

Appendix 1 – Headline priorities for the service

The Corporate Core is made up of Chief Executives and Corporate Services and delivers four main functions:

- Direct delivery of services to residents and businesses including through the new Customer Service model, the billing and collection of business rates and council tax income, the administration of welfare benefits and services such as Registrars.
- Providing effective support services to Council Directorates and the MLCO (Manchester Local Care Organisation).
- Governance and Assurance functions to ensure the Council operates and makes decisions safely and provides support to members and the democratic process.
- City wide and council leadership with a key role in supporting the delivery of the Our Manchester Strategy and the nine Corporate Plan priorities. This includes supporting relationships with a wider range of key partners across Manchester, Greater Manchester, nationally and internationally.

Revenue Budget

The 2021/22 Corporate Core gross budget is £323.3m. This includes c£192m for benefits payments to residents. The net budget is £80.6m and the core employs 1,932 fte. The Corporate Core net 2021/22 cash limit budget is £80.634m and this is net of the initial £6.635m savings that were approved as part of the 2021/22 budget process.

The budgets include the budgets for both Operational Property and Facilities Management Service that transferred in from the Growth and Development Directorate during 2021/22.

Table 1 – Chief Executive's Departmental Budgets 2021/22

Chief Executives	2021/22 Gross Budget	2021/22 Net Budget	2021/22 Budgeted Posts (FTE)
	£'000	£'000	
Coroners and Registrars	3,614	2,271	49
Elections	1,167	1,069	12
Legal Services	12,795	6,813	263
Communications	4,516	3,111	78
Executive	966	966	13
CEX Corporate Items	1,517	1,255	-
Total Chief Executives	24,575	15,485	415

Table 2 – Corporate Services Budgets 2021/22

Corporate Services	2021/22 Gross Budget	2021/22 Net Budget	2021/22 Budgeted Posts (FTE)
	£'000	£'000	
Policy, Performance and Reform	18,487	13,024	155
Finance, Procurement and Commercial Governance	8,497	7,486	214
Customer Services	238,997	10,984	523
ICT	15,168	15,168	158
Human Resources & OD	4,293	3,606	84
Audit, Risk and Resilience	1,820	1,341	42
Capital Prog, Operational Property & FM (Facilities Management)	19,511	15,801	341
Total Corporate Services	306,773	67,410	1,517
Grand Total Corporate Core	331,348	82,895	1,932

Included within Customer Services and Transactions above is the Revenue and Benefits service, this includes the payments of housing benefits and other specific support to residents that have been approved by members, as illustrated in Table 3.

Table 3 – Revenue and Benefits 2021/22 budgets

Revenue and Benefits	2021/22 Gross Budget	2021/22 Net Budget	2021/22 Budgeted Posts (FTE)
	£'000	£'000	
Revenue and Benefits	206,998	6,986	319
Discretionary Housing Payments	3,850	1,000	-
Welfare Support Scheme	645	600	-
Food Bank Support	100	100	-
Household Support Fund	6,453	0	0
Total	218,046	8,686	319

Headline priorities for the service**Priorities****Direct delivery of Services**

- To provide the best customer service to residents and businesses in the city in the most efficient and effective way to suit their needs.
- To collect as much money as we can, to fund essential services in an ethical and cost effective way in accordance with the governing legislation.

- To provide statutory and discretionary benefits and grants in a prompt, accurate and person centred way supporting the Council's commitment to support vulnerable residents and mitigate poverty.

Providing effective support services

- Implement the Our Manchester Strategy Delivery Plan and Corporate Plan priorities and provide supporting intelligence to inform decision making and monitor performance, outcomes, and impact.
- Facilitate the development of the city's digital infrastructure, to enable delivery of transformed public services and a more economically inclusive and resilient city
- Implement the Organisation Development plan, talent management plan and management accountability framework that are owned by Leaders of the Council.
- Implementation of a more coordinated staff engagement programme supporting and engaging the workforce in ways aligned to staff surveys, Listening in Action, and corporate reward and recognition.
- Develop a three-year Medium Term Financial Strategy that delivers a balanced budget that balances resilience with the delivery of council priorities.
- Monitor evolving demand on services via the design, delivery, assurance, and translation of data models. Use intelligence to lobby for necessary funding and allocate this in a targeted way based on need (e.g., business grants)
- Adapt working environments to make efficient use of space and create environments which support agile working across the estate (this includes the delivery of key projects such as the refurbishment of Hammerstone Road, Gorton Hub, and support to the Our Town Hall Project).
- The delivery of capital projects including The Factory and Our Town Hall project.

