

## Manchester City Council Report for Information

**Report to:** Economy and Regeneration Scrutiny Committee – 6 February 2024  
Executive – 14 February 2024

**Subject:** Growth and Development Budget 2024/25

**Report of:** Strategic Director (Growth and Development)

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### Summary

Local Government is under profound financial pressure, largely due to externally driven cost and demand pressures at a national level particularly affecting Adults Services, Children's Services and Homelessness. It is in this context that the Council must set a balanced budget.

Following the provisional finance settlement announced 18 December the Council is forecasting an estimated budget shortfall of £38m in 2024/25, £79m in 2025/26, and £90m by 2026/27. After the application of approved and planned savings, and the use of c.£17m smoothing reserves in each of the three years, the budget is balanced for 2024/25 and the remaining gap reduces to £29m in 2025/26 and £41m by 2026/27. This position assumes that savings of £21.4m will be delivered next year.

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 2023. Each scrutiny committee is invited to consider the proposed budget changes that are within its remit and to make recommendations to the Executive before it agrees to the final budget proposals on 14 February 2024.

### 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

<b>Environmental Impact Assessment</b> - the impact of the issues addressed in this report on	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.
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achieving the zero-carbon target for the city	
<b>Equality, Diversity and Inclusion</b> - 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 will, subject to Member comments and consultation, be included in the final 2024/25 revenue budget set by Council on 1 March 2024.

### **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.

[Medium Term Financial Strategy and 2023/24 Revenue Budget – Executive 15 February 2023](#)

## **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 provides a further update to the Committee on the proposed 2024/25 budget, including details on the proposed savings and investment proposals based on the latest overall budget position. This update covers the services under the remit of the scrutiny committee.

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

- 2.1 The Growth and Development Directorate has a pivotal role in driving the sustainable economic growth of the city to benefit everyone. This is achieved through securing new commercial and residential development, attracting inward investment, generating employment growth across the city, connecting residents to those opportunities, and supporting businesses and communities to thrive.

- 2.2 The Directorate is made up of the following services:

### **City Centre Growth & Infrastructure**

- 2.3. The City Centre Growth & Infrastructure Team provides the essential focus and drive in the delivery of a wide range of initiatives that support inclusive growth, regeneration, and strategic transport, infrastructure and energy provision across the city, with a particular responsibility for the city centre.

- 2.4. Key priorities include:

- Working collaboratively with a range of partners, facilitating the delivery of major regeneration schemes and developing infrastructure and environmental policy to drive inclusive growth across the city.
- Encouraging new inward investment to the city, facilitating the creation of new jobs.
- Aligning growth and infrastructure objectives to support delivery of the city's Climate Change Action Plan, Local Area Energy Plan and related policies.
- Working with a range of Council services, external organisations and agencies to support place management and to ensure the holistic and effective management of the city centre, including public realm.
- Leading transport infrastructure development, including public transport investment, active travel projects and the development of overarching transport strategies, including the City Centre Transport Strategy.

### **Strategic Development Major Regeneration**

- 2.5. The Major Regeneration Team is focussed on delivering the significant regeneration opportunities provided by North Manchester and Eastern Gateway.

- 2.6. In North Manchester, the Victoria North initiative, which is being driven through a Joint Venture Partnership between the City Council and Far East Consortium is seeking to develop 15,000 much needed new homes across a range of tenures in 7 new or revitalised neighbourhoods at the northern edge of the city centre, together with a new city river park connecting a series of new and improved green spaces in or adjacent to the Irk River valley. The intention is that 20% of new homes developed will be affordable. This initiative, combined with the planned redevelopment of the North Manchester Health Campus (currently the North Manchester General Hospital), could provide development with a value in excess of £4 billion, catalysing the wider regeneration of the north of the city.
- 2.7. The team also leads on the further regeneration of the Eastern Gateway area, comprising the neighbourhoods of Ancoats, New Islington, Holt Town and the Lower Medlock Valley. Working in the “Manchester Life” Joint Venture with Abu Dhabi United Group and other developers including Registered Providers of social housing, the City Council is seeking to deliver in excess of 6,000 homes and commercial uses as part of this scheme, building on the success of what has been delivered in Ancoats and New Islington to date.

