

## Manchester City Council Report for Information

**Report to:** Neighbourhoods and Environment Scrutiny Committee - 5 February 2020  
Executive - 12 February 2020

**Subject:** Neighbourhoods Directorate Budget Report 2020/21

**Report of:** Strategic Director Neighbourhoods

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### Summary

This report provides a further updated Neighbourhoods medium term financial plan, and budget proposals for 2020/21. The report has been updated in order to reflect feedback from the January round of scrutiny meetings on the original draft proposals.

For this Committee it should be noted that Community Safety; Parks, Leisure, Youth and Events; and Libraries, Galleries and Culture are under the remit of the Communities and Equalities Scrutiny Committee and will be considered by that Committee. The report should be read in conjunction with the Council's overarching Business Plan report.

### Recommendations

The Committee and the Executive are each invited to review and comment on the directorate budget report.

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### Wards Affected: All

Manchester Strategy Outcomes	Summary of the Contribution to the Strategy
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	Providing the leadership and focus for the sustainable growth and transformation of the City's neighbourhoods and highways
A highly skilled city: world class and home grown talent sustaining the city's economic success	Ensuring residents are connected to education and employment opportunities across the City.
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	Creating places where residents actively demonstrate the principles of Our Manchester through participation and take responsibility for themselves and their community whilst encouraging others to do the same, supported by strong and active community groups.
A liveable and low carbon city: a destination of choice to live, visit, work	Creating places where people want to live with good quality housing of different tenures and effective use of the highways network; clean,

	green, safe, healthy and inclusive neighbourhoods; a good social, economic, cultural offer and environmental infrastructure.
A connected city: world class infrastructure and connectivity to drive growth	Ensuring residents, neighbourhoods, businesses and goods connect to local, national and international markets. Through working with partners both internally and externally maximise the impact of the provision of new and enhanced physical and digital infrastructure.

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

- Equal Opportunities
- Risk Management
- Legal Considerations

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### **Financial Consequences for the Capital and Revenue Budgets.**

The proposals set out in this report will be considered as part of the City Council preparation of the 2020/21 budget which will be submitted to the Executive on 12th February 2020.

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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.

Growth and Neighbourhoods Budget and Business Planning: 2018-2020 - Executive – 7 February 2018

Neighbourhoods Directorate Business Planning 2019/20 - Executive 13 February 2019

## 1. Introduction

- 1.1 This report sets out the proposed 2020/21 revenue and capital budget proposals for the Neighbourhood Directorate. As part of drafting the proposals a comprehensive review has been undertaken across all service areas in order to ensure that the existing budget is realistic and sufficient to ensure that the service area can deliver its objectives in supporting the Council Corporate plan priorities.
- 1.2 The report also includes those areas of service which are in the remit of Neighbourhood and Environmental Scrutiny Committee but not within the Neighbourhoods Directorate, namely Housing and Residential growth from within the Growth & Development Directorate and details of these areas is set out in section 8 of the report.
- 1.3 The current budget proposals are a one year budget plan to reflect the Government's Spending Round for local government, although this plan does form part of a longer term budget strategy that seeks to protect front line services. In order to provide this protection, the main areas of review for identification of efficiencies are through either growing the commercial opportunities to increase the levels of income, or improving internal processes to ensure functions are delivered more efficiently.

## 2. Background and Context

- 2.1 The Neighbourhood Directorate ("Directorate") has a pivotal role to play in delivering the Council priorities of working with Manchester's communities to create and maintain clean, safe and vibrant neighbourhoods that the citizens can be proud of. In addition to this, Highways service will ensure that there are good connections across the City through good quality roads and the ongoing traffic management.
- 2.2 The Directorate provides a key role in supporting the broader council priorities as set out in the Corporate Plan. Working collaboratively **with partners to enable people to be healthy, well and safe and reduce demand by integrating neighbourhood teams that are connected to other services and assets locally to deliver new models of care.** Within the city centre both the licensing and out of hours and anti-social behaviour teams are working very closely with the rough sleepers team on an outreach approach **to support better outcomes for those who may be homeless.**
- 2.3 Libraries, art galleries, leisure centres, parks, play areas, events and youth services all support our **children and young people, to be happy, healthy and successful; fulfilling their potential and contributing to their educational attainment.**
- 2.4 The Directorate is fully committed **to Zero Carbon Manchester** and to reducing carbon throughout all programmes of work and raise awareness of carbon usage and looking for 'greener' alternatives. Key initiatives include

