

## **Manchester City Council Report for Resolution**

**Report to:** Executive - 13th February 2019  
Resources and Governance Scrutiny Committee - 7 February 2019

**Subject:** Corporate Core Business Plan: 2019/20

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

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### **Summary**

This report sets out in broad terms the directorate's key priorities, key activities and revenue and capital strategy for 2019-20. In the Business Plan for the period 2017-2020, directorates set out their proposed savings in the context of their objectives. This report sets out both the progress made to date in delivering these savings and the directorate's focus over the final year of the three year plan. This report is a refresh of the directorate's Business Plan for 2018-20 in the context of changing resources, challenges and opportunities.

The draft business plan which was considered by the committee in December 2018 has been reviewed and updated taking account of comments received from the committee and the outcome of the local government finance settlement. Sections on the impact of proposed changes on residents, communities, customers and the workforce have been added in addition to a summary of the technological support to deliver change. A full suite of delivery plans can also be found as an appendix including the Finance, Performance, Workforce and Equality Plans and the Risk Register.

Taken together, the directorate business plans show how the directorates will work together, and with partners to deliver our Corporate Plan and progress towards the vision set out in the Our Manchester Strategy.

### **Recommendations**

The Executive is invited to review and comment on this directorate Business Plan.

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**Wards Affected:** All

<b>Manchester Strategy Outcomes</b>	<b>Summary of the Contribution to the Strategy</b>
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	Maintaining growth in order to continue developing the City's trading relationships, making the case for investment in infrastructure and housing growth and the Northern Powerhouse, leading devolution negotiations and local government finance localisation

	opportunities and the Council's response to European Union exit process with government.
A highly skilled city: world class and home grown talent sustaining the city's economic success	Lead on key programmes of reform such as work and health, providing support and responding to the continuing changes to the welfare reform agenda.
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	Drive leadership for reform, health integration and support for the delivery of all Council strategic priorities. Lead changes to the organisation to deliver Our Manchester through improved and more consistent management, engagement of staff and lean fit for purpose systems supported through ICT investment
A liveable and low carbon city: a destination of choice to live, visit, work	Effective prioritisation of investment in low carbon initiatives
A connected city: world class infrastructure and connectivity to drive growth	Focus on the ICT infrastructure and resilience to deliver future efficiencies, enable improved ways of working and support devolution, health and social care integration and the changing shape of back office support for Manchester and other Greater Manchester Authorities.

**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 in preparation for the draft revenue budget submitted to the Executive on 13 February 2019.

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

Corporate Core Budget and Business Plan: 2017/18 -2019/20 - Executive – 8 February 2017

Corporate Core Budget and Business Planning: 2018-2020 - Executive – 7 February 2018

## 1. The Directorate Business Plan

1.1. The Directorate Business Plan is set out from section two below and includes:

- A description of the contribution that the directorate makes to delivery of our Corporate Plan priorities
- The directorate's vision and objectives
- A self-assessment of the directorate's key challenges for 2019/20
- The revenue strategy
- The capital strategy/programme
- Impact on Residents Communities and Customers
- Impact on the Workforce
- Technological Support
- An appendix containing the directorate's delivery plans (Finance Plan, Performance Plan, Workforce Plan, Equality Plan, and the Strategic Risk Assessment and Register)

## 2. Delivering Our Plan

2.1. The Corporate Core directorate plays a key role in supporting the delivery of the Our Manchester Strategy, and all fifteen Corporate Plan priorities, through providing a range of universal services, services which enable the wider organisation to function effectively and through specific and focused support to deliver our priorities.

2.2. The Core has a leadership and direct delivery role in delivering our Corporate Plan's '**well managed council**' priority theme. The Core delivers key universal services and works with the wider organisation to:

- **Enable our workforce to be the best they can be through the Our People Strategy and Our Manchester behaviours**, and
- **Balance our budget, including delivering savings, transforming services, reducing demand through reform, and generating income**

2.3. The Core also has a key role in ensuring that the organisation delivers its statutory duties within the legal framework to very high standards, and monitors delivery of the Our Manchester Strategy and The City Council's Corporate Plan.