### **Strategic Housing**

- 2.8. The service has developed a new 10-year housing strategy for the City which was approved in 2022. There has been some progress on each of the 3 strands below:

Increase affordable housing supply & build more new homes for all residents, outcomes include:

- *1,900 new homes built of which 415 (22%) were affordable homes*
- *1,280 affordable homes under construction and 1,760 with planning permission*
- *236 homes sold under the Right to Buy*

Address inequalities & create neighbourhoods where people want to live

- *129 new affordable homes with 3 or more bedrooms*
- *88 tenants chose to move to a smaller property freeing up a family home*
- *5 new areas designated for Selective Licensing*

Address the sustainability & zero carbon challenges in new and existing housing

- *Over 1,000 homes across the Manchester Housing Providers Partnership improved from Energy Performance Certificate D to C*
- *104 properties retrofitted by the Council's Housing Services*
- *54 new affordable homes built to low/zero carbon standards*

## **Planning, Building Control & Licensing**

- 2.9. Planning, Building Control and Licensing service works within an everchanging environment of national policy documents, regulations, and legal considerations which has seen additional demands placed on the service where the scale of development and the pressure on supporting compliance is already significant. This now includes the new Building and Fire Safety regime under the Building Safety Regulator.
- 2.10. Crucially, the service plays a central role in delivering the Council's sustainable growth agenda, promoting positive outcomes for the city, and helping to de-risk investment decisions into the city. This is about securing new development that strengthens the platform for attracting investment to deliver economic growth, the aims of the residential growth strategy and supporting an uplift in the environment that is safe, inclusive and responds to climate change. The remit of the service includes delivering all the statutory functions of the city council as local planning authority – over 4,000 planning applications per annum, appeals, heritage matters and compliance, the local authority building control function, including building and fire safety, dangerous buildings and safety at sports grounds and the licensing function, both premises and taxis.
- 2.11. The Service is also responsible for the review and adoption of citywide policy. The local plan - Places for Everyone and the Core Strategy will provide long term policies aimed to deliver the Council's ambitions through the spatial planning framework. The Licensing Policy will also set out how the Council will support the night-time economy whilst protecting the amenity of our residents.
- 2.12. Each part of the service is required to develop strong networks internally and externally along with the ability to forge effective partnerships with external Agencies and to influence the private sector and other key stakeholders to deliver key council objectives through major projects and policy development.

## **Investment Estate**

- 2.13. The Investment Estate, which is managed by the Development Team, covers all aspects of the Council's non-operational property estate. This includes property and land held for investment purposes, surplus land, and development assets, along with land and development opportunities held within Joint Venture arrangements.
- 2.14. The estate is extremely varied and covers assets such as the Council's freehold estate at Manchester Airport, Manchester Arndale Centre, Heron House, Wythenshawe Town Centre, and over 2,500 freehold reversionary interests of residential properties across the City. The rent roll from assets held for investment purposes is over £22m p.a. and is an important contributor to the running of wider council services. The majority of this rent roll is stable, but there are areas of pressure from the directly managed commercial and retail estates (eg, Heron House, Royal Mills and Wythenshawe Civic Centre) which are more susceptible to market conditions, including the ongoing cost of

living crisis. All of the investment estate is held within the Manchester City Council boundaries.