Governance and Assurance

- Continue to develop and ensure appropriately robust Governance is in place for all commercial activities.
- Ensure that the council operates effectively, with assurance over core processes and decision making.

Leadership Role

- Implement the action plan that has been developed in response to the Council's Corporate Peer Review, covering key areas of improvement identified within the context of Manchester already being a 'first rate Council' in 'a city of firsts'
- Lead and coordinate the next phase of the Future Shape of the Council programme to ensure a coherent approach to the Council and its' partner's change programmes. This will support the delivery of the council's future operating model.
- Development and implementation of enabling corporate support functions to support the integration of the Manchester Local Care Organisation and Northwards Housing.
- Adoption of a Digital First approach in the Council. This will include piloting new technologies to make back-office processes more efficient, the development of a Data Management Strategy and standards and implementation of the Resident and Business Digital Experience Programme.

- Continue to deliver the Our Ways of Working programme supported by appropriate culture and technology. Adapt working environments to make efficient use of space and support our ways of working, including the delivery of key projects such as the refurbishment of Hammerstone Road, Gorton Hub, and support to the Our Town Hal Project.
- Produce and manage a balanced budget in 2022/23 reflecting Member priorities and the Our Manchester reset, achieving agreed budget reductions and savings.
- We will continue to develop and implement social value and commitments to various charters and covenants that the Council has signed e.g., Care Leavers Covenant and the Armed Forces Covenant.
- Leadership for the Council's action plan to being zero carbon by 2038 at the latest, and support arrangements with partners to meet the city's ambition to live within the science-based carbon budget and be zero carbon by 2038 at the latest.

Deliver on our equality, diversity, and inclusion commitments to support Manchester's vision to be a progressive and equitable city.

- To strengthen our growing evidence bases through the delivery of a Communities of Identity Report to identify the different experiences of individual identity groups in Manchester.
- New strategies, policies, budget, service changes and new models of delivery across the council are underpinned by equality relevancy assessments and where appropriate full Equality Impact Assessments at the design stage.
- Continue to develop and implement social value and commitments to various charters and covenants that the Council has signed e.g., Care Leavers Covenant, Armed Forces Covenant.
- Become a White Ribbon organisation to help end gender-based violence against women and girls.
- Continue to coordinate, provide sponsorship, and deliver equality events in the city, promoting awareness of various identity groups, as well as celebrating diversity awareness through supporting national initiatives such as Black history month, South Asian Heritage Month, Refugee Week, International Day of Disabled People, International Mother Language Day, Pride, International Womens Day, World Aids Day etc.
- Review and strengthen the partnership arrangements nationally, regionally, and locally including exploring the appetite and feasibility of a new Manchester EDI officers' network.

As an employer, ensure a fair and inclusive working environment which recognises, values, and responds to the dynamics and opportunities of a diverse workforce.

- Focus on key areas and actions that will support the organisation to be a place where our workforce fully reflects the rich diversity and talent of the communities we serve at all levels.
- Attract, recruit, and select in a way that is inclusive and drives diversity at all levels e.g., better diversity on recruitment panels, and strengthening induction to communicate the importance of equality, diversity, and inclusion, and what is and is not acceptable.

2022/23 Revenue Budget

Approved 2022/23 Savings

The 2021/22 approved City Council budget identified over £48m savings over the three years 2021/22 - 2023/24. This included budget cuts of £7.187m in the Corporate Core with £6.635m to be delivered in 2021/22 and the remaining £1.153m in 2022/23.

The breakdown of the £1.153m is: -

- **Legal Services - £25k** through a combination of increased income and reduced general supplies and services budgets.
- **ICT - £300k** further reduction in licensing and operating costs particularly around telephony costs.
- **HR/OD - £237k** savings from reduced staffing costs, this is in addition to the £306k 2021/22-part year savings and will be delivered through staffing changes as part of a service redesign which will be completed in quarter 4 of 2021/22.
- **Operational Property - £0.591m** further savings in addition to the £0.646m approved for 2021/22 to be achieved through reductions in the costs of the operational estate through the rationalisation of buildings. Due to the timing around closing some buildings only £0.595m of the savings will be achieved in 2022/23 and the shortfall of £0.642m will be drawn down from the estate transformation reserve.