2.4. The Core supports relationships with a wider range of key partners across Manchester, Greater Manchester, nationally and internationally to enable delivery of all of **our Corporate Plan priorities** and the wider vision for the city.

2.5. The Core also has a leadership role through its work to influence outside of the organisation to:

- **Reduce greenhouse gas emissions and improve air quality**
- **Improve public transport and highways and make them more sustainable**

### 3. **Vision and Objectives**

#### **Corporate Core vision**

- 3.1. The Corporate Core will play its part in delivering our Corporate Plan priorities and the Our Manchester Strategy through the delivery of direct and universal services and through providing effective and enabling support and leadership to the organisation.

#### **Corporate Core objectives**

- 3.2. The Corporate Core's objectives for 2019/20 are broadly reflective of the objectives as described in the 2018/19 plan but have been updated to reflect:

- Our Corporate Plan priorities
- Changes to the composition of the directorate - the Highways service is now part of the Neighbourhoods directorate
- Changes to the senior management structure within the Corporate Core
- Emerging work to transform the Corporate Core

- 3.3. The Corporate Core is composed of a number of services - described below as per the amended senior structure:

- Corporate services - Financial Management, ICT, Revenues and Benefits, Audit and Risk Management, Procurement and Integrated Commissioning, Shared Service Centre, Customer Services, Commercial Governance and Capital Programmes.
- Human Resources and Organisational Development (HROD)
- Policy, Performance and Reform - Policy, Partnerships and Research, Performance, Research and Intelligence and Reform and Innovation
- City Solicitor's - Legal Services and Statutory and Democratic Services, Strategic Communications

- 3.4. Further detail on each service's budget is described at section 5 (Revenue Strategy).

- 3.5. The high level objectives for the Corporate Core are described below and are aligned to delivery of our Corporate Plan priorities:

- 3.6. ***Provide high quality direct and universal services to residents***

The Corporate Core will deliver this objective through:

- Delivery of customer services including front door services for adults and children's social care
- Collection of the council's main revenue streams - council tax and business rates
- Administration of benefits
- Effectively managing fixed discretionary budgets to ensure support to vulnerable residents and businesses in the city

- Registration of births, deaths and marriages along with citizenship.
- Coronial services

### 3.7. ***Ensure a well managed council through enabling the council to function effectively***

The Corporate Core will deliver this objective through:

- Setting the financial strategy and associated management and advice, ensuring the best use of resources, and driving delivery of budget savings & effective investments.
- Robust Procurement arrangements support for effective commissioning and contract management and embedding social value
- Effective strategic planning and performance management, supporting the organisation to prioritise effectively to improve outcomes for residents, and reduced demand
- Delivering the Our People Strategy, enabling the workforce to be the best it can be
- Ensuring the organisation is making the most effective use of technology and the opportunities provided by digital public services
- Supporting the organisation to communicate effectively using the appropriate channels and media internally and externally

### 3.8. ***Ensure effective assurance and governance***

The Corporate Core will deliver this objective through:

- Ensuring the organisation is delivering its statutory duties, within the legal framework
- Supporting corporate governance and ensuring that decision makers to take decisions in accordance with the law
- Providing essential support to The democratic process and elected members
- Effectively managing risk and delivering internal audit and health and safety functions

### 3.9. ***Enable strategic leadership and reform through working with internal and external stakeholders and partners***

The Corporate Core will work with other directorates and partners to deliver this objective through:

- Facilitating shared strategic policy-making and leadership, with the city's wider partners, and partners across Greater Manchester, nationally and internationally to ensure delivery of the Our Manchester Strategy for the city.
- Working with the Greater Manchester Combined Authority to maximise the opportunities of devolution, and nationally on resources and long term planning
- Providing, with other directorates and partners, strategic leadership and coordination to drive public service reform and service improvement including health and care integration, and wider work to bring services together for people in places
- Providing specialist support to major transformation programmes, through a range of functions including finance, technology, data science and