- 2.15 The estate is currently managed on a day-to-day basis through an outsourced contract. This contract is due to end in May 2024 and the Council is currently working through the process to insource these arrangements with effect from 13<sup>th</sup> May 2024. This will provide the Council with a greater level of control and oversight into the performance and management of the estate, and the use of the Council's assets to support wider corporate objectives. It will also provide opportunities to review other existing management arrangements and potentially identify further cost savings in future years.
- 2.16 Over the last 6 months significant work has been instigated to enhance the level of information and validation of that information across the investment estate, as well as putting in place new protocols in relation to the use of the Council's property management systems. This is an ongoing exercise, but with an ambition to roll it out fully prior to the insourcing, savings through the additional income generation are predicated on the back of these improvements being implemented.
- 2.17 The service is responsible for dealing with the Council's surplus land, development, and regeneration assets. This includes the sale of assets to generate capital receipts to support the Council's capital investment programme, which supports its growth ambitions and budget. This work involves identifying, preparing, consulting on and undertaking the disposal of the surplus assets.
- 2.18 The use of the Council's residential development land resource is key to delivering on the updated Housing Strategy, ensuring affordable housing targets are achieved. The volatility in global and national markets can impact on the progress of asset disposals in any one year.
- 2.19. The service also oversees the delivery of strategic land and property acquisitions through the Strategic Acquisitions budget. Again, a rolling programme of priority site acquisitions to support the wider regeneration initiatives, such as in Holt Town and the Strangeways area.
- 2.20. The Strategic Asset Management Plan (SAMP) is now being delivered and the service, alongside colleagues in the Corporate Estates, are implementing the new asset-led approach to the strategic management of the Council's land and property portfolio. The asset review module of SAMP provides transparent governance for decisions relating to the future use of the Council's land and property assets, with a member and officer board set up to oversee decisions in this field. The asset review process has made decisions relating to:
  - Over 40 acres of Council owned land to be brought forward for development.
  - Over 750 new homes, of which over 600 will be affordable homes
  - Projected capital receipts in excess of £16m for the Council.

- 2.21 The new homes and capital receipts will be secured over the coming years as the development process does take time.
- 2.22 Alongside this will be real savings crystallised through the redevelopment and repurposing of surplus property with reduced operational property costs, and other revenue savings associated with, for example, homelessness. This process also allows timely and robust decisions to be made about our property to support short term opportunities, such as capital funding for refugee accommodation and age-friendly housing.
- 2.23. The team is also responsible for the undertaking of statutory functions including asset valuations for accounting purposes. These are carried out on an annual rolling programme by officers, outsourced partners and specialists procured through the Council's framework as appropriate. Other statutory advice includes undertaking planning viability assessment reviews, both when applications are received and through the reconciliation reviews contained within the s106 agreements. The service continues to work closely with colleagues in planning to ensure that new developments are seen to contribute appropriately through the statutory framework in line with national and local policy.

### **Manchester Adult Education Service (MAES)**

- 2.24. MAES provides adult education, learning and skills from 8 adult education centres across the city. Its primary focus is on providing opportunities for residents with lower levels of skills & qualifications, with on average over 70% of learners on working age benefits and 80% from the City's most disadvantaged areas. Much of the skills curriculum offer is focused on English for Speakers of Other Languages (ESOL), Maths and English & Digital from entry level to GCSE with a vocational offer at Level 3 in Adult Care, Counselling, Supporting Teaching & Learning in Schools, Teaching, Leadership, Digital Marketing, Maths and English. There are good progression routes to employment and progression to further learning. The MAES core offer is complemented by enhanced employability support available to all learners through its Make It Happen programme.
- 2.25. MAES generates all its funding externally, mostly through the Greater Manchester Combined Authority (GMCA) commissioned Adult Education Budget. In addition, it receives Education and Skills Funding Agency) funding for 16- to 24-year-old Special Education Needs and Disabilities pupils. The cessation of the DLUHC funding for the Talk English programme and other inflationary pressures in the context of standstill AEB budgets has meant that MAES has needed to use its reserves. It needs to continue to diversify its income sources and reduce costs to maintain the provision.

### **Work & Skills**

- 2.26. The Work & Skills team is responsible for the delivery of the Work & Skills Strategy for the City. It provides a coordinated approach to the post-16 & adult



skills and employment support offer across the city, to ensure that the offer is as coherent as possible for young people, adults and businesses and meets the city's labour market requirements. The team engages with local businesses on business growth, skills & employment opportunities, promoting good employment practices such as the Real Living Wage and supports business networks across the city. The labour market continues to be volatile with large numbers of vacancies and skills gaps across both frontier and foundational sectors. The team works closely with other stakeholders and employers to maximise the most of these opportunities for Manchester residents. The team also works closely with GMCA to ensure that the city's priorities are reflected in commissioning of work and skills, which they control.

### **Digital Strategy**

- 2.27. Following the launch of Manchester's Digital Strategy in 2022, a small team has been recruited to help drive its delivery. Building on the city's digital strengths & working with internal and external stakeholders, the team is working to ensure that Manchester is a highly connected topflight digital city. The key priorities of the Strategy include ensuring that all the city's residents can be digitally included, connecting more & more diverse Manchester residents to the career opportunities in the sector; having highly connected neighbourhoods; continuing to support the breadth & depth of the digital sector in Manchester and using tech to contribute to the city's net zero ambitions.

