> <p>To award a contract for the supply of Electricity from the Council's existing HH (large sites) and NHH (smaller sites) frameworks via direct award to the incumbent suppliers.</p>	<p>City Treasurer (Deputy Chief Executive)</p>	<p>Before 30 Sep 2022</p>		<p>Award Report</p>	<p>Walter Dooley w.dooley@manchester.gov.uk, Peter Schofield peter.schofielod@manchester.gov.uk</p>
<p><b>Framework Agreement for the Provision of Specialist and Hard to Fill Agency Roles (2022/08/26B)</b></p> <p>The appointment of Agencies to provide</p>	<p>City Treasurer (Deputy Chief Executive)</p>	<p>Not before 26th Sep 2022</p>		<p>Report and recommendations</p>	<p>Mike Worsley mike.worsley@manchester.gov.uk</p>

Specialist and Hard to Fill Agency Roles					
<p><b>Framework for the provision of GM Online Library Service (2022/10/27B)</b></p> <p>The appointment of Provider(s) for GM Online Library Service</p>	Strategic Director (Neighbourhoods)	Not before 27th Nov 2022		Report & Recommendation	
<p><b>Adoption of Manchester Anti-Poverty Strategy (2022/11/08A)</b></p> <p>To adopt the new Anti-Poverty Strategy for Manchester</p>	Executive	18 Jan 2023		Draft Anti-Poverty Strategy plus accompanying report and any annexes	Peter Norris p.norris@manchester.gov.uk
<p><b>Council Tax 2022/23 Balance (2022/11/11B)</b></p> <p>To agree the estimated council tax surplus or deficit for 2022/23</p>	City Treasurer (Deputy Chief Executive)	Not before 3rd Jan 2023		Council Tax Balance report	Neil Doherty neil.doherty1@manchester.gov.uk
<p><b>Business Rates 2022/23 balance (2022/11/11C)</b></p> <p>To agree the estimated business rates surplus or deficit for 2022/23</p>	City Treasurer (Deputy Chief Executive)	Not before 3rd Jan 2023		Business Rates Balance report	Neil Doherty neil.doherty1@manchester.gov.uk

<b>Council Tax Base 2023/24 (2022/11/11D)</b>  To set the 2023/24 Council Tax Base	City Treasurer (Deputy Chief Executive)	Not before 3rd Jan 2023		Council Tax Base report	Neil Doherty neil.doherty1@manchester.gov.uk
<b>Business Rates Base 2023/24 (2022/11/11E)</b>  To set the 2023/24 Business Rates Base	City Treasurer (Deputy Chief Executive)	Not before 3rd Jan 2023		Business Rates Base report	Neil Doherty neil.doherty1@manchester.gov.uk
<b>TC1135 - Provision and supply of a System to Enforce Moving Traffic Offences, including maintenance (2022/11/23B)</b>  The appointment of Provider for supply of a System to Enforce Moving Traffic Offences, including maintenance.	City Treasurer (Deputy Chief Executive)	Not before 23rd Dec 2022		Report & Recommendation	
<b>Development and Growth</b>					
<b>Strategic land and buildings acquisition 2019/06/03C</b>	City Treasurer (Deputy Chief Executive)	Not before 1st Dec 2022		Checkpoint 4 Business Case & Briefing Note	Richard Cohen r.cohen@manchester.gov.uk

The approval of capital expenditure for the purpose of the strategic acquisition of land and buildings to support the Eastlands Regeneration Framework					
<p><b>Disposal of site of former Chorlton Leisure Centre for residential development (21/05/13A)</b></p> <p>Approval to the terms for the leasehold disposal of the site of the former Chorlton Leisure Centre for residential development.</p>	Strategic Director - (Growth and Development)	Not before 13th Jun 2021		Report to the Strategic Director of Growth and Development	Mike Robertson m.robertson@manchester.gov.uk
<p><b>Restructure of existing multiple ground leases at Manchester Science Park into a new overriding single head lease (2021/07/16A)</b></p> <p>Restructure of existing multiple ground leases at Manchester Science Park into a new overriding single head lease.</p>	Strategic Director - (Growth and Development)	Not before 16th Aug 2021		Report and recommendations	Mike Robertson m.robertson@manchester.gov.uk
<b>Strategic approach to developments of social homes via a city-wide</b>	Executive	16 Nov 2022		Report and recommendations	Martin Oldfield m.oldfield@manchester.gov.uk