driving forward the introduction of electric fueling infrastructure, plant and equipment for all Council services and ensure all fleet vehicles, including the waste fleet, meet the required emissions standards in preparation of the introduction of the Greater Manchester Clean Air Zone, delivering high quality green and blue infrastructure to reduce atmospheric CO2 concentration; developing highways improvements to ease congestion contributing to the GM Clean Air plan.

- 2.5 The Directorate strives to be **well managed, to balance our budgets and to provide additional savings and efficiencies** to support the overall Council budgets. Over recent years we have reviewed our approach to commissioning and contracts, looking for additional commercial opportunities **to increase income**. We are supporting our partners and the broader supply chain, delivering services on our behalf, to explore the added social value they can contribute to the city and ensuring **the growth of the city benefits our residents**. The Directorate also actively supports the Our Transformation programme and embeds the **Our Manchester behaviours** with our staff, partners and residents.

### 3. Measuring Impact

- 3.1 In order to facilitate and support the delivery of these priorities for the City and its residents, the Directorate will continue to address some key challenges. The quality of our highways, number of potholes and gully cleansing remains a priority for our residents and road resurfacing is now happening at a greater scale. We are currently on target to deliver year 3 of the 5 year highway investment programme. In the two and a half years of the investment programme, we have now treated over 1,200 roads and footways comprising over two million square metres. The highways service has gone through a service redesign in 2019/20 and in order to ensure ongoing delivery of the priorities additional staffing capacity has been agreed and the recruitment is currently underway. The years 4 and 5 carriageway and footway resurfacing investment programme are being developed and the sites have been identified and agreed. The additional capacity agreed as part of the service redesign will ensure that there is sufficient internal capacity and there are a number of frameworks available that are currently being re-tendered in order to ensure there is sufficient external capacity.
- 3.2 Waste and recycling is the largest budget area for the Directorate but we are pleased to have achieved our highest overall levels of recycling (40%) and lowest levels of residual waste over the last 10 years. However, as the City grows this is having an impact on the demand for these services which need to be managed. As part of the proposed 2020/21 budget there is an element of growth included to reflect the growth in the City. We are continuing to improve performance focusing on areas of lowest performance (i.e. recycling in properties with shared communal containers in high density terraced areas and apartments) whilst also working with developers and planning to ensure good recycling facilities are included in the initial design. The City aims to reduce incidents of litter and fly tipping: education, engagement and enforcement remains pivotal in our approach to working with residents and

communities. The partnership established with Keep Britain Tidy to deliver the 'Keep Manchester Tidy' commitment and a 'Litter Taskforce' made up of communities including young people, businesses and public bodies will continue to drive this activity with the Council continuing to take a robust approach to enforcement in order to underpin this approach.

