

Manchester City Council Report for Information

Report to: Environment and Climate Change Scrutiny Committee
5 December 2024

Subject: Neighbourhood Services Budget 2025-28

Report of: Strategic Director (Neighbourhoods)

Summary

The Council is forecasting an estimated budget shortfall of £101m in 2025/26, £126m in 2026/27, and £164m by 2027/28. Mitigations approved in previous budget rounds include approved savings of £32m, the use of c£18m smoothing reserves in each of the three years, and a Council Tax increase of 4.99% (c£11m) a year. After these mitigations the gap reduces to £29m in 2025/26, £41m in 2026/27 and £77m by 2027/28.

This report provides a high-level overview of the latest position and officer developed options to contribute to the balancing of the overall Council budget. Final options will be proposed following the announcement of the provisional Local Government Finance Settlement, expected prior to Christmas.

The 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 2025. This committee will have the opportunity to review proposals in the context of the financial settlement again in February 2025 and make final recommendations to the Executive to consider on 19th February 2025 where the final budget decisions will be made.

Recommendations

The Committee is recommended to consider the content of this report and comment on the proposed changes which are relevant to the remit of this scrutiny committee.

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	Consideration has been given to how the proposed savings could impact on different protected or disadvantaged groups. Where applicable proposals will be subject to

Equality Duty and broader equality commitments	completion of an Equality Impact Assessment (EqIA) and an Anti-Poverty Assessment.
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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 the final Local Government Finance Settlement, Member comments and consultation, be included in the final 2025/26 revenue budget set by Council on 28th February 2025.

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 budget 24.25 Executive 14 February 2024](#)

1. Introduction and Purpose

- 1.1 The report sets out a service overview and key priorities including an update on the Climate Action Plan, along with the latest draft budgets for the services within the remit of this scrutiny committee. The draft budget contains details of the already approved savings and investments, along with initial thoughts on other areas for consideration and comment as part of the budget process in order to help ensure an overall balanced budget.

2. Service Overview and Priorities

- 2.1 Neighbourhood Service Directorate has a wide range of services and employs over 1,900 staff. The Directorate works to improve the lives of Manchester residents and showcase 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.

- 2.2 The services under the remit of this committee includes the following services:

Parks and Green Spaces

- 2.3 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

- 2.4 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.

Compliance and Enforcement

- 2.5 Compliance and Enforcement is responsible for ensuring that residents and businesses meet their legal obligations through and Our Manchester approach and if needed will enforce regulations in a fair and consistent manner, taking action against those who disregard the law or act irresponsibly.

Waste and Street Cleansing

- 2.6 The Service works very closely with the collections provider to improve street cleansing standards across the city and reduce bin collection issues. Work is

also undertaken with Neighbourhood Compliance teams and other services to develop, co-ordinate and monitor a range of programmes and activities to encourage residents and businesses to both manage their waste legitimately and increase recycling.

Waste Disposal Levy

- 2.7 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 Recycling centres (tips).

Neighbourhood Teams

- 2.8 Neighbourhood teams (North, Central, and South) are responsible for the management and development of neighbourhoods, and for making sure that services delivered at a neighbourhood level maintain a strong place-based focus by working closely with elected members, residents, community groups, local businesses and partner organisations.

3. Service Budget and Proposed Changes

- 3.1 The table below sets out the budgets for the services in the remit of this scrutiny committee, the gross 2024/25 budget is £91.454m and the net budget of £81.318m, with 445 fte.