<p><b>New Build Local Lettings Policy (LLP) (2021/08/10A)</b></p> <p>Executive adopts the New Build LLP for immediate implementation.</p>					
<p><b>Land at Downley Drive, New Islington/Ancoats (2022/02/18B)</b></p> <p>Land disposal by way of lease for residential development at Downley Drive, New Islington/Ancoats.</p>	<p>Strategic Director - (Growth and Development)</p>	<p>Not before 18th Mar 2022</p>		<p>Report and recommendations</p>	
<p><b>Disposal of the former Gala Bingo, Rowlandsway, Manchester, M22 5RS (2022/05/19A)</b></p> <p>Approval to the terms for the leasehold disposal of the former Gala Bingo, Rowlandsway, Manchester, M22 5RS.</p>	<p>Strategic Director - (Growth and Development)</p>	<p>Not before 19th Jun 2022</p>		<p>Report to the Strategic Director of Growth and Development</p>	<p>Joe Martin, Development Surveyor joe.martin@manchester.gov.uk</p>
<p><b>This City - new scheme development (2022/06/17B)</b></p> <p>To give capital expenditure</p>	<p>City Treasurer (Deputy Chief Executive)</p>	<p>Not before 17th Jul 2022</p>		<p>Report and recommendation</p>	<p>Alan Caddick, Interim Director of Housing and Residential Growth Alan.Caddick@manchester.gov.uk</p>



approval to build a mixed development of market and accessible rent properties, initially through the Council before transferring to a Council-owned company during the build.					
<p><b>Housing Affordability Fund Budget (2022/06/28B)</b></p> <p>The approval of capital expenditure for affordable housing via a dedicated HAF budget.</p>	City Treasurer (Deputy Chief Executive)	Not before 28th Jul 2022		Checkpoint 4 Business Case	Yvette Ryle, Project Manager Yvette.ryle@manchester.gov.uk
<p><b>Large Scale Renewable Energy Project (2022/07/13B)</b></p> <p>To purchase a large scale solar farm, associated storage and maintenance arrangements.</p>	City Treasurer (Deputy Chief Executive)	Not before 13th Aug 2022		Executive Report	Leader
<p><b>King Street Multistory Car Park &amp; King Street West Shops 35-47 (22/07/18A)</b></p> <p>Approval to the surrender of the City Councils Leasehold interested to support the redevelopment of the site,</p>	Strategic Director - (Growth and Development)	Not before 18th Aug 2022		Confidential report and recommendations	Lousie Hargan l.hargan@manchester.gov.uk

as consented under planning application 129251/FO/2021					
<p><b>Lower Campfield and Upper Campfield - granting of new ground leases (2022/09/07A)</b></p> <p>Approval to the granting of new ground leases to allow the repair and refurbishment of both buildings by the lessee.</p>	Chief Executive	Not before 6th Oct 2022		Report to the Chief Executive and Strategic Director of Growth and Development	David Norbury david.norbury@manchester.gov.uk
<p><b>This City: Contractor and Design Team Fees (2022/08/10A)</b></p> <p>To approve capital expenditure for the delivery of This City: Norther Quarter (Postal Street) in order to appoint a contractor under a Pre-Construction Services Agreement to progress work on a mixed development of market and Manchester Living Rent properties until planning permission has been granted.</p>	City Treasurer (Deputy Chief Executive)	Not before 10th Sep 2022		Checkpoint 4 Business Case	Sarah Narici sarah.narici@manchester.gov.uk