- 3.3 As part of the 2019/20 budget there was growth of £0.5m approved in order to support activity around further tackling issues of flytipping and working with businesses across the City to improve business waste management practices. This activity is ongoing but the volume of flytipping reports reduced again in October 2019 and remains significantly down on the previous 12 months.
- 3.4 The Greater Manchester Combined Authority (GMCA) acts as the waste disposal authority and there is an agreed basis for the allocation of all the GMCA's costs for waste disposal. This is known as the levy allocation management agreement (LAMA) and this was agreed by all authorities in February 2017. The LAMA is used to allocate both the fixed and variable costs of waste collection and management. Following GMCA awarding the new waste contract to Suez in June 2019, it has been necessary to revise the LAMA to reflect the new agreed payment mechanism. A report was taken to December Executive to get City Council endorsement to the new proposed, and this will go to the February meeting of the GMCA for final sign off prior to being implemented from April 2020. There remain significant risks to the value of the levy for future years due to the potential contamination of recyclates streams, stability of recycling markets and potential waste strategy changes (Resources and Waste Strategy for England, 2018).
- 3.5 Adopting the new LAMA will have minimal impact on the waste disposal costs for Manchester City Council. However, it will bring more certainty to the levy due in a given financial year, with any adjustments for changes to tonnages being made in the following year. The overall financial implications to the levy are set out in section 7.
- 3.6 Working with our residents to enable them to do more for themselves, prevent problems and tackle complex issues together is a key priority for the Directorate. The Neighbourhood teams have been leading this work, with colleagues in Reform and Innovation, to develop a model: Bringing Services Together for People in Places. This model aims to bring together and better connect workforces from across Early Years, Early Help for children, young people and their families, Neighbourhood Teams, Neighbourhood Policing Teams, Housing Providers and the Local Care Organisation, in 13 neighbourhoods across the city. It aims to join up our resident engagement activity where we can better use our combined collective knowledge and insight and strengthen the role and capacity of our communities. Now the model has been established our priority is to manage the successful delivery, by putting people and places at the centre, to achieve better outcomes for Manchester residents. A review of the current capacity within our Neighbourhood teams will take place, utilising existing resources, to ensure alignment with the neighbourhood model and that sufficient capacity is provided to teams to support the work required for the future.

- 3.7 Visits to libraries (over 3.4m), galleries (c.624k), and sports and leisure centres (3.47m) over the period October 2018 to September 2019 are all performing above target. Work is continuing to widen participation to ensure that the users of our community services reflect the diverse communities of Manchester. Additionally, we recognise that our world class offer also contributes to the vibrancy of the City and our neighbourhoods. Measures have been put in place over the last 12 months to track progress on these important priorities and a report was provided to Communities and Equalities Scrutiny Committee in November 2019 setting out the progress made over the last year.
- 3.8 The Commercial Strategy for the Directorate continues to be developed with a focus on increasing income and making more effective use of existing assets. The primary objective has been to offset the costs of providing front line services, such as Parks, which provide essential services and contribute to the vibrancy of neighbourhoods. Work is also planned around developing the commercial strategy in line with the carbon reduction initiatives through the adoption of electric vehicles and associated infrastructure alongside the maximisation of opportunities, such as the Civic Quarter Heat Network, linked to carbon reduction measures.
- 3.9 There remain a number of challenges within Trading Services which incorporate Markets, Bereavement, Pest Control and School Catering. All of the services have reviewed the cost base and the opportunity to increase fees and charges to cover the annual increases in operating costs and contribute towards other core services. The School Catering Service has been repositioned as a social value proposition, prioritising nutritional standards. The service will continue to use the remaining reserves to minimise proposed meal price increases for 20/21. Pest Control and Bereavement Services have reviewed fees and charges to remove some subsidies and generate additional income. The Markets Service continues to deliver a budget surplus, however, the level of surplus that can be generated is in decline due to the current condition of New Smithfield wholesale market, the declining popularity of the Sunday car boot market and in terms of retail markets the continuing poor performance of Wythenshawe market.
- 3.10 The Community Safety Team in the Directorate has taken on the additional responsibility of the Channel Coordination Team for Greater Manchester. This function has been transferred to the Local Authority from Counter Terrorism Policing North West as a part of the national 'Dovetail' pilot and includes 6 posts to deliver the service across Greater Manchester. The team is funded by the Home Office and the funding is ongoing into 2020/21. A further one off £400k Home Office funding has also been received via Greater Manchester Combined Authority to deliver a violence reduction programme in 2019/20. The programme has been developed in conjunction with colleagues from Manchester Health and Care Commissioning and Children's services and is on track to deliver in line with the grant conditions.