Covid Adjustments

As part of the 2021/22 budget additional support was provided to allow for reduced income due to the impacts of Covid, particularly on income sources included within the budgets, Total support of £0.598m was provided across the Corporate Core, and this included: -

- £480k reduced court fee income,
- £60k to offset reduced annual leave purchase income
- £58k reduced communications income.

This one-off support in 2021/22 was provided to mitigate the impacts of Covid and is not available for 2022/23. It is expected that the income targets will be fully achieved in 2022/23.

New Budget Proposals for 2022/23

In addition to the £1.153m already approved savings set out above there are further proposed changes to the 2022/23 budgets, and these include: -

Budget Growth and New Investment

As part of the November budget work, several budget pressures were identified, alongside some offsetting savings, in effect reprioritising spending within the

Directorate, details of the pressures and mitigation included in November for both Chief Executives and Corporate Services are set out below:

Chief Executives

Additional funding is required to meet the following:

- An additional £52k is required to meet the additional costs of licenses for the new GDPR system.
- The review of democratic services identified the need for additional capacity requirements in the democratic services team to provide increased support to Committees (£72k).

The above costs will be met from the additional income expected from increased ceremonies in registrars (£50k), increased legal fee income (£49k) and reduced supplies and services (£25k).

Corporate Services

The November budget report identified several budget pressures, along with proposed £0.893m mitigation from within existing approved budgets.

Whilst the £0.893m budget reductions has offset some pressures, there is a net budget increase of c£1.264m which largely reflects two areas of cost that cannot be absorbed from within the Corporate Core:

- The reduction in court summons fees of £0.5m due to the reduction in summons from the increased levels of Council Tax Support provided and changes to debt collection during the pandemic.
- The Gorton Hub is expected to open in 2022/23 and will include both City Council and Partner offices. There is c£0.5m additional resources proposed for both 2022/23 and 2023/24, and this reflects the part year impact of the additional costs, which are a combination of increased costs due to higher specified accommodation, and to cover costs of vacant units until the Hub is fully let. The hub includes additional quality space to meet future requirements for office space and feed into the wider ongoing review of office space and enable future efficiencies. Once the vacant units are let this cost will reduce to c£0.8m per annum.

Details of the above changes proposed as part of the November budget report are set out in the table below: -

Table 4 Proposed Budget Changes – as per November 2021 Report

	2022/23 £'000
<i>Chief Executives</i>	
Legal and Democratic Services - additional £52k ICT licensing costs and £72k additional capacity requirements to support Democratic services.	124
Registrars and Coroners - increased income from increased ceremonies	(50)
Legal services increased fee income for works undertaken.	(49)

Reduction in supplies and services budget from new ways of working	(25)
Corporate Services	
Operational Property – Increased costs for Gorton Hub to cover the running costs of both Council rented space, and any vacant space until a tenant is secured.	500
Commercial Governance - additional resources in Commercial Governance to ensure all commercial activity is correctly undertaken.	117
Equalities and Diversity – additional capacity to support the Equalities and Diversity work.	50
Finance - additional support costs for the income management system	85
Customer Services and Transactions – Due to the increased council tax support provided to residents and changes to debt collection the number of residents summonsed to court has reduced with a reduction in Court summons fee income.	500
Human Resources & Organisational Development - to deliver the identified priority training to all staff across the council additional resources are required.	400
HROD - there has been a reduction in the school's payroll income from loss of schools.	78
ICT – Additional network security and license costs.	100
Internal Audit - A reduction in the level of external fee income received, and other resourcing pressures.	227
Policy Performance and Reform - reduced project income as more funding programmes from government do not provide any revenue funding for associated staff costs.	100
Corporate Core Sub Total	2,157
Capital Programmes - increased fee income and increased efficiencies from shared management arrangements with Northwards.	(230)
A reduction in supplies and services, printing, and mobile telephony costs through new ways of working	(200)
1% increase in vacancy factor across Corporate Services to reflect actual levels of staff turnover.	(463)
Sub Total	(893)
Net Total Proposed November Changes	1,264

Budget Investment Priorities

The budget proposals that went to November Scrutiny and Executive were in advance of the Provisional Finance Settlement being received and set out the funding proposals for unavoidable cost pressures to cover the rising costs of inflation for example, specific service pressures that had been identified and £7m of efficiency measures to deliver a balanced budget, and these are set out above for The Corporate Core.