### **Highways**

- 2.28 The Highways Service works to improve the city's road networks and public spaces, delivering a range of work that keeps traffic flowing, maintains the public realm and designs major new highway schemes to benefit residents and visitors in Manchester. The Highways Service is made up of several teams:
- Network Management - keeping the city moving, managing parking, and other aspects of road safety.
  - Design, Commissioning and Project Management Team (PMO) - managing and developing our highways.
  - Public Realm - maintaining monuments, water features and keeping users safe.
  - Reducing congestion and supporting business and economic recovery.
  - Supporting active travel options of walking and cycling.
  - Delivering a programme of highway improvements
- 2.29 Parking Services directly supports the transport strategy for the city and our operational highway activities with the aim to keep the city's roads moving. Work is ongoing to update the Parking Strategy and undertake a review of parking pricing and of the City's strategic approach to parking in light of the emerging City Centre Movement Strategy.

### 3. Service budget and proposed changes

3.1 Growth and Development Directorate has a gross budget of £35.6m and a net income budget of £11.3m. The Directorate employs 439 full time equivalent (fte) staff. The 2023/24 base budget and fte numbers are shown broken down by service area in the table below.

3.2 The other services within the remit of this committee include highways services and parking services and CCTV and they have gross budgets of £36.2m and net budgets of £13.3m and employ 241 fte.

*Table One: Base budget 2023/24*

	<b>2023/24 Gross budget £'000</b>	<b>2023/24 Net Budget £'000</b>	<b>2023/24 Budgeted posts (FTE)</b>
City Centre Growth and Infrastructure	2,393	1,982	28
Strategic Development	367	367	1
Strategic Housing	2,543	967	46
Major Regeneration	1,385	575	15
Planning, Building Control and Licensing	9,231	(600)	137
Investment Estate	8,020	(15,443)	38
MCDAs	362	(1,247)	0
Work and Skills and MAES	11,345	2,004	174
<b>Sub Total Growth &amp; Development</b>	<b>35,646</b>	<b>(11,395)</b>	<b>439</b>
Parking Services and CCTV	8,755	(6,263)	1
Highways	27,463	19,577	240
<b>Sub Total Other Services</b>	<b>36,218</b>	<b>13,314</b>	<b>241</b>
<b>Total</b>	<b>71,864</b>	<b>1,919</b>	<b>680</b>

#### **Savings Plan 2024 - 27**

3.3 Savings of £1.020m have already been approved as part of the 2023/24 budget and are to be delivered through increased annual rental income of £0.985m from Manchester Airport Group as well as £35k increased Development fee income for Highways. The increases are based on estimates provided by the Airport and achievement of this income is dependent on performance being in line with or better than the forecasts provided. The saving is phased £170k 2024/25 and £0.815m 2025/26. £35k to be achieved in 2024/25 through increased development fee income for Highways, and these are set out in Appendix 1.

## **New Savings Proposals**

- 3.4 In addition to the already approved savings, and in support of the work required to balance the overall council budget, further options for savings have been developed and the areas considered include the following:
- Review of workforce structures and capacity alongside taking a realistic view on the ability to fill longstanding vacant posts.
  - Review all income generation from sales, fees and charges and whether there are opportunities to increase charges in line with inflation.

## **Review Of Workforce Structures**

- 3.5 Historically there have been staffing underspends across all Council Directorates, this is because of a combination of ongoing vacant posts, the high number of part time posts and staff not being at the top of the grades. To provide a more realistic staffing budget, without reducing capacity it is proposed to reduce staffing budgets by £1m across the council, and Growth and Development Directorate proportion of this is £24k with a further £25k to be identified in Highways. Work has been undertaken by officers to review all long-standing vacancies and ensure there is an ongoing need for the post. Following this work, it has been agreed that two long term vacant posts will be deleted from April 2024.