<p><b>Electric Vehicle Charging Strategy (2022/09/12A)</b></p> <p>The approval of the Draft Strategy and agreement to its publication.</p>	Executive	14 Dec 2022		Report and recommendations	Phil Havenhand, Interim Head of Infrastructure & Environment Phil.Havenhand@manchester.gov.uk
<p><b>Fire Risk Assessments Additional Work (2022/09/13A)</b></p> <p>To approve Capital Expenditure of £4.885m to carry out specific further fire protection/prevention related work identified on properties within Housing Operations managed area.</p>	City Treasurer (Deputy Chief Executive)	Not before 11th Oct 2022		Checkpoint 4	Martin Oldfield m.oldfield@manchester.gov.uk
<p><b>Delivery of Affordable Housing - Project 500 (Update) (2022/10/14)</b></p> <p>Disposal of Council land for the development of affordable housing.</p>	Executive	16 Nov 2022		Report and recommendations	
<p><b>Mayfield Phase 1 Update (2022/10/26A)</b></p> <p>Approval to the Council's contribution as part of Mayfield Partnership (General Partner) Ltd to a</p>	Executive	16 Nov 2022		Report to Executive from the Director of City Centre Growth and Infrastructure D2 Mayfield Phase 1 Strategic	David Norbury david.norbury@manchester.gov.uk

strategic acquisition				acquisition of the Macdonald Hotel car park	
<p><b>Land Assembly - Back of Ancoats (2022/10/13A)</b></p> <p>To approve the acquisition of a strategic asset at the Back of Ancoats.</p>	Strategic Director - (Growth and Development)	Not before 30th Nov 2022		Briefing Note	
<p><b>Culture in the City - HOME Arches (2022/11/07A)</b></p> <p>To approve capital expenditure to address cost increases largely in relation to methodology, 3<sup>rd</sup> party requirements and market pressures which are fixed.</p>	City Treasurer (Deputy Chief Executive)	Not before 7th Dec 2022		Checkpoint 4 Business Case	Dave Carty d.carty@manchester.gov.uk
<p><b>Mayfield Phase 1 Update - Capital Expenditure (2022/11/11A)</b></p> <p>Approve capital expenditure for the refinancing of some of the historic development costs for the Mayfield development, in accordance with the priority returns set out in the Public Sector</p>	Executive	16 Nov 2022		D2 Mayfield Phase 1 Capital expenditure of the refinancing of historic development costs	Pat Bartoli p.bartoli@manchester.gov.uk

Partnership Agreement.					
<b>Land at Kelbrook Road (2022/11/14A)</b>  Approval to dispose of land at Kelbrook Road for development	Strategic Director - (Growth and Development)	4 Jan 2023		Report to the Strategic Director – Growth & Development	Thomas Pyatt, Development Surveyor Tel: 0161 234 5469 thomas.pyatt@manchester.gov.uk
<b>Manchester Active Travel Strategy and Investment Plan (2022/11/21A)</b>  To adopt the Manchester Active Travel Strategy and Investment Plan	Executive	18 Jan 2023		Report to Executive - Manchester Active Travel Strategy and Investment Plan	Rob Scott robert.scott@manchester.gov.uk
<b>Factory International (2022/11/22A)</b>  To approve capital expenditure for cost pressures including inflation, market & supply chain pressures, client-side costs and fitting out costs.	City Treasurer (Deputy Chief Executive)	Not before 22nd Dec 2022		Checkpoint 4 Business Case	Jared Allen jared.allen@manchester.gov.uk
<b>Back of Ancoats: Delivery of Mobility Hub (2022/11/23A)</b>  To approve capital expenditure to fund	City Treasurer (Deputy Chief Executive)	Not before 23rd Dec 2022		Checkpoint 4 Business Case	

construction inflation cost pressures and amendments to design.					
<p><b>Public Sector Decarbonisation Scheme Phase 3 (2022/11/28A)</b></p> <p>Approval of capital expenditure for cost increases to the Public Sector Decarbonisation Scheme (PSDS) following RIBA2 designs identifying scope changes required, additional fees and inflationary pressures. These works are to improve energy efficiency and introduce heat decarbonisation measures across the estate.</p>	City Treasurer (Deputy Chief Executive)	Not before 28th Dec 2022		Revised Checkpoint 4	Richard Munns r.munns@manchester.gov.uk
<b>Neighbourhoods</b>					
<p><b>Extension of the waste &amp; street cleansing contract (2022/03/30B)</b></p> <p>To fund the increase in contract fee from 2023 for</p>	Executive	1 Jun 2022		Waste Report to Environment & Climate Change Scrutiny Committee (10 March 2022)	Matthew Bennett matthew.bennett@manchester.gov.uk