The report identified that “should further funding than that estimated be forthcoming as part of the Finance Settlement it is recommended that this is used over more than one financial year to reduce the requirement for future budget cuts.”

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. 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."

In line with the updated Corporate Plan included elsewhere on the agenda and reflecting the political priorities of the Council the following priority areas have been identified.

- Zero Carbon - £0.8m has been earmarked to support delivery of both the council and city zero carbon action plan. This funding will be held in the Policy Budgets until it is allocated to the relevant service areas. Full details can be found in the Climate Change report to the Environmental and Climate Change Scrutiny committee.
- HR Organisational Development - £200k to provide additional capacity in HROD, to support ongoing development of talent and diversity across the council.
- New Protect Duty – £20k of funding is required for Manchester's contribution to a shared GM post to support the work of the 10 local authorities in this area.

Support to Residents

In addition to the above a further £0.7m has been identified to provide welfare related support to Manchester residents. Whilst the council cannot mitigate the combined impact of the removal of the £20 universal credit payment, inflation and energy prices and the planned national insurance increase, an amount of funding has been identified to provide targeted additional support.

Free school meals provision has been available for all the school holidays during 2021/22 but there is no further funding to extend this beyond that point. Therefore, it is proposed to use the above funding to extend this support to the Easter Holidays to all children and young people who are entitled to free school meals attending schools and early year settings (including those with no recourse to public funds).

Schools and other educational settings have worked in partnership with the Council on previous grant schemes. We are satisfied that this approach is the best way to capture most children and young people in the city. When determining the number of children and young people entitled and paid during earlier grant schemes the Council has also included "No recourse to public funds" households.

To continue with the same allocation of £15 per child or young person will cost up to £1.2 million. This will be funded from the additional £0.7m to provide discretionary welfare support to residents, the remaining balance of Household Support Grant funding that will be advanced to schools during this financial year.

Support with Council Tax Bills

The Government announced on 3 February that people will get a £150 council tax rebate in April to help with the cost of energy. Whilst the details of how the scheme will work are not yet available, at the time of writing this report the following information is available:

The Government will provide funding for billing authorities to give all households in England whose primary residence is valued in council tax bands A – D a one-off council tax energy rebate payment of £150. This payment will operate outside of the council tax system, using council tax lists to identify eligible households. In Manchester 95% of properties are in bands A to D and the £150 which equates to approximately 230,550 households.

- Households in England in Council Tax Bands A-D will be eligible for a £150 rebate in their council tax bill in April this year.
- The rebate to bills will be made directly by local authorities. This will not have to be repaid.
- 80% of households in England are in Council Tax Bands A-D, so will benefit from this rebate. The rebate will not be paid for second homes or empty properties.
- We expect the vast majority of people who pay by Direct Debit to receive this money in April. For households in Bands A-D who do not pay by Direct Debit, their councils will be ready to process their claims in April.
- For those with council tax bills lower than £150 that month, it will take a bit longer to receive the benefit in full. Almost all households should see the full benefit by May.
- The government is providing new funding to local authorities for these rebates, as well as extra funding to help with increased administrative costs.
- For those who need help with their energy bills but are not eligible – such as households on income support in higher bands (E-H) or with properties in bands A-D that are exempt from council tax – local authorities will receive £144 million of discretionary funding to help.
- Further details will be set out by the Department for Levelling Up, Housing and Communities and local authorities.
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Officers are currently awaiting further guidance on how the ‘rebates’ will be funded and the allocation and guidance for the discretionary funding. A delegation to the Deputy Chief Executive and City Treasurer in conjunction with the Leader of the Council is therefore sought to finalise the details of administering the rebate and the associated discretionary fund.

The other changes to the Corporate Core budgets include the following:

Our Manchester

The Our Manchester team have been funded on a time limited basis, and it is proposed that £474k investment is agreed to provide ongoing funding for the Our Manchester team so that they can continue to support The Our Manchester Programme across the council.

