

Manchester City Council Report for Information

Report to: Resources and Governance Scrutiny Committee

Subject: Delivering the Our Manchester Strategy:

Report of: Executive Member for Finance and Human Resources

Summary

This report provides an overview of work undertaken and vision towards the delivery of the Council's priorities as set out in Our Manchester Strategy that are aligned with the Manifesto in those areas within the portfolio of the Executive Member for Finance and Human Resources.

Recommendations

The Committee is asked to note the report.

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1. Introduction

1.1 The Our Manchester Strategy was formally adopted by the Council in January 2016 and sets the ambitions for the city for the next ten years, to 2025, for Manchester to be:

- Thriving – creating great jobs and healthy businesses
- Filled with talent – both home-grown talent and attracting the best in the world
- Fair – with equal chances for all to unlock their potential
- A great place to live – with lots of things to do
- Buzzing with connections – including world-class transport and broadband

1.2 Executive Members are collectively and individually responsible for supporting the delivery of the Our Manchester Strategy and for providing political oversight and direction to officers for better outcomes for Manchester residents. In May, the Executive published its collective political priorities in the Labour Party's Our Manchester Manifesto. Individual Executive Members, all of which are aligned to the Our Manchester Strategy have aligned their priorities to the manifesto.

1.3 This report sets out how I as the Executive Member for Finance and Human Resources aim to update Committee on work since my last report and inform the committee of my priorities for the next 12 months. This is the second of a twice yearly report to Committee this financial year, with reports being submitted to Scrutiny Committees at their July and February meeting.

2. Executive Member for Finance and Human Resources

2.1 As the Executive Member for Finance and Human resources I have responsibility for the Council's Finances, Budget, Council Tax and Benefits, Resource Procurement, Performance, ICT, Capital Programmes, Social Value and Digital Transformation.

2.2 In addition to being the lead portfolio holder in the above areas, I also sit on the boards of some of the Council's other major projects. Such as:

- Town Hall Transformation (OTH board);
- The Factory;
- MCDA (Manchester Creative Digital Assets); and
- MHCC Finance Board.

2.3 In Line with the 2019 Manifesto and the Our Manchester Strategy I will be responsible for delivering the above with an emphasis on the following priorities:

- Delivering the final year of the budget settlement focusing on Our Manchester Objectives;

- Social Value and best value for money;
- Ensuring we protect Manchester residents against the cuts; and
- Supporting HR deliver the objectives of the 'Our People' Strategy.

3. Objectives over the next 12 Months

Budget

- 3.1 In March 2017 the Council set its three year budget based around the Central Government allocation which required the council to make cuts of a further £35m from council resources over this period. This is in addition to the previous round of cuts which started in 2010 with the coalition government. Between 2010/11 to 2019/20 the council has had to make £372m of cuts and lost almost 4000 FTE, approximately 40% of the workforce. This is at a time when Manchester has a growing population, and seen a national shortfall in local government resources, including Health and Social Care, all of which have put considerable pressure on the council's budget.
- 3.2 Due to the Government's inability to focus on issues outside of Brexit, the Council will only be setting a one year budget for 2020/21. If we are to deliver the manifesto for Manchester residents, it is vital that we ensure this one year budget is delivered whilst being mindful of what is likely to be a longer settlement the year after. The Manchester Labour Manifesto is ambitious, but more importantly it reflects the priorities of Manchester residents, and the continuation of the three year budget should reflect that.
- 3.3 The projected overspend for the 2019/20 budget reflects the pressures the city faces, and as of period 8, this stands at £4.2m. Whilst this was an improvement from my report in July 2019, there is still significant budget overspends in Children's Services (£2.560m overspend) and Adult Services (£6.791m overspend) whilst Homelessness/Welfare Reforms are now at break even.
- 3.4 Whilst work is underway to balance next year's budget, pressures on those directorates mentioned still remain, mainly due to demand for services remaining high and the level of complexity. Unfortunately, whilst next year's budget is in its final round of scrutiny before going to Full Council for approval, planning beyond this remains difficult given the level of uncertainty around the Spending Review, Fair Funding Review (FFR) and the Business Rates Retention review. Indicative analysis of the Government FFR shows that metropolitan authorities like Manchester will suffer at the benefit of shires. Some rough modelling of the Adult Social Care formula could reduce the Council's ASC budget c£22m alone, with other elements of the FFR to be calculated.

I will be leading the work with the Deputy Chief Executive and City Treasurer and other members of the Executive to plan as effectively as possible for a budget for 2020/21 and how we look to mitigate the inevitable cuts from central government

for the following years.