## Sales Fees and Charges

- 3.6 As part annual budget process all sales, fees and charges have been reviewed to ensure that they are services are fully recovering fees where appropriate, and also to ensure that budgets are uplifted where possible to reflect any realignment of budgets because of increased activity, or any increased income from proposed price increases.
- 3.7 Government have recently announced that planning fees were to increase by 35% for Major Applications and 25% on all other applications from December 2023, but as part of the increased there are tighter timescales on some of the applications that will need to be managed. Planning fee income is very much activity based, and particularly around large major planning applications which have significantly higher fees, it is difficult to forecast the actual level of fee income year on year but historically we have generally overachieved against budget and for 2024/25 we are forecasting that the new increased fee levels will raise an additional £400k per annum, but this will be required to be spent on planning activity.
- 3.8 The investment estate is made up of a large number of assets that each have separate lease or rental agreements, and any increase or uplifts have to be applied in line with the agreement. There are a number of uplifts applied each year, and a total of £266k has been forecast for 2024/25 from the annual uplifts, this will contribute towards the overall council budgets and the £1m savings target from increased sales, fees and charges.

- 3.9 In addition to the above and in light of the ongoing work around ensuring that the investment estate rent reviews are undertaken promptly and that any vacant units are marketed and relet as soon as possible a further £1m of additional income is proposed for 2024/25 from the investment estate.

### Highways

As part of the review of income it is recommended that Highways external charges are increased by up to 5% from 1<sup>st</sup> April. This will raise a further £184k in income from increasing highways charges to developers and utility companies for fees and permits.

### Growth and Pressures 2024-27

- 3.10 The directorate is pivotal in driving Sustainable Economic Growth of the city to benefit everyone. In order to continue delivering in these key areas there will be a need for increased capacity, and this is estimated to cost in the region of £0.745m. In light of the current overall Council budget position, it is not possible to provide additional investment to fund these resources, but the services have now started to review all existing resources in order to understand how existing resources can be reallocated to deliver this agenda, the key priority areas include:
- Major Regeneration – Ongoing major regeneration through Victoria North, Ancoats and New Islington
  - Development – To support the ongoing development of growth and regeneration through management of City Council assets across the city.
  - Planning – to continue to support the growth agenda and fulfil statutory functions, also provide for succession planning.
  - Work and Skills – To support the 5 year delivery of Manchester Digital strategy, ensure increased social value from ongoing development and provide for succession planning.
- 3.11 In light of the increased planning fee charges, there are additional requirements around time to process applications and as part of the resource requirements there will be an increase to the planning fee income budgets of c£400k. This will ensure that the required resources identified as part of the target operating model can be funded.
- 3.12 In addition to the additional planning income, a review has been undertaken of all historic reserves held within the directorate. This review has identified £1.443m that it is proposed is used to provide transitional funding for the additional resources whilst a longer-term funding strategy is developed.
- 3.13 The review of existing resources will include a focus on how staff are retained, trained and developed, particularly in specialist roles where there is significant external competition with the private sector. The review will include a focus on talent management and succession planning to replace senior staff who are likely to retire in the short to medium term. At each opportunity structures will be reviewed to ensure efficiency and effectiveness in delivering our future

plans, with a diverse, healthy and happy workforce who are engaged in the work they do and see their future with Manchester City Council.

### **Manchester Adult Education Service (MAES)**

- 3.14 MAES is 100% externally grant funded and whilst some of the funding is linked to outcomes, the majority of the grants are either fixed or have reduced over recent years. Due to the current inflationary pressures on staff and non pay and the fact that funding is not increasing at the same rate, there is an emerging funding gap, which is currently being met from drawing down from reserves. The MAES reserve is currently forecast to be fully depleted by 2026/27. As part of seeking to mitigate the pressures officers are looking at options for consideration as part of the 2025/26 budget process, including seeking more grant funding, requesting funding from the Council’s corporate inflation budgets, as well as cutting costs.

### **Off Street Parking**

- 3.15 Whilst the number of off-street car park users has increased post pandemic, it has not returned to pre covid levels and this is largely due to changes in peoples working arrangements and the move to hybrid working. As part of the 2023/24 budget temporary support of £2.1m per annum was approved using reserves. The use of reserves is only temporary for two years and a longer-term parking strategy is being developed that will seek to better align both on street and off-street parking in order to ensure income is maximised.