Inflationary Pressures

The Corporate Core budgets have been updated to reflect the employers National Insurance increase of 1.25%, this is an increase of £417k across the Core to fund the 'social care levy'. It is broken down £83k Chief Executives and £334k Corporate Services.

Provision has been made for inflationary price increases and potential pay awards. This is held centrally and will be allocated to service budgets when the details are available.

Increased Vacancy Provision

A 1% increase to the vacancy factor has been included in the 2022/23 budget. Current workforce budgets are based on the top of the grade. The vacancy factor has been adjusted to more accurately reflect the fact that many employees are not at the top of the grade and the current levels of turnover. The total efficiency is £2m and this has been allocated across mainstream staffing budgets. Of this Chief Executives has been allocated £87k and Corporate Services £397k. This considers the efficiency savings of £463k already agreed for the Corporate Core as part of the November budget measures.

The Factory Trust Funding Agreement

To support the opening of The Factory the following agreements are being put in place between the operator, MIF, and the council. These include:

The funding agreement - which sets out the conditions for the grant agreement between the Council and MIF. This is a ten-year agreement which started in 2020/21 for £1.5m per annum incorporating the funding support that was previously provided to MIF. This compliments the £9.8m per annum funding from Arts Council England and other government grants. The amount of the Council's contribution was agreed as part of the original funding package to attract government investment for The Factory in Manchester. Prior to this the funding for MIF was £1m per annum from the revenue budget with an additional £500k in each festival year. As part of the 2020/21 budget setting process a reserve was established from the associated business rates growth from the St Johns quarter to cover the majority of the 10-year grant agreement. This means that a reduced amount of £500k per annum is funded from the revenue budget and £1m per annum from the reserve.

The fundraising agreement – MIF are committed to working with the Council to provide a net £24.17m of funding towards the project capital costs. This is being met through philanthropic fund raising led by The Factory Trust charity, and with MIF through a commercial partner, who are seeking naming rights and other commercial sponsorship. MIF are leading the commercial fundraising process on the Council's behalf and a back-to-back agreement is in place. Whilst MIF have committed to resource the commercial fundraising activity, there may need to be cashflow support from the Council, particularly for The Factory Trust.

It is proposed that the support to The Factory Trust is provided by way of grant, underwritten by the Council's MIF reserve. Any cashflow support provided to The

Factory Trust or MIF will be reimbursed when they have raised sufficient funding. It is recommended that any costs are met from the MIF reserve established to meet future grant payments, until the costs are reimbursed.

The Lease - the proposed lease is in line with the arrangements for similar venues such as Bridgewater Hall. MIF will have responsibility for the general upkeep whilst the council will have corporate landlord responsibilities for the fabric of the building. To avoid large unbudgeted costs in the future it is recommended that the liability is split 50/50 and that both parties establish a sinking fund with each partner making an annual contribution of £252k per annum. For MIF this will be held as a ringfenced reserve. For MCC this will be held as part of the AMP reserve.

Table 2 below sets out proposed new changes and an overall total of proposed changes for Corporate Core.

Table 5 – Total Budget Adjustments

	2022/23 £'000
Approved Adjustments as part of 2021/22 Budget	
CHIEF EXECUTIVES	
2022/23 Approved Savings	(25)
Reverse Covid income adjustments	(118)
Net Total Chief Executives	(147)
CORPORATE SERVICES	
2022/23 Approved Savings	(1,128)
Reverse Covid income adjustments	(480)
Policy, Performance and Reform – establish mainstream provision for Our Manchester team	474
Corporate Services Net Change	(1,134)
New Proposed Budget Changes	
CHIEF EXECUTIVES	
Additional 1% vacancy factor	(87)
1% increased national insurance costs	83
CORPORATE SERVICES	
HROD – Additional resources to support talent and diversity	200
Allocation of £2m staff savings	(397)
1% increase in National Insurance	334
Additional Funding for Residents Support	700
Zero Carbon Funding for resources across the Council	800
Contest – Funding to support Manchester Contribution to GMCA	20
Sub Total New Proposed Changes	1,653
Total New Proposed Changes.	372
Proposed Changes November (Table 4)	1,264
Grand Total Corporate Core Changes	1,636