3.11 The Directorate is on track to deliver the 2019/20 approved savings of £4.951m. As part of the budget preparation work all budgets have been reviewed in order to ensure that they are realistic. As part of this exercise pressures of £0.754m have been identified, and a combination of efficiencies and increased income generation of £2.324m have been identified to offset the pressures and also contribute £1.570m to support the overall Council budget position. The £2.324m will be achieved through a combination of furthering its work on maintaining and increasing income through making best use of our assets and trading services, in addition to finding efficiencies through contract management and looking to replace long term agency staff with permanent posts.

#### 4. Revenue Strategy

4.1 The Neighbourhoods Directorate has a revised gross budget of £166m, and a revised net budget of £98m, with 1,442 full time equivalent employees. The net budget has increased by £2.6m, and this is mainly due to the following adjustments, £1.3m pay inflation to cover the costs of the current years pay award, non pay inflation £0.45m, £0.75m from the waste contingency and £100k other adjustments. The table below provides breakdown by service area, and also sets out both the original and revised budgets for each service area.

**Table 1: 2019/20 Base budget**

<b>Service Area</b>	<b>2019/20 Original Gross Budget £'000</b>	<b>2019/20 Revised Gross Budget £'000</b>	<b>2019/20 Original Net Budget £'000</b>	<b>2019/20 Revised Net Budget £'000</b>	<b>2019/20 Budgeted Posts (FTE) £'000</b>
Compliance and Community Safety	15,467	15,800	10,475	10,763	290
Highways	28,224	28,717	15,825	16,006	208
Libraries, Galleries and Culture	12,097	12,767	8,999	9,260	270
Management and Directorate Support	964	1,118	964	1,118	19
Neighbourhood Teams	2,599	2,518	2,481	2,518	52
Commercial and Operations	81,076	82,233	49,119	50,900	527
Other Neighbourhoods	2,082	3,107	476	455	4
Parks, Leisure, Youth and Events	22,861	19,812	7,503	7,475	72
<b>Grand Total</b>	<b>165,370</b>	<b>166,072</b>	<b>95,842</b>	<b>98,495</b>	<b>1,442</b>

4.2 The revised 2019/20 cashlimit budget is £98.495m and this is net of the £4.951m savings that were approved as part of the 2019/20 budget process. The Directorate is on target to deliver the proposed savings and the directorate is currently forecasting an underspend of £1.586m in 2019/20. This

is primarily due to the overachievement of income of £1.257m in Highways and a net underspend on staffing of £329k across the Directorate.

- 4.3 As part of the 2019/20 budget process additional investment of £1.325m was approved, and work is progressing in ensuring that the investment priorities are achieved, a summary of the progress made during 2019/20 is set out below.
- The £0.5m to tackle and reduce fly tipping issues across the City has been used to provide a combination of target hardening at key hotspots and also increase the resources in order to work better with businesses around waste management.
  - £0.675m was approved in order to increase the staff resources within the directorate to provide additional food safety capacity and also increase resources within the Anti Social Behaviour team in order to address the increased number of anti social behaviour cases across the City. It is anticipated that the full benefits of this investment will be realised in 2020/21 once recruitment is fully complete and staff have undertaken all the necessary training.
  - £150k additional Youth funding to support the service following the transfer to Neighbourhood Services.
- 4.4 As part of the budget preparation work staff have been reviewing all budgets in order to ensure that they are realistic and that any pressures are identified. The key areas reviewed have included existing income targets, areas where either service reviews or demographic changes may have impacted upon the budgets.
- 4.5 As part of the 2019/20 budget process the advertising budgets were consolidated and transferred into Growth and Development Directorate as part of the investment estate. During 2019/20 the Director Commercial and Operations has taken on an increased level of work in terms of looking to manage both the existing contracts and the ongoing procurement exercise and it has been agreed that in order to ensure the Council advertising portfolio is managed effectively, and the maximum returns are achieved then the whole of the advertising portfolio will transfer to the Directorate from 2020/21.