the remainder of the contract period - £7.95m.					
<b>Amendment to the House in Multiple Occupation (HMO) Licence Fee (2022/10/19A)</b>	Strategic Director (Neighbourhoods)	Not before 19th Nov 2022		Report setting out the amendments to the HMO licence fee entitled 'Report – HMO Fee Amendments – 22.23'.	Tim Birch, Neighbourhood Manager tim.birch@manchester.gov.uk
<b>Financial approval of MCR Active Contract 2023/24 (2022/10/27A)</b>  Financial approval of 5 <sup>th</sup> year of MCR Active Contract for period 1 <sup>st</sup> April 2023 to 31 <sup>st</sup> March 2024.	City Treasurer (Deputy Chief Executive)	Not before 27th Nov 2022		Report to Deputy Chief Executive and City Treasurer	
<b>Z-Arts Grant Agreement (2022/11/04A)</b>  To approve a three-year Z-Arts grant agreement with revenue support of £184,488 in 2023/4, 2024/5 and 2025/6	Strategic Director (Neighbourhoods)	Not before 4th Dec 2022		Z-Arts Overview Report	
<b>The 2-bed rate in temporary accommodation (2022/11/24A)</b>	Strategic Director (Neighbourhoods)	Not before 24th Dec 2022		Commercially Sensitive	Nicola Rea nicola.rea@manchester.gov.uk

Equalise the 2-bed rate for properties in temporary accommodation.					
<p><b>Q20516 – Ashton Canal Bridge (2022/11/25B)</b></p> <p>The works are referred to as: Victoria Northern Eastern Gateway Scheme Phase 3 – Ashton Canal Bridge. Scope of Works comprises the construction of a new bridge and access ramps over the Ashton Canal at New Islington</p>	Strategic Director (Neighbourhoods), Deputy City Treasurer	27 Feb 2023		Confidential Contract Report and Recommendations	Joshua Ward, Procurement Officer joshua.ward@manchester.gov.uk, Nikoo Nikousokhan, Project Manager nikoo.nikousokhan@manchester.gov.uk
<p><b>Q20515 – Bridge Maintenance, Refurbishment and Replacement (2022/11/25C)</b></p> <p>Manchester City Council is proposing to employ a single-stage procurement process comprising of Quality, Price and Social Value elements as set out within this document.</p> <p>This ITT is composed of 4 separate lots, each of which</p>	Strategic Director (Neighbourhoods), Deputy City Treasurer	27 Feb 2023		Confidential Contract Report and Recommendations	Joshua Ward, Procurement Officer joshua.ward@manchester.gov.uk, Paul Gee, Contracts Manager p.gee@manchester.gov.uk



<p>will be awarded separately to the most economically advantageous tender for each lot. The lots are as follows:</p> <p>Lot 1: Rodger Street Union Bridge Maintenance Scheme  Lot 2: Hoyle Street Parapet Replacement Scheme  Lot 3: Boggart Bridge Retaining Wall Refurbishment Scheme  Lot 4: Camelia Road Retaining Wall Replacement Scheme</p>					
<b>Highways</b>					
<p><b>TC056 - Highways Support (2022/07/25A)</b></p> <p>Renewal of the Highway support framework. The framework is to support Highways Maintenance Service with Major &amp; Minor Civil Engineering projects.</p>	<p>City Treasurer (Deputy Chief Executive)</p>	<p>Not before 25th Aug 2022</p>		<p>Confidential Contract Report with Recommendations</p>	
<p><b>TC013 - Supply of Concrete and Bedding (2022/08/26A)</b></p>	<p>City Treasurer (Deputy Chief Executive)</p>	<p>Not before 26th Sep 2022</p>		<p>Confidential Contract Report with</p>	

<p>Renewal of the Supply of concrete and bedding framework to supersede the existing framework where one of the two providers has ceased trading and the new bedding requirement cannot be met.</p> <p>The purpose of the framework is to supply volumetric concrete &amp; bedding to support Civil Engineering projects in the Highways Directorate</p>				Recommendations	
<p><b>Highway Investment Patching Defect Repairs additional funds (2022/10/12A)</b></p> <p>To approve capital expenditure to undertake further areas of highways patching work, the project helps to improve the condition of our highway</p>	City Treasurer (Deputy Chief Executive)	Not before 10th Nov 2022		Checkpoint 4 Business Case	Paul Swann p.swann@manchester.gov.uk
<p><b>Manchester to Chorlton Cycleway Area 3A and 3B (2022/11/25A)</b></p>	City Treasurer (Deputy Chief Executive)	Not before 25th Dec 2022		Checkpoint 4 Business Case	Ian Halton, Head of Design, Commissioning & PMO ian.halton@manchester.gov.uk

