

## Manchester City Council Report for Information

**Report to:** Environmental and Climate Change Scrutiny Committee  
– 10 November 2022

**Subject:** Neighbourhood Directorate 2023/24 Budget

**Report of:** Strategic Director Neighbourhood Services

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### Summary

The Council is forecasting an estimated budget shortfall of £44m in 2023/24, £85m in 2024/25, and £112m by 2025/26. After the use of c£16m smoothing reserves in each of the three years, this reduces to £28m in 2023/24, £69m in 2024/25 and £96m by 2025/26. Officers have identified potential savings options to reduce the budget gap totalling £42.3m over three years.

This report sets out the priorities for the services in the remit of this committee and details the initial revenue budget changes proposed by officers.

Even after these proposals there remains a budget gap of £7m to close to get to a balanced budget in 2023/24 and further savings and cuts options will be required to be worked between now and January and be reported back to Scrutiny committees in February. Each scrutiny committee is invited to consider the current proposed changes which are within its remit and to make recommendations to the Executive before it agrees to the final budget proposals in February 2023.

### Recommendations

The Committee is recommended to: -

- (1) To consider and comment on the forecast medium term revenue budget.
  - (2) Consider the content of this report and comment on the proposed changes which are relevant to the remit of this scrutiny committee.
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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 changes included within this report are officer proposals and, subject to Member comments and consultation, these will be included as part of the 2023/24 budget preparation.

### **Financial Consequences – Capital**

None directly arising from this report.

## **Contact Officers:**

Name: Neil Fairlamb  
Position: Strategic Director – Neighbourhoods  
Telephone: 07798947609  
E-mail: [neil.fairlamb@manchester.gov.uk](mailto:neil.fairlamb@manchester.gov.uk)

Name: Paul Hindle  
Position: Head of Finance – Corporate Core, Neighbourhoods and Growth and Development  
E-mail: [paul.hindle@manchester.gov.uk](mailto:paul.hindle@manchester.gov.uk)

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

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

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

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

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

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

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

## **1. Introduction and Purpose**

- 1.1. The report is the first in the cycle for the budget programme 2023-26. It sets out an overview of the services within the remit of this scrutiny committee and their key priorities. The budget growth assumptions in the MTFP (Medium Term Financial Plan) are set out. The report provides a draft set of officer proposals for further savings for 2023-26, developed in the context of the financial challenge facing the Council

## **2. Service overview and priorities**

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

### **Parks and Green Spaces**

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

### **Grounds Maintenance**

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

### **Waste and Street Cleansing**

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

## **Waste Disposal Levy**

- 2.5. The monies paid over to Greater Manchester Combined Authority to fund the costs of recycling and waste disposal across GM (Greater Manchester), including the operation of the household waste sites.

## **Climate Change Action Plan**

- 2.6. The Council, in September 2022, approved a refresh of the Manchester Climate Change Action Plan (CCAP), which has a target to reduce the Council's direct CO<sub>2</sub> emissions by 50% over the five-year period of 2020-25. To achieve this, the Council needs to reduce its emissions by 13% every year, for five years. These emissions relate to Council buildings, streetlights, waste collection, operational fleet, and Council business travel. To date, the Council has made good progress working towards its target to reduce its direct CO<sub>2</sub> emissions by 50% by 2025 and since 2020, the Council has exceeded its annual reduction targets, achieving 29.4% reductions so far. The carbon budget for this five-year period of 2020-25 is 126,336 tonnes of CO<sub>2</sub> calculated using science-based targets.
- 2.7. Further details of our work on delivery of the Council's Climate Change Action Plan are provided in **Appendix 5**. This includes a summary of the £227m invested by the Council on climate action since 2019/20 plus details of the additional £0.8m per annum of revenue investment made as part of the 2022/23 budget process. This additional revenue support made in last year's budget adds capacity to MCC's delivery of priority actions on climate change including housing, carbon literacy, staff travel, procurement, and reducing use of Single Use Plastics.

## **3. Service budget and proposed changes**

- 3.1. Whilst the overall Neighbourhood budget is £119m, the services under the remit of this scrutiny have gross budgets of £63.284m and net budgets of £57.830m with 176 FTE.
- 3.2. The remit of this scrutiny committee oversees a gross budget of £63.28m, and a net budget of £57.83m, the breakdown of which is provided in the table below. Much of the budget is spent on the contractual arrangements with Biffa for waste collection, Redgate and the GMCA (Greater Manchester Combined Authority) for Waste Disposal via the waste levy.

