

## **Manchester City Council Report for Information**

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

**Subject:** Corporate Core Budget 2023/24

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

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### **Summary**

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

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

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

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

### **Recommendations**

The Committee is recommended to:

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

The Executive is recommended to approve these budget proposals.

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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.

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

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

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

### Financial Consequences – Revenue

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

### Financial Consequences – Capital

None directly arising from this report.

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

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

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

## **1. Introduction and purpose**

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

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

- 2.1 The Corporate Core has the following functions:

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

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

*Base budget 2022/23*

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

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

The above budgets include:

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

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

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

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

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

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

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

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

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

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

### Future Shape and Transformation Programme

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

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

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

#### *Resident and Business Digital Customer Experience (RBDXP)*

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

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

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



### *Digital Data and Insights*

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

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

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

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

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

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

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

### *A More Purposeful and Effective Core*

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

The key deliverables include:

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

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

### Further Budget Savings and Efficiencies

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

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

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

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

#### Corporate Core - Savings proposals

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

## Operations and Commissioning Services Approach to Savings

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

### Investment Priorities

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

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

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

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

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

*Cost of Living Response – New Investment 2023/24*

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

Other measures include the following:

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

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

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

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

3.17 Due to the increased security risks and the changing ICT environment investment of £250k is proposed to support additional resources in the systems and security team to ensure that council systems are secure.

3.18 The council workforce is its most important asset and £250k investment is planned to support the introduction of a disability hub. This will be a one stop shop for staff to access the support, equipment, or adaptations they need to be able to do their job. Establishing these resources was identified as a priority in the Workforce Equality Strategy and disabled staff and other relevant staff are being fully involved in the design of the hub.

### **Additional Support for Residents**

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

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

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

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

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

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

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

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

### **Traded Services Investment**

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

## **4. Workforce Implications**

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

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

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

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

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

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



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

## **7. Appendices**

Appendix 1 – Savings Schedule

Appendix 2 – Growth and Investment Schedule

Appendix 3 - Indicative Medium-Term budgets by service

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