## 5. Budget Pressures

- 5.1 As part of the budget preparation work and the review of all budgets **pressures of c£0.754m** have been identified that will need to be considered as part of the overall budget proposals, further detail on the pressures is set out in the paragraphs below.
- 5.2 **New Smithfield Market (NSM)** is the largest Wholesale Market in the North West and an important regional, sub-regional and local wholesale market. It is a key component of the secondary food supply chain. It currently employs c600 people and generates around £16.3m gross value added to the Manchester economy. A report has been commissioned around the potential redevelopment of the market which is expected to be brought forward for



consideration in 2020/21. This would ensure a modern, fit for purpose, facility that can further enhance the economic value of the site. The current wholesale market halls are in a state of disrepair which limits the income generating potential of the site and substantially increases the annual running costs. The forecast gross budget pressure is c£0.504m per annum, it is anticipated that c£87k of this can be mitigated through increased service charge income in 2020/21, this leaves a **net pressure of c£417k**.

- 5.3 The Sunday morning car boot sale has seen a steady decline in the annual customer footfall in recent years, and this has resulted in 240,000 less customers per year than five years ago. This decline which is reflective of wider societal changes has also seen a reduction in the number of traders, there are currently 160 to 180 market stall traders on any given operating day, although there are 546 trading spaces. The reduction in traders has been dropping consistently over recent years and this has left the market looking sparse in some areas which can result in further decline. Despite this decline the Sunday Car boot market continues to make an overall net surplus and in 2019/20 this is forecast to be c£190k, although this is **c£262k lower than the current approved budget** and it is proposed to mitigate this as part of the current budget proposals.
- 5.4 The overall performance of the retail markets is positive, with a budget contribution of £0.5m to the Neighbourhood Services net budget. However, this does include a subsidy of c£120k in relation to Wythenshawe market. An economic impact report has been completed in respect of the district retail markets which has identified a number of issues with Wythenshawe, particularly around the location of the current market. These considerations will be taken into account in any plans around the redevelopment of the Town Centre.
- 5.5 In addition to the pressures above there is a further £75k in relation to the increased costs of the additional canal barriers placed in the city centre to increase public safety and the ongoing costs of **managing and maintaining those barriers (£25k)**. During 2019/20 there has been an increased number of protests and marches within the City centre and there has been additional costs of managing the events including **traffic management and increased security (£50k)** it is proposed that both these budgets are made permanent from 2020/21 onwards.

## 6. Efficiency and Income Generation Proposals

- 6.1 As part of both the wider Council budget strategy of identifying efficiencies to support the Council budget, and looking to mitigate the identified budget pressures, all budgets have been reviewed in order that any efficiency savings or opportunities for increased income are identified and included for consideration by members. Overall the Neighbourhoods Directorate has identified **proposals amounting to £2.324m** and further details on these proposals are set out below, with table 2 providing an overall summary.