Table 2: Base budget 2022/23

<b>Service Area</b>	<b>2022/23 Gross budget £'000</b>	<b>2022 / 23 Net Budget £'000</b>	<b>2022 / 23 Budgeted posts FTE £'000</b>
Parks and Green Spaces	3,629	1,905	62
Grounds Maintenance	4,427	3,898	101
Waste and Street Cleaning	25,272	22,071	13
Waste Disposal Levy	29,956	29,956	0
<b>Total</b>	<b>63,284</b>	<b>57,830</b>	<b>176</b>

- 3.3. Neighbourhood Directorate has been looking to identify savings options of c£10m over the three years, and these are in addition to £200k savings that have already been approved from across the Neighbourhood budgets.
- 3.4. As part of identifying option the initial priority has been to protect service delivery wherever possible but given the scale of the savings requirement there are some savings that can only be delivered by reductions in services.
- 3.5. Wherever possible we have looked to ensure we are maximising external income generation, and this includes both reviewing the existing level of fees and charges and review the volume of activities to ensure income is being maximised.
- 3.6. Review of our existing workforce structures and capacity and recognise the potential savings from changing how we budget for staff cost and make and make an allowance for staff turnover, staff not being at top of grade or not in the pension scheme.
- 3.7. All Heads of Service have been asked to review their own service areas to identify any opportunities for cost reductions or efficiencies through good housekeeping.
- 3.8. The proposed savings from services within the remit of this scrutiny committee are set out in Appendix 1, and further narrative provided in the following paragraphs.

### **Parks and Green Spaces**

- 3.9. Proposal to change the current pay and display arrangements at Heaton Park, this includes extending the hours of operation from 10am – 4pm to 9am - 5pm and changing the parking tariffs this is forecast to realise additional income of c£87k. Implementation will require an update of the Traffic Regulation Orders for the Park and will be subject to public consultation.

3.10. Due to Covid the traditional bonfires and fireworks held in the parks have not happened, and this continued in 2022/23 because of the increasing costs. It is proposed to stop holding bonfires and firework displays going forward, although working alongside Neighbourhood teams there would be a programme of Autumn activities available to residents. This will enable savings of c£40k per annum. This aligns with the Council's zero carbon strategy.

**Waste and Recycling**

3.11. In-line with some GM Authorities and Core Cities, it is proposed to introduce a charge to residents for new and replacement recycling bins. The charge would be £20 and be applied to blue, brown, and green recycling bins. The application of a charge will place a value on these receptacles, it will increase bin ownership and reduce contamination of recycling. In terms of supporting zero carbon plans, it will reduce demand for new bin production and the number of transport movements delivering / collecting the current volume of wheeled bins.

3.12. In addition, it will reduce the number of abandoned recycling bins on street and improve visual amenity of the street scene. Assumes existing resource in Neighbourhoods Directorate will respond to increase in complaint and potential neighbourhood issues, with some additional support provided in Y1 in the Contact Centre.

*Table 3: Summarised Savings*

<u>Environmental and Climate Change</u>	<u>Amount of Saving</u>				<u>Indicative FTE Impact</u>
	<u>2023/24</u>	<u>2024/25</u>	<u>2025/26</u>	<u>Total</u>	
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	
Parks and Green Spaces	127	0	0	127	0
Waste and Street Cleaning	400	100	0	500	0
<b>Total</b>	<b>527</b>	<b>100</b>	<b>0</b>	<b>627</b>	<b>0</b>

**Emerging Pressures and Growth**

3.13. As part of the budget proposals a £1m investment into waste and street cleaning is proposed, this will support Basic Services and Street Cleaning.

3.14. The annual levy costs are driven by forecast tonnages of waste to be disposed of and the costs of disposal. The levy is set by GMCA and based on latest forecasts it is anticipated that this will increase by 6% overall in 2023/24, with the increase to Manchester being c£2.023m. A further increase of £0.959m has been assumed for 24/25. These increases are reflected in the current budget proposals.

- 3.15. The budget position also reflects a one-off return of waste reserves from GMCA of £25m, of which Manchester's share is £4.5m. This has been reflected in the corporate budget to reduce the overall budget gap in 2023/24.
- 3.16. The emerging pressures and growth are detailed in Appendix 2. The indicative three-year budget position is shown in Appendix 3.

#### **4. Workforce**

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

#### **5. Equality and Anti Poverty Impact**

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

#### **6. Future opportunities and Risks**

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