- organisational development
  - Providing wider support to the organisation and the city to develop future focused strategies, including the Local Industrial Strategy, Digital Strategy and Local Development Plan
  - Adding wider value to the organisation through understanding and driving cross cutting approaches and issues including social value, the Living Wage, modern slavery and welfare reform.
  - Working with government and partners to develop enhanced data sharing agreements and improved processes to support the collection of debt and improve partnership working
  - Supporting partnerships with cities in Europe and across the world which support innovation, investment and wider economic relationships and also raise the city's profile on the international stage.
- 3.10. The objectives will be delivered through a combination of proactive or planned activities, as well as reactive activities, reflecting constantly changing external circumstances. The objective will also enable the organisation to generate income through the provision of some services to external partners.
- 3.11. To support delivery of all of the objectives, 2019/20 will see continued focused work within the directorate on **Corporate Core transformation** with the objective of ***moving towards a more effective, streamlined Corporate Core***. This work will deliver £0.5m of savings in 2019/20 and will focus on:
- Opportunities for further collaboration and reduction of potential duplication.
  - Understanding the statutory responsibilities and wider organisational enabling functions delivered by the Core
  - Improving business process with increased efficiency and effectiveness in transactions across the City Council including use of technology.

#### **4. Self-Assessment of Key Challenges 2019-20**

- 4.1. The Corporate Core will play a pivotal role in delivering the priorities agreed for 2019/20. To achieve this the following challenges have been identified and will need to be addressed through joint working and a coordinated approach across all of the Core functions. The Core will need to support organisational transformation to deliver Our Corporate Plan and the budget strategy in critical areas such as Health and Social Care Integration and embedding the Our Manchester approach.
- 4.2. To achieve this, the Corporate Core has been delivering well against its performance objectives for 2018/19. Across the services within the Corporate Core the focus has been on efficiency and delivery. For example, a lower proportion of transactions were made face-to-face and via the telephone versus online requests (50.2% requests online financial year to date at November 2018) in the first half of 2018/19 compared to the same period in 2017/18 (44.5%).
- 4.3. The Core aims to provide high quality direct and universal services to residents. In terms of feedback from residents and complaints handling, the

percentage of Stage 1 complaints responded to in 10 days has shown sustained increases to reach 96.0% at November 2018, hitting the target. Latest performance reports have also demonstrated that the Corporate Core continues to exceed the 90% target for timeliness of responses to Freedom of Information Requests and the 90% target for Data Subject Access Request responses. However, challenges remain in terms of responding to resident feedback, as demonstrated by the fact that 14.3% of the ombudsman complaints received in 2018/19 were upheld, which exceeds the 10% target year to date November 2018.

- 4.4. One of Our Corporate Plan priorities is: balance our budget, including delivering approved savings, transforming services, reducing demand through reform and generating income. Revenues and Benefits aim to both support Manchester residents in need to get their full benefit entitlement and collect the maximum amount of money owed to the Council in accordance with its vision and values. Within this a key challenge remains the need to retain high collection rates of both current year and arrears. Changes to Council Tax charges for long term empty properties will be introduced to fund increased discretionary support to vulnerable residents. The Business Rates retention trial will be monitored to understand its impact on resources. The percentage of council tax due collected by the end of December 2018 (74.0%) is slightly (-0.3% points) below that at the same point last year, and for business rates (78.0%) it is slightly below too (-1.4% points.) The actual amount of council tax collected so far this year (£141m - as at end of December '18) is higher than this point last year (£132.1m), the amount of business rates collected this year (£288.4m) is also higher than last year (£285.3m).
- 4.5. The Core must support local businesses and job creation through embedding social value in commissioning and procurement, including managing and monitoring delivery of social value activities, and through the prompt payment of invoices. The average monthly results for % of invoices paid within 10 days (61.4%) and 30 days (87.2%) have both improved slightly but remain below their targets (65% and 90% respectively). After remaining at circa 9% over the last 3 months, the % of pursuable debt over 1 year old at Nov 2018 has decreased to 4.9%.
- 4.6. Ensuring the Our Manchester behaviours are fully embedded and reflected in all parts of service delivery. The Core will support the Council, its partners and other stakeholders in this work. Evaluation of the impact of the Our Manchester approach on the vision for the city will commence from Quarter 4 2018/19 but this will need to remain an area of focus for 2019/20.
- 4.7. The City Solicitor's division key challenges include ensuring effective delivery of statutory Registration and Coronial services in addition to oversight of the City's involvement in the Arena inquest. The service will need to support both new delivery models for health and social care and children's leaving care proposals and the delivery of commercial project work and strategic acquisition. The team will also need to ensure a well run local election in May 2019; providing support to candidates, ensuring processes are properly



undertaken and inspiring confidence by our residents in the democratic process.