The approval of capital expenditure to complete junction improvements for the Manchester-Chorlton Cycle Scheme areas 3A and 3B					
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### 3. Resources and Governance Scrutiny Committee - Work Programme – December 2022

Tuesday, 6 December 2022, 2.00pm (Report deadline Friday 25 November 2022)

Item	Purpose	Executive Member	Strategic Director/Lead Officer	Comments
Update on Autumn Statement	To receive a report on the Autumn Statement including any implications for the Council's financial position.	Cllr Akbar (Finance and Resources)	Carol Culley Tom Wilkinson	
Setting of the Council Tax base and Business Rates shares for budget-setting purposes	To receive a report that details the setting of the Council Tax Base and Business Rates shares for budget setting purposes.	Cllr Akbar (Finance and Resources)	Carol Culley Tom Wilkinson	
Housing Revenue Account	To receive a report on the draft Housing Revenue Account business plan and underpinning assumptions. This will include the impact on the business plan of a potential rent cap and increases in inflation.	Cllr Akbar (Finance and Resources)	Carol Culley Becca Heron Neil Fairlamb	
Progress Update from Housing Options	To receive an update on the implementation of the new governance model for what was Northwards Housing and it coming back into the Council and Housing Operations. To update the Committee on any changes to the governance model since the last report.	Cllr White (Housing and Development)	Fiona Ledden Neil Fairlamb Dave Ashmore	
Capital Programme Update	To receive an update report on the Capital Budget assumptions and strategic priorities. To include the impact of the recent market turmoil on financing the capital programme and information on how any	Cllr Akbar (Finance and Resources)	Carol Culley Tom Wilkinson	

	current budgets not supporting a specific scheme such as the Strategic Acquisitions budget are used.			
Overview Report	The monthly report includes the recommendations monitor, relevant key decisions, the Committee's work programme and any items for information.	N/A	Scrutiny Support	

Tuesday, 10 January 2023, 2.00pm (Report deadline **Thursday 29 December 2022 to account for New Year's Day**)

Item	Purpose	Executive Member	Strategic Director/Lead Officer	Comments
Electoral Reform Bill Update	To receive a report on the Electoral Reform Bill with a focus on voter registrations, polling station accessibility and voter ID requirements.	Cllr Craig (Leader)	Fiona Ledden Clare Travers	
Climate Change and the Council's Estate	To receive a report on works to the Council's operational estate to mitigate the effects of climate change, including energy supplies.	Cllr Rahman (Statutory Deputy Leader)  Cllr Rawlins (Environment and Transport)	Richard Munns	
Finance Settlement	To receive an update that outlines the key headlines of the Government's Finance Settlement figure for Manchester.	Cllr Akbar (Finance and Resources)	Carol Culley Tom Wilkinson	
Overview Report	The monthly report includes the recommendations monitor, relevant key decisions, the Committee's work programme and any items for information.	N/A	Scrutiny Support	

Tuesday, 7 February 2023, 2.00pm (Report deadline Friday 27 January 2023)

Item	Purpose	Executive Member	Strategic Director/Lead Officer	Comments
2023/24 Budget Report	To receive and consider the final 2023/24 budget proposals that will go onto February Budget Executive and Scrutiny and March Council.	Cllr Akbar (Finance and Resources)	Carol Culley Tom Wilkinson	
Commercial Activity	To receive a report on the Council's commercial activity.	Cllr Akbar (Finance and Resources)	Carol Culley	
Overview Report	The monthly report includes the recommendations monitor, relevant key decisions, the Committee's work programme and any items for information.	N/A	Scrutiny Support	

Monday, 27 February 2023, 10.00am – **BUDGET** (Report deadline Thursday 16 February 2023)