### **Government Grants 2024/27**

- 3.16 The majority of Government Grants received within Growth and Development relate to MAES activities. MAES is 100% grant funded and grant income is often based on outcomes. In recent years grant levels have not increased in line with inflation, and this has brought about pressures in respect of pay awards and other inflationary increases that have to be funded, without a corresponding uplift in grant funding.

### **Growth & Development Grants**

Grant	2023/24 Budget	2024/25 Indicative Budget	2025/26 Indicative Budget	2026/27 Indicative Budget
	£'000	£'000	£'000	£'000
MAES Grants	8,941	8,972	8,992	8,992
ESOL	128	164	164	164
Talk English	100	100	100	100
Net Gain	87	20	0	0
<b>Total</b>	<b>9,256</b>	<b>9,256</b>	<b>9,256</b>	<b>9,256</b>

## Highways Grants

Grant	2023/24 Budget	2024/25 Indicative Budget	2025/26 Indicative Budget	2026/27 Indicative Budget
	£'000	£'000	£'000	£'000
PFI Grant (street lighting)	2,917	2,917	2,917	2,917
Bike ability Grant	126	126	126	126
<b>Total</b>	<b>3,043</b>	<b>3,043</b>	<b>3,043</b>	<b>3,043</b>

The PFI grant contributes towards the costs of the street lighting PFI that runs up until 2029, and the bike ability grant is given to Highway authorities to provide bike ability training.

## Customer and Client Income 2024-27

- 3.17 The table below provides a high-level summary of the current budgets for sales, fees and charges across Growth and Development Directorate. Work is ongoing to review the investment estate income, particularly forward looking to ensure rent reviews and lease renewals are reflected in the budgets. The table below does reflect the impact of the proposed increases identified within the body of the report.

	2023/24 Budget £000's	2024/25 Budget £000's	2025/26 Budget £000's	2026/27 Budget £000's	Comments
Investment Estate	22,531	23,951	24,266	24,266	Rent and service charge income
MCDA	1,520	1,520	1,520	1,520	Rent and Service charge income
Strategic Housing	537	553	553	553	Fees from other RP's for Manchester Move and feed in tariffs from solar panels.
Planning	3,073	3,473	3,473	3,473	Planning application fees – set by Government
Building Control	1,162	1,162	1,162	1,162	Building control fees
Land Charges	274	274	274	274	
Premises Licensing	1,174	1,174	1,174	1,174	Premises license fees
Taxi Licensing	2,074	2,074	2,074	2,074	Taxi License fees operate on a 3-year license cycle – fees are ringfenced
MAES	2	2	2	2	
<b>Grand Total</b>	<b>32,347</b>	<b>34,183</b>	<b>34,498</b>	<b>34,498</b>	

**Appendix 3** provides an overview of the forecast medium-term budgets by service. **Appendix 4** provides an objective analysis of the 2023/24 budget to also set out the key areas of income. The forecast grants are listed at **Appendix 5**.

## **4. Commissioning and procurement priorities**

- 4.1 The Directorate will continue to work with Integrated Commissioning and Procurement colleagues to ensure the procurement pipeline is understood and that work to procure contracts is undertaken in a timely manner.
- 4.2 Contract sessions with directorate management teams have been established commencing over September 2023 and quarterly thereafter. The aim of these is to support management teams to understand both their current contractual position and contract spend, and to develop an agreed pipeline of future commissions.
- 4.3 A new Contract Management System is expected to go live during the current financial year. Once operational this will provide Directorates with consistent contract performance information to support contract managers to ensure that contracts deliver against expectations and that opportunities for improvement can be identified and realised more easily.
- 4.4 There are a number of large-scale procurement exercises scheduled for 2024/25, they include:
  - Wythenshawe TownCentre Partner
  - Ancoats Mobility Hub.

## **5. Workforce Implications**

- 5.1 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.
- 5.2 As part of the increased growth agenda and the increased asks across the directorate there has been a need for additional resources identified, and whilst longer term funding has not been identified, a transitional plan has been identified and this is set out at para 3.12.

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

- 6.1 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.

- 6.2 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.

## **7. Future opportunities, Risks and policy considerations**

- 7.1 Current economic climate and cost of living crisis, particularly implications on development and investment in the city and particularly cost of living impact on residents.
- 7.2. Legislative changes in building safety requirements and change in requirements and increased demands on Planning and Building control.