- 4.8. The Core has developed the approach of Bringing Services Together for People in Places in partnership with Neighbourhood Services, Manchester Local Care Organisation (MLCO) and other services. This involves an integrated approach to place-based working in neighbourhoods across the City, by building effective relationships between workforces, and joining up resources at a neighbourhood level.
- 4.9. The Core will also support effective implementation of integrated neighbourhood teams, including the operation of the Manchester Health and Care Commissioning function, and implementation of the Manchester Local Care Organisation. This will involve helping to build an integrated approach to health and care services, which improves outcomes for Manchester residents and reduces demand for services. The Core will coordinate the support required to enable implementation of our new models of care and associated transformation.
- 4.10. The Core must continue to respond to, and support residents with the wider welfare reform agenda, including monitoring and addressing impacts on poverty and homelessness. Challenges include working with partners to mitigate impacts from the continuing roll out of Universal Credit, for example in terms of rent arrears. The leadership of the Core will need to effectively carry out the role of influencer in the City, to engage with communities, and partners across both the public and private sectors to ensure that the Family Poverty Strategy is fully embedded across Manchester.
- 4.11. Manchester is engaged in a range of European partnerships which are managed from within the Corporate Core including Eurocities and is either a lead partner or a member of a consortium delivering innovative projects funded through Horizon 2020 or other European funding sources. There are some uncertainties about the future of European funding once the United Kingdom leaves the European Union. The Treasury have guaranteed that the European Regional Development Fund and European Social Fund will continue regardless of any future 'Deal' or 'No Deal' scenarios. These programmes contribute €400 million to Greater Manchester between 2014 and 2020. All other UK guarantees relate to transnational programmes where the European Council may take a contrary view to HM Government. It is estimated that a 'No Deal' scenario could mean that the Council will lose access to around €3 million of approved grants but there would be no direct loss of funds claimed to date.
- 4.12. HM Government have indicated that the UK Shared Prosperity Fund will replace European Funding but it is not yet clear what the value of this programme will be. Funding will be allocated at a Local Enterprise Partnership geography meaning Manchester's share will be allocated via the GMCA and will be aligned to the Greater Manchester Local Industrial Strategy.

- 4.13. Staff engagement across the organisation, as reflected through the BHeard Survey, improved so that the Council is now firmly in the 'One to watch' category, the Corporate Core improved significantly as is now also 'One to watch', moving from the lowest score of the Council's five directorates to close the gap to the organisational average score. Scores in the survey's 'leadership' factor, particularly from senior managers, continue to represent the biggest area for improvement for both the Council, and the Core, and the corporate and Directorate response plan will focus in this area.
- 4.14. Staff absence levels across the Core were 11.04 days per full time staff member in the 12 months up to Nov 2018 - one day more than the 12 months to Nov 2017. Organisational absence stood at 12.21 days, a slight increase compared to 11.99 the previous year. Supporting employees to maintain high attendance levels is a key component of Our Ways of Working and the Our People Strategy.
- 4.15. A key challenge will be to monitor and support reduction in demand for Children's and Adult's Social Care and health services and meet demand through cost-effective service provision to meet the Council's budget requirements in 2019/20 and beyond. The Core is directly involved in terms of providing the front door. Over the next year, a delivery model for a new MLCO Control Centre will be developed that will integrate the many front doors across the whole of the MLCO, bringing them together into a single point of access across Adult Social Care, Adults MASH, Community Health and in later phases Primary Care and Mental Health. This will be through integrated telephony, monitoring and response to Technology Enabled Care (TEC) including Assistive Technology and a whole system view of people in the community health and care system. This will enable MLCO staff to proactively triage, monitor and respond to residents' circumstances in an integrated way ensuring they are supported to live at home for as long as possible. There are also plans to deliver a Technology Enabled Care Programme which will place digital devices into residents' homes to support them to continue to live at home, with a system of alerts managed in the new Control Centre.
- 4.16. There will also be changes to the delivery model to support children's social care front door delivery in the city. A core component of maximising our value for money will be the continued focus of developing capacity and skills relating to commissioning and contract management.
- 4.17. ICT continue to play a significant role in providing the infrastructure to enable the organisation to operate efficiently. This will focus on areas including improving the resilience and security of ICT systems, and arrangements for disaster recovery. This will contribute to the continued drive to reduce the number of major ICT incidents which occur in a month from 11.75 (year to date November 2018) and improve performance of our systems. ICT will ensure that Manchester is at the forefront for Digital technologies specifically driving greater use of Fibre connections, 5G and Technology Enabled Care to support the Health and Social Care agenda. Having delivered a significant number of projects in 2018 further projects are set to deliver enhanced capability over the next few years as part of the ICT Capital Plan. A new Legal Services case