- 6.2 Compliance - **£105k through additional income** from a combination of proposals that include increasing the fixed penalty for littering and removing the early payment discounts from a range of fixed penalty notices for other environmental offences.
- 6.3 **Highways Services savings proposals total £1.610m**, and they are made up of: -
- The existing car parking joint venture (JV) which pays the City Council an annual rental for use of the car parks that are included within the JV arrangement. The total rental income received in 2019/20 was £3.8m and under the terms of the contract the annual rental receivable is subject to an annual uplift in line with RPI. Based on the latest estimates the forecast **RPI increase for 2020/21 will be c£300k.**
  - Highways service issue permits for a number of uses of the highway, this includes but not limited to the erection of scaffolding, placing of skips, temporary hoardings, it is proposed to increase the permit charges by c3.5% and this will realise **increased external income of c£35k.**
  - Capital programmes undertake the design and programme management function for the Highways capital programme and charge fees for the time that is spent on each programme. The fees are charged against the capital programme and it is proposed that as part of the annual review of the fees that increased fee income will increase by £75k 2020/21.
  - The Council lease arrangement for the Manchester arena car park expires in March 2020 and it is proposed to not renew the arrangement. The lease currently **costs a net c£1.2m per annum**, and this will be an efficiency saving to the Council in 2020/21.
- 6.4 **Libraries, Galleries and Culture - £97k** of planned savings this is made up of £40k savings from reducing the costs of putting on Gallery exhibitions. This will be achieved through exploring the establishment of a separate wholly owned company who will be able to claim galleries tax relief on the eligible costs. In addition, £57k increased income from printing, increased retail income through the shop, venue hire and donations.
- 6.5 **Parks, Leisure, Youth and Events - £50k increase** in income including £20k from increased pay and display revenue across the Sport and Leisure Estate and £30k additional income as a result of the commercial strategy at Heaton Park.
- 6.6 Grounds Maintenance are scheduled to review the existing machinery requirements and through better utilisation of machinery it is forecast that **£20k efficiency** can be achieved
- 6.7 **Specialist Markets - £86k** from the continuation of the revised operating model at Piccadilly Market which involved opening for an extra day per week for the first half of 2019/20 and then increasing this to an additional two days

for the remainder of the year continuing into 2020/21, an increase in pitch fees for 2020/21 and a negotiated reduction in storage costs for markets equipment.

- 6.8 **Trading Services/Business Units - £112k additional income** with £21k from Pest Control as a result of additional commercial fees and £91k from an overall increase in volume and fees for Bereavement Services.
- 6.9 Currently all staffing budgets are set based on the salary at the top of grade, with a 2.5% reduction then applied to allow for vacancies and staff turnover. However, underspend against budget may occur where natural turnover is higher than this percentage and/or staff have not yet reached the top of grade. As part of the work to realign budgets and set a realistic staffing budget to meet the likely costs of the approved structures, it is proposed that the approach to budgeting for posts is changed in a small number of discrete service areas. This will enable **£244k of resources to be realigned to offset pressures elsewhere within the service**; but it will not reduce the number of posts established for the service. The position will be retained under review throughout the year, and reviewed annually as part of the budget process.

## 7. Investment and Other Changes

- 7.1 Overall investment and other changes amounts to a budget reduction of £3.123m and these changes are shown in both table 3 below with further narrative provided on each of the adjustments in the following paragraphs.
- 7.2 As part of the 2019/20 approved budget, 3 year funding was approved for additional resources within the anti social behaviour team. 2020/21 will be year 2 of that investment and in order to reflect the full year budget requirements of the increased capacity an increase of £120k is included.
- 7.3 As part of the move to consolidate all advertising income under the Director of Commercial & Operations in order to maximise the commercial benefits to the Council, the existing approved income budget of £2.363m will be transferred from Growth and Development to the Neighbourhood Service budget. This will become effective from April 1st 2020.
- 7.4 The 2020/21 waste levy charge from GMCA is to reduce by £1.463m, this is a combination of lower costs of waste disposal following the move to the new arrangements and revised volumes as part of the LAMA arrangement.
- 7.5 A budget increase of £0.583m has been allowed for in respect of changes to the costs of waste collection and this is made up of £300k to allow for increased costs of collection arising from the growth in households across the City, and £283k to reflect the reduced income because of lower trade waste volumes.