Social Value and Ethical Procurement

- 3.5 Manchester has one of, if not the best Social Value (SV) and Ethical Procurement Policy in the country, with a SV procurement weighting of 20% alongside that of cost and quality. This is the highest of all authorities. Over the last 18 months I have driven our SV agenda putting this at the forefront of everything the council does. and will be hosting the annual SV summit in February 2020 with an already expected attendance of 110 representatives from local authorities.
- 3.6 it my last OMS update report, the committee was informed of the council working with the Living Wage Foundation to be accredited as a Living Wage employer. The Council has now been accredited and the award was presented to the Lord Mayor at full Council. It is displayed by the lifts near to Facilities Management.
- 3.7 Work is now underway with becoming a living wage city. This is not an easy accreditation but one which we should aspire to and prioritise. Cllr Sue Murphy (Deputy Leader) and myself have already hosted a business breakfast with our Anchor Institutions to begin discussions on how this can be achieved. Further updates of this progress will be reported back as and when progress is made.

Climate Change

- 3.8 Last year the council declared a Climate Emergency, building on the previous work set out in A Certain Future. Whilst the overarching strategy falls under the Executive Member for Environment, Planning and Transport, we all have a part to play in delivering this agenda. A significant amount of work has been carried out to date and procurement should play a big part in this, which is why last year I asked our Highways Team to trial 30% social value with 10% of the weighting being around environmental impact in some contracts. The outcome of this trial is still underway and will inform the planned roll out of the additional 10% social value weighting for the environment.

Ensuring we stand up for Manchester Citizens

- 3.9 Since the Lib-Dem Tory Coalition in 2010 central Government has made poor people poorer, and put those most in need of support at risk. The 2017 Budget consultation made it clear that residents of the city wanted the council to prioritise how we look after certain groups in our city, and in the Our Manchester approach The 2018 Manchester Labour Party Manifesto reflected this. We are all responsible for delivering this vision, however, as previously mentioned in the report certain manifesto priorities fall within the relevant portfolio holders brief.
- 3.10 The main role in the manifesto for the Executive Member for Finance and HR is supporting other Executive Members to deliver their priorities. However, one of the areas I have responsibility for is Revenue and Benefits. It is still too early to

show how much the empty property tax has supported the objectives and residents, but a report will be given later in the year which details the outcomes of how successful this has been. One of the areas I have worked on since my last report is extending the Welfare Protection Scheme to support those who move to other authorities who don't have access to public funds for items such as furniture. I will continue to explore ways in which we can support residents through the benefits system when they need it the most.

Supporting HR to deliver the objectives of the 'Our People' Strategy.

- 3.11 As the Committee is aware, last year the Director of HR moved on to become the Deputy Chief Executive in Bury. The post is currently filled by the interim Director of HR Helen Grantham. There was an exhaustive exercise to attempt to fill the post, however, we found that the applicants did not have the skill set required to fulfil an ever demanding role. We are currently restarting the recruitment process as well as reviewing how we grow our own from within HROD and develop the service from within
- 3.12 Since my last report to committee the 2019 b-Heard results have been analysed. These are in the process of being communicated to staff with a report due to go to the next HR Sub Committee. The headline figures are positive, with us clearly in the 'One to Watch' category. This is a further improvement since last year's results and has recognised the council as one of the top places to work.
- 3.13 Since the start of austerity, the council has lost 4,000 FTE, approximately 40% of the workforce. Our staff work tirelessly to support the city and residents with a reduced workforce and much less resource. Over the next 12 months I will continue to engage with staff and look at how we can support our staff and improve the offer to work here at the council.
- 3.14 The council has a great staff wellbeing offer and access to support, however, we must continue enhancing our wellbeing offer to help improve attendance and drive down absence.
- 3.15 Staff attendance will also remain a focus and along with the completion of Return to Works, we are currently looking at how this can be further supported with a bespoke approach being developed to support different service areas.
- 3.16 Last year the council had a huge success in its apprenticeships, exceeding all of the councils targets with the exception of our schools. We are hoping to build on this and find how we can ensure schools to do more around this alongside looking at how we grow our own.

Developing Digital Strategy and ICT

- 3.17 The Council has a target of becoming a world class city by 2025. A key component of this will be how we interact with our residents and how the

residents interact with the city. As a city we have the largest and fastest growing digital sector outside of London. We must harness the talent pool we have and use that to develop these interactions that keep the city relevant. If we are to become carbon neutral, we must also harness the technologies that are being produced today and support the technologies for tomorrow - we need to embrace the new economy of technology and ideas.

- 3.18 Over the coming months we will appoint a new Head of Digital Transformation to help develop this further. He/she will advise the Executive and SMT on how best we can develop a team and an ambitious agenda that will see visitors and residents share in the city's growth and experiences.
- 3.19 Whilst there is an update elsewhere on the agenda, it should be pointed out that over the coming months we will see some big changes in ICT with the completion of the data centre and the move away from Google and introduction of Microsoft 365. I will be ensuring that both of these are done in a way of least disruption.

4. Conclusion

- 4.1 The report has detailed some of the activities I have taken in the last 12 months, but, whilst not an exhaustive list, it also sets out some of the priorities I am undertaking over the coming 12 months. The ultimate priority is unequivocally ensuring that we get the best deal for Manchester residents and allow them to partake in the city's success.