management solution and a GDPR system are in the pipeline for 19/20 to support assurance and efficiency in these areas. These are described in more detail in section 9 of the plan.

## 5. Revenue Strategy

- 5.1. The Corporate Core gross 2018/19 budget is £321.550m, and the net budget is £70.087m with FTEs of 1,741, the breakdown by service area is shown in the table below.

**Table 1: 2018/19 Base budget**

<b>Service Area</b>	<b>2018/19 Gross Budget £'000</b>	<b>2018/19 Net Budget £'000</b>	<b>2018/19 Budgeted Posts (FTE) £'000</b>
Human Resources and Org Development	4,728	4,445	102.6
Reform and Innovation	1,042	906	18
Policy	12,093	9,248	52.6
Communications	5,515	3,690	95.12
Performance	4,562	4,527	95.2
<b>People, Policy &amp; Reform Sub Total</b>	<b>27,940</b>	<b>22,816</b>	<b>363.52</b>
Legal services	8,012	2,811	201.61
Democratic and Statutory Services	5,069	3,582	88.61
Executive Office	3,131	3,131	14
<b>Legal, Democratic Sub Total</b>	<b>16,212</b>	<b>9,524</b>	<b>304.22</b>
CEX Corporate Items	1,627	1,627	0
<b>Total Chief Executives</b>	<b>45,779</b>	<b>33,967</b>	<b>667.74</b>
Commissioning & Procurement	1,628	1,327	32.7
Revenue and Benefits	245,965	8,826	347.81
Financial Management	6,048	5,653	155.26
ICT	14,085	14,035	160.46
Audit, Risk and Resilience	1,798	1,401	39.64
Shared Service Centre	1,458	803	92.7
Customer Services	4,262	4,161	149.51
Capital Programmes	274	(199)	89
Corporate Services Corporate Items	381	314	0
Commercial Governance	319	246	6
<b>Total Corporate Services</b>	<b>276,218</b>	<b>36,567</b>	<b>1073.08</b>
Cross Cutting Savings	(447)	(447)	
<b>Grand Total Corporate Core</b>	<b>321,550</b>	<b>70,087</b>	<b>1,741</b>

- 5.2. The Corporate Core budget of £70.087m is net of the £2.945m savings that were agreed as part of the 2018/19 budget process. There are a further £2.160m of savings already approved for 2019/20 as part of the original 2018/20 budget process, and there are an additional £1.189m of proposals included as part of the current budget proposals. This gives the Core overall savings of £3.349m in 2019/20. The breakdown of both the already approved and the additional proposed savings are set out by service area in the table below.
- 5.3. The Corporate Core will continue to support other Directorates of the Council to ensure that we are a well managed Council.