Item	Purpose	Executive Member	Strategic Director/Lead Officer	Comments
The Council's Budget 2023/24	To receive an update on the Council's financial position following scrutiny of the draft budget proposals and Directorate budget plans by all Scrutiny Committees.	Cllr Akbar (Finance and Resources)	Carol Culley Tom Wilkinson	



Tuesday, 7 March 2023, 2.00pm (Report deadline Friday 24 February 2023)

Item	Purpose	Executive Member	Strategic Director/Lead Officer	Comments
Progress on Council Motions Over Last 12 Months	To receive an update on the progress made in respect of motions that have been passed before Manchester City Council since the last update in March 2022.	Cllr Craig (Leader) Cllr Rahman (Statutory Deputy Leader)	Fiona Ledden Mike Williamson	
Revenues and Benefits Update	To receive an update on collection of business rates and council tax, ethical collection and an update on Council Tax Scheme and resident support schemes with a focus on cost-of-living and the use of discretionary welfare funds.	Cllr Akbar (Finance and Resources)	Lee Owen	
Manchester's Parks Development Programme Update	To receive an update on the progress of Manchester's Parks Development Programme 2021-2025 and an overview of the financial position for parks.	Cllr Akbar (Finance and Resources) Cllr Igbon (Vibrant Neighbourhoods)	Carol Culley Neil Fairlamb	Extend invitation to the Chair of CESC.
Overview Report	The monthly report includes the recommendations monitor, relevant key decisions, the Committee's work programme and any items for information.	N/A	Scrutiny Support	

Wednesday, 24 May 2023, 10:00am (Report deadline Monday 15 May 2023)

Item	Purpose	Executive Member	Strategic Director/Lead Officer	Comments
Factory International Progress Update	To receive a progress report on Factory International ahead of the project's completion and opening.	Cllr Rahman (Statutory Deputy Leader)	Carol Culley Becca Heron Jared Allen Pat Bartoli	
Work programming	To draft the committee's work programme for the 2023/24 municipal year.	N/A	Carol Culley Charlotte Lynch	
Overview Report	The monthly report includes the recommendations monitor, relevant key decisions, the Committee's work programme and any items for information.	N/A	Scrutiny Support	

### Items to be Scheduled

*(Items highlighted in grey indicate that these have been included in the work plan of one of the above meetings).*

*(New items added are highlighted in blue)*

Item	Purpose	Executive Member	Strategic Director / Lead Officer	Comments
Contract Monitoring	Precise Details to be confirmed	Councillor Akbar	Carol Culley	
Review of investments being made by the Council into its Capital Strategy in terms of delivering future VFM post COVID19	Precise scope to be determined	Councillor Akbar	TBC	
GMCA Governance and Public Sector Reform	To receive an update on what is being delivered for the city through these arrangements	Councillor Craig	TBC	
Revenue and Benefits	Themed meeting to include activity around position of Business Rates and Council Tax and impact on residents and how to target support most effectively	Councillor Akbar	Lee Owen	
Annual Section 106 Monitoring	To receive a report on the Governance arrangements relating to Section 106.	Councillor White	Julie Roscoe/Des Jones	Report to be considered around Sept 2023
Our Town Hall Project Update	To receive an update on the progress of the refurbishment and partial restoration of the Town Hall and Albert Square under the Our Town Hall (OTH) project	Councillor Rahman	Carol Culley Jared Allen Paul Candelent	Report to be considered in October 2023
Governance and	TBC	Cllr Akbar	Carol Culley	Will be confirmed

Management of Complaints				following Nov 2022 Audit Committee meeting.
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#### 4. Items for information

**RGSC 08/11/22 - Health and Wellbeing Strategy Update** - Figures on the number of flexible working requests that had been approved

Total number of permanent homeworkers is 164

Directorate	Service	Total
Core	Revenue & Benefits	159
Adults	Integrated Neighbourhood Team North	1
Adults	Commissioning	1
Neighbourhoods	Pest Control	1
Neighbourhoods	Housing Operations	1
Neighbourhoods	Homelessness	1
Total		164

**RGSC 08/11/22 - Health and Wellbeing Strategy Update** - Statistics around the number of sickness days caused by disability

In 2022, there were 93,296 days lost due to sickness absence. Of which, 6.1% of this has been recorded as disability related by line managers via the Return To Work (RTW) process.

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