Table One: Base budget 2024/25

Service Area	2024/25 Gross Budget £'000	2024/25 Net Budget £'000	2024/25 Budgeted posts (FTE) £'000
Parks and Green Spaces	3,921	1,769	57
Grounds Maintenance	4,892	4,454	102
Compliance	12,613	8,736	187
Neighbourhood Teams	5,354	4,924	81
Waste and Street Cleansing	32,865	29,626	18
Waste Disposal Levy	31,809	31,809	0
Total	91,454	81,318	445

Savings Plan 2025-26

- 3.2 There are already savings of £400k included within future years budgets. These were approved as part of the 2024/25 budget process and are to be achieved through introducing new charges to residents for replacement bin requests, these charges will be introduced from 2025/26.
- 3.3 As part of identifying further savings options the initial priority has been to protect service delivery wherever possible, and this has included looking to increase income generation opportunities where possible.
- 3.4 The proposed savings from services within the remit of this scrutiny committee total £500k are summarised below with more detail included in Appendix 1.

- 3.5 It is proposed that in line with Manchester City's Council current approach to resourcing, Neighbourhoods Directorate team structures will be reviewed to identify whether vacancies or redesign options could deliver any savings and a target of £206k has been included as part of the options.

Parks and Green Spaces

- 3.6 As part of seeking to protect services wherever possible, Parks have identified savings of £125k and all is to be achieved through increased income generation. The proposed changes include: -
- 3.7 £100k through increased income from concession contracts; this is where commercial companies pay fees to the City Council to trade within the parks and this will include catering opportunities, leisure and other attractions.
- 3.8 Allotment charges are to be reviewed and increased, the increase will ensure allotment charges are aligned to charges set by other Core Cities. The forecast savings from increased income is c£25k.

Compliance and Enforcement

- 3.9 The service has identified saving options of c£107k in 2025/26, this includes c£87k through increased receipts from fixed penalty notice charges for fly tipping, fly posting and littering.
- 3.10 In recent months there has been an increased use of ultra-low electric vehicles, and any business mileage is paid at a lower rate, therefore it is proposed to reduce car mileage budgets by c£20k to reflect these reduced costs.

Waste and Recycling

- 3.11 The service currently funds costs of disposal for one of the housing providers, going forward the provider will be required to fund the annual £47k disposal costs.

Neighbourhood Teams

- 3.12 Neighbourhood teams have a development budget of £150k per annum, and this is used to kickstart pilot work or new ideas across the neighbourhood teams. It is proposed to reduce this budget by 10% or £15k effective from 2025/26, this will reduce the activity and require tighter control of how the annual budget is used.

Growth & Investment

- 3.13 As part of the 2024/25 budget process approval was provided for c£1.5m additional investment in waste collection and street cleansing. The growth was

phased £0.8m 2025/26 and £0.7m 2026/27 and was provided to recognise the growth in demand because of the increase in households across the city.

3.14 In addition to the demographic growth over £3.5m has been provided for as part of the budget process to reflect the likely increased costs of the waste disposal levy. The £3.5m is over 3 years and is broken down as follows:

- £1.25m - 2025/26
- £1.609m - 2026/27
- £0.693m - 2027/28

Government Grants and Other Income 2025-28

3.15 The services under the remit of this scrutiny committee currently receive £75k in Government Grants, and these are all within Trading Standards in compliance.

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 continues to be done in a timely manner.

4.2 The new contract management system ATAMIS is now operational, and this is being used to support management teams to understand and record both their current contracts and contract spend and to assist in developing the pipeline for future years.

5. Workforce Implications

5.1 The Council's staffing establishment is fully budgeted for at the top of the grade. There are vacancies caused by staff turnover, recruitment difficulties and staff employed throughout the grade scale. To avoid budgeting for costs that will not be required and must make larger cuts elsewhere, adjustments are made to reflect these issues by applying a vacancy factor and reducing the overall staffing budgets across each service.

6. Equality and Anti-Poverty Impact

6.1 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 once approved by Members.

7. Future opportunities, Risks and Policy/Strategy Considerations

7.1 As development continues across the city, this may lead to increased growth pressures for Neighbourhood Services as the number of households grows. There has been previous demography growth approved for both waste

collection and street cleansing, but the increased demand for services is likely to extend across other services including compliance, parks, leisure and wider neighbourhood working.