### **Savings Proposals 2019/20**

- 5.4. As part of the 2018/19 budget process total savings proposed by the Core were £5.105m, and these were phased £2.945m in 18/19 and £2.160m in 19/20. Of the approved £2.945m 18/19 savings, all have been achieved with the exception of the cross cutting commissioning savings, and a plan has been developed for ensuring these are delivered in 2019/20. An additional £1.189m savings have been proposed as part of the work that has been undertaken to ensure a balanced budget overall. Summary details of the overall Corporate Core savings are shown in the table below, with further details of both the already approved savings and the additional proposals set out in the following paragraphs.

## Corporate Core Savings

Service Area	Description of Delivery Plan	Amount of Delivery Plan			FTE Impact (Indicative)
		2019/20 Approved £000's	2019/20 Additional Proposed £000's	Total £000	
HR/OD	Reduced Supplies and Services budgets		50	50	
Communications	Reduced external communications spend		25	25	
Reform and Innovation	Reduced Supplies and Services budgets		4	4	
City Policy	Reduced special Projects expenditure		100	100	
PRI	Reduced costs of Data Governance Improvements		60	60	
	<b>People, Policy and Reform Savings</b>		<b>239</b>	<b>239</b>	
Legal and Democratic Services	Staffing reduction in legal services following planned reduction in Children's caseload	100		100	2.0
Integrated Commissioning	Reduced Supplies and Services budgets		15	15	
Financial Management	Lean systems: Service review and improved efficiency through ICT developments and changes to finance processes	390		390	11.0
ICT	Revenue savings through reduce maintenance/ licensing cost following capital investment	170		170	
	Reduction in resources allocated for ICT Investment		435	435	
	<b>ICT Total Savings</b>	<b>170</b>	<b>435</b>	<b>605</b>	
HR Policies & Processes	Review existing HR policies and Processes	1,500		1,500	
Cross Cutting	Corporate Core Transformation work		500	500	
	<b>Corporate Core Total Savings</b>	<b>2,160</b>	<b>1,189</b>	<b>3,349</b>	13

### **People, Policy and Reform - £239k**

- 5.5. People, Policy and Reform has a net budget of £22.816m and 364 FTEs. The services have identified proposals of £179k for 2019/20 as part of the budget work. These savings are made up of £79k reduction in supplies and services budgets in HR/OD (£50k), Communications (£25k) and Reform and Innovation (£4k). There is also £100k saving proposed that will be achieved through a combination of reduced project expenditure and reduced supplies and services budgets. The savings will need to be balanced against the need for increased work in respect of the Zero Carbon and Clean Air Agenda, Culture projects, the Industrial Strategy and the transport agenda.
- 5.6. Performance Research and Intelligence have proposed £60k savings for 2019/20, this is to be achieved through a reduction in the overall costs of the Data Governance improvement programme.

### **Legal Services - £100k**

- 5.7. As part of the original 2017/20 budget process, Legal services had a £100k savings approved, this was to be delivered in 2019/20 through staffing reduction following the anticipated reduction in Children's legal caseload. The planned reduction in the Children's legal caseload has not been realised, and there is proposed investment of £435k in Children's services to fund the increase in Legal costs arising from the increasing Children's caseload.
- 5.8. It is not therefore possible to reduce staff within the Children's legal team, but the £100k saving will be achieved through other staff reductions from across legal services. This will be achieved through careful vacancy management and will be helped by efficiencies that will arise following the introduction of the new Legal case management system in 2019/20.

### **Integrated Commissioning - £15k**

- 5.9. Commissioning Services have been supporting all Directorates to improve existing processes, and reduce costs through better commissioning of contracts, and this has helped reduce costs in Directorates. As part of the additional budget proposals £15k has been identified through a reduction in the supplies and services budgets.

### **Financial Management - £390k**

- 5.10. Financial Management has already delivered £100k savings in 2018/19. As part of the ongoing work to improve finance processes there are further efficiencies proposed including some changes to ICT systems. A saving of £390k savings was approved for 2019/20 as part of the original 2017-20 budget process, to be achieved predominantly through a reduction in staff numbers. Due to additional work on the new ICT systems the planned implementation date has been extended to around summer 2019, which means that some savings may not be achieved in full in 2019/20, but the

service will mitigate this through a combination of vacancy management and continued budgetary control.