## 8. Scrutiny Arrangements

- 8.1 Housing and Residential Growth is within the Growth and Development Directorate but for Scrutiny purposes it falls within the remit of the Neighbourhoods and Environment Scrutiny Committee. The following paragraphs detail the proposals.
- 8.2 **Housing & Residential Growth** -The service has a gross budget of £3.121m and a net budget of £1.524m, with 33 full time equivalent employees The service is responsible for supporting the development and implementation of the housing strategy across the City, in particular the overall supply including numbers, tenures, safe, secure and affordable housing and supported housing. The service also works with the Registered Housing providers to enable them to deliver the Council's housing and neighbourhood priorities.
- 8.3 A number of Council housing properties that are managed by Northwards on behalf of the Council have had solar panels installed. The initial investment in the panels was funded by a combination of Government grant and general fund capital resources. These installations provide benefits to the residents in terms of reduced energy bills, and an income stream to the Council in terms of the feed in tariff, providing an **additional £200k per annum income**. This saving is included in the Growth and Development Directorate proposals.

**Table 2: Efficiency Proposals 2020/21**

Service Area	Description of Efficiency/Increased Income/Realignment	Amount £,000	FTE Impact (Indicative)
Compliance and Community Safety	Increase income generation through review of fees and charges across compliance	(105)	0
Highways	Apply the annual Inflationary increase for car parks Joint venture	(300)	0
Highways	Increase permit/license fees (skips, hoardings, scaffold etc) by 3.5%	(35)	0
Highways	Increase capital programme fees by revising fee model	(75)	0
Highways	Cease existing car park lease arrangement	(1,200)	0
Libraries, Galleries and Culture	Galleries exhibition tax relief	(40)	0
Libraries, Galleries and Culture	Increase income generation across libraries and galleries.	(57)	0
Parks, Leisure, Youth and Events	Increase pay and display car park income at Heaton Park	(20)	0
Parks, Leisure, Youth and	Increase income from Heaton Park	(30)	0

Events			
Commercial and Operations	Grounds Maintenance - Rationalisation of machinery	(20)	0
Commercial and Operations	Revised operating model at Piccadilly Market	(86)	0
Commercial and Operations	Increase volume of external commercial income in pest control	(21)	0
Commercial and Operations	Increase volume and fees in Bereavement Services by 3.9%	(91)	0
Directorate Wide	Review of staffing budget below top of grade as appropriate	(244)	0
<b>Total Efficiencies</b>		<b>(2,324)</b>	<b>0</b>

**Table 3: Proposed budget 2020/21**

Service Area	2019/20 Revised Net Budget £'000	Efficiency & Income Proposals £'000	Budget Pressures £'000	Investment and other changes £'000	2020/21 Net Budget £'000
Compliance and Community Safety	10,763	(349)		120	10,534
Highways	16,006	(1,610)		0	14,396
Libraries, Galleries and Culture	9,260	(97)		0	9,163
Management and Directorate Support	1,118	0		0	1,118
Neighbourhood Teams	2,518	0	25		2,543
Operations and Commissioning	50,900	(218)	679	(3,243)	48,118
Other Neighbourhoods	455	0		0	455
Parks, Leisure, Youth and Events	7,475	(50)	50		7,475
<b>Grand Total</b>	<b>98,495</b>	<b>(2,324)</b>	<b>754</b>	<b>(3,123)</b>	<b>93,802</b>

## 9. Capital Strategy / Programme

9.1 The capital programme for the Directorate amounts to £188.8m, this includes the Highways Investment Programme, standalone Highways projects, and programmes for Environment, Leisure and Libraries. A summary of the current proposed capital budget is shown in the table below, and details of the individual projects will be found in the Capital Strategy and Budget report for Executive in February:

**Table 4: Capital Programme 2019/20 Onwards**

	<b>2019/20 £m</b>	<b>2020/21 £m</b>	<b>2021/22 £m</b>	<b>2022/23 £m</b>	<b>Future Years £m</b>	<b>Total £m</b>
Highways	55.4	58.8	24.6	0.0	0.0	<b>138.8</b>
Environment	2.6	5.0	0.0	0.0	0.0	<b>7.6</b>
Leisure	5.5	11.1	17.1	3.9	2.9	<b>40.5</b>
Libraries	0.5	0.6	0.8	0.0	0.0	<b>1.9</b>
<b>Total</b>	<b>64.0</b>	<b>75.5</b>	<b>42.5</b>	<b>3.9</b>	<b>2.9</b>	<b>188.8</b>

9.2 During the 2019/20 financial year to date, works on the Highways Investment programme have continued, with maintenance, drainage, resurfacing and gully works ongoing. A number of walking and cycling schemes are being brought forward, utilising external funding. Similarly, new proposals for works to the Aquatics Centre and the National Cycling Centre are currently being drafted.

