

Appendix 2 - Neighbourhoods Revenue Budget Strategy

The Neighbourhood Directorate has a gross budget of c£187.9m and a net budget of c£92.8m, with 1,763 budgeted FTE's. This is net of the £6.683m savings that were approved as part of the 2021/22 budget process.

The remit of this scrutiny committee oversees a gross budget of £61.633m, and a net budget of £55.76m, the breakdown of which is provided in the table below. The majority of the budget is spent on the contractual arrangements with BIFFA for waste collection and the GMCA for Waste Disposal via the waste levy.

Table 1 Budget withing the Remit of the Environment and Climate Change Scrutiny Committee

	2021/22 Gross Budget	2021/22 Net Budget	2021/22 Budgeted Posts (FTE)
	£'000	£'000	£'000
Waste and Street Cleaning	24,655	21,197	13
Waste Disposal Levy	28,731	28,731	0
Grounds Maintenance	4,639	3,841	101
Parks and Green Spaces	3,608	1,991	62
Grand Total	61,633	55,760	176

Changes to the 2022/23 Budget

The impact of the proposed changes below would result in a net budget for 2022/23 of £57.735m as detailed below:

Table 2 – Budget Changes

Service Area	Cash Limit	2021/22 Savings	Growth / Other Adj	New Savings proposed 22/23	New Growth 22/23	New pressures identified 22/23	Cash Limit
	2021/22 £000	2022/23 £000	2022/23 £000	2022/23 £000	2022/23 £000	2022/23 £000	2022/23 £000
Waste and Street Cleaning	21,197	0	150	(7)	700	4	22,044
Waste Disposal Levy	28,731	0	1,225	0	0	0	29,956
Grounds Maintenance	3,841	0	0	0	0	15	3,856
Parks and Green Spaces	1,991	(100)	0	(24)	0	12	1,879
	55,760	(100)	1,375	(31)	700	31	57,735

Changes to the 2022/23 Budget

Approved 2022/23 Savings.

Members will recall that the 2021/22 approved City Council budget identified over £48m savings over the three years 2021/22 - 2023/24. Of these savings a total of £427k related to services under the remit of this scrutiny committee. There were an initial £127k savings profiled for 2021/22 and these are all on track to be achieved. A further £100k savings are profiled for the next three years 2022/23 - 2024/25 and details are set out below: -

- Parks **£100k** to be achieved through increased income following ongoing investment to improve parks assets and increase commercial opportunities.

Proposed changes to 2022/23 Budget

Inflationary Pressures

Waste Levy

The waste disposal levy is paid over to Greater Manchester Combined Authority (GMCA) and this contributes towards their costs of funding Greater Manchester Waste Disposal Authority (GMWDA). Based on figures provided by GMCA the 2021/22 levy costs are to increase by £1.225m, due to changes in costs, recycling rates and market prices for recyclates. The budget has been uplifted to reflect the increased costs.

National Insurance Increase

Budgets have been updated to reflect the employers National Insurance increase of 1.25% (£31k) to fund the 'social care levy'.

New Growth/Investment

The report to January Executive set out that the funding announced for 2022/23 makes available £12m to fund additional pressures and emerging risks and that, in line with the agreed approach, "this is used across a three-year period, for example at £4m a year.

Full details of suggested priorities for funding will be presented to the Executive in February 2022. This could include priorities such as anti-poverty measures, waste and street cleaning." There was also a commitment to ensure the capacity is in place to support the delivery of the Council's Zero Carbon Action Plan and for the citywide work required, linked to the work of the Manchester Climate Change Partnership. It is proposed that £0.7m is made available to support a range of additional measures to ensure the city remains a clean and attractive place to live and work are being developed including council owned land not covered by the waste collection contract, as well as additional capacity to improve the cleanliness of district centres and streets.

Additional revenue investment of £0.8m is proposed to provide new capacity to develop a funded programme for housing investment and retrofit, a city-wide energy and infrastructure plan, embed awareness and behaviour change across the council and to maximise the benefits from the 10% procurement weighting for low carbon measures is included. This will include a small amount of funding is to support activities in wards and with schools.

Increased Vacancy Provision

A review of staff budgeting and vacancy factors to reflect the fact that many employees are not at the top of the grade and the current levels of turnover would generate budget savings of £31k. This is part of the Council wide initiative to save £2m from staffing budgets by more accurately reflecting the natural vacancy rate and budgeting at actual grade, rather than at the top of the grade.