9.3 The Capital Strategy and Budget represents a continuation of the existing approved capital budget. The report to Executive will provide information on the expected future investment requirements for the Council, for example in the leisure and library estate, and to support the drive to reducing the Council's carbon output.

## **10. Workforce**

10.1 The framework for how the Council supports its workforce is set out in the People Strategy. As the 2020/21 budget is a roll forward from 2019/20 there are limited changes to the agreed priorities, budget and workforce implications agreed last year.

10.2 Key workforce priorities for 2020/21 will include:

- The detailed staff survey (BHeard) results are due to be released in late January and once available, the Directorate will review the outcome in order to identify actions to be taken in order to help to build on the strong and positive relationship between staff and managers.
- The Directorate will continue to offer apprenticeship opportunities to internal staff and external applicants wherever suitable in order to facilitate skills development, succession planning and to maximise spend of the apprenticeship levy. Apprenticeships also provide greater accessibility to many local residents who may otherwise have barriers to accessing the employment market.

10.3 There are no further implications for the workforce arising from what is set out in this report.

## **11. Equalities**

11.1 We will continue to ensure that the Council meets its obligations under the Public Sector Equality Duty, building on our successes at fostering good relations between Manchester's communities of identity and maintaining fair and equal access to Council functions. Through ongoing customer monitoring, satisfaction and engagement approaches, we will strengthen and utilise our growing evidence bases within the Directorate to identify the differential experiences of individual identity groups in Manchester accessing Council services, and proactively respond to make these as fair and equitable as possible.

## **12. Risk Management**

12.1 The Directorate will seek to manage all expenditure within the approved budget available and performance against budgets will be monitored and reported to members on a regular basis, this will include a risk register with any mitigations identified.

## **13. Legal**

13.1 There are no legal implications arising from this report.

## **14. Conclusion**

14.1 The budget strategy provides information on the work that has been undertaken and is ongoing within the directorate to both ensure that we are able to meet the existing budget pressures, whilst also contributing savings towards the wider council budgets.

14.2 The proposed revenue budget for 2020/21 is a one year budget which is aligned to both the Governments one year budget settlement and the Council one year budget proposals.

14.3 The budget proposals in this report reflect the initial feedback from the January round of scrutiny meetings and following February scrutiny meetings updated final budget proposals will be submitted to Executive on February 12th for approval.

## Appendix 1 - Delivery Plans

### 1. Revenue Financial Plan

<b>Subjective Heading</b>	<b>2019-2020 Budget £'000</b>	<b>2020-2021 Indicative Budget £'000</b>
<b>Expenditure:</b>		
Employees	50,497	50,635
Running Expenses	122,268	120,202
Capital Financing Costs	4,462	4,462
Contribution to reserves	3,946	3,946
<b>Total Subjective Expenditure</b>	<b>181,173</b>	<b>179,245</b>
Less:		
Other Internal sales	(14,903)	(15,041)
<b>Gross Expenditure</b>	<b>166,270</b>	<b>164,204</b>
<b>Income:</b>		
Government Grants	(4,178)	(4,178)
Contributions from Reserves	(14,459)	(15,159)
Other Grants Reimbursements and contributions	(5,100)	(5,100)
Customer and Client Receipts	(44,035)	(45,962)
Other Income	(3)	(3)
<b>Total Net Budget</b>	<b>98,495</b>	<b>93,802</b>