### **ICT - £0.605m**

- 5.11. ICT have already delivered savings of £0.535m in 2018/19, and there is another £0.605m proposed for 2019/20. This is made up of £435k identified as part of the budget work. This is in addition to the £170k savings that were originally approved as part of the 2018/20 budget proposals. The initial £170k savings is to be achieved through reduced costs of contracts in respect of licences and maintenance costs, whilst the £435k is to be achieved through savings identified as part of the new data centre proposals.

### **Cross Cutting Savings - £2m**

- 5.12. Over 2018/19 and 2019/20 there were £3m of workforce related savings approved, it has been agreed that the intention is to achieve these savings without detrimental changes to the existing terms and conditions of staff. The £1.5m scheduled for 2018/19 has been achieved, with a further £1.5m planned for 2019/20.
- 5.13. The £1.5m 2018/19 target has been achieved through a combination of reducing staffing budgets to allow for vacant posts, deleting a number of long term vacant posts, the rationalisation of Council funded car parking passes and increasing the savings from staff purchasing annual leave. As part of the voluntary Christmas close down arrangements, staff were allowed to buy an increased number of days annual leave, the maximum days which can be purchased was increased from 5 to 10.
- 5.14. Work has been ongoing to look at the options for delivery of the additional £1.5m required in 2019/20, this work has been undertaken in consultation with Trade Unions. The proposals include the following.
- Further savings of £150k from additional annual leave purchase by staff, this is based on analysis of take up this year.
  - The introduction of a shared cost (salary sacrifice) model for the purchase of Pension Additional Voluntary Contributions which is projected to generate £150k in savings from employer National Insurance contributions.
  - Savings of £0.540m from work recently undertaken to rationalise the Council's senior structure and the level of vacancies held which has resulted in an underspend on the Council's inflationary allowance for the 2019/20 Pay Award.
  - £100k from the identification of a number of additional funded vacancies for deletion and the initial phase of work to review travel costs across all Directorates.

Taking the above proposals into account there is a shortfall of c£0.560m. The intention is to achieve this through the identification of further funded vacancies from across all Directorates.

5.15. As referenced at paragraph 3.11, work has now commenced on delivering a transformation programme across the Corporate Core, this will look at opportunities across all three parts of the Core including Corporate Services, City Solicitors and People Policy and Reform. There is a £0.5m savings target proposed as part of this piece of work.

5.16. The work includes three workstreams:

- Leadership, governance and decision making. This workstream is focused on enabling effective use of leadership capacity and working with and across the Core's workforce to enable transformation
- Our approach to delivering our corporate priorities. This workstream is focused on how we as a Core support the organisation to deliver the corporate plan priorities and that the right resources are in place to enable effective, collaborative delivery of projects and transformation activity
- Business process. This workstream is focused on transactional business process managed within the Core and ensuring that process is managed effectively and efficiently, and making best use of technology.

There is also an opportunity to align this work to health and social care integration and opportunities to maximise efficiencies through the management of back office functions across the system.

### **Budget Risks**

5.17. The Core will continue to manage all budgets within the existing funding envelope, whilst also mitigating any existing or emerging budget risks to ensure the overall Council budgets are not adversely impacted. The current known budget risks that are being mitigated are:-

### **Statutory and Democratic Services**

- The Coroners service approved £55k savings through a review of the existing mortuary contract, and potentially including other Greater Manchester coroners, has not been realised and the costs have increased. To enable the Coroners to deliver a balanced budget and mitigate both the existing cost pressures and the savings target not met the City Solicitor is to review the Coroners service, to ensure efficiencies are made within the service this will include benchmarking against other Coroners to ensure performance and costs are in line with best practice.
- Coroners - There has been a 27% increase in the number of cases being reviewed compared to 2013/14, in line with national trends. There is also an increase in the number of complex cases requiring a juror's inquest and additional expert witnesses. A review of how services are provided within the Coroners service is to be undertaken, this will involve reviewing existing systems and processes to ensure that the systems and processes are as effective as possible and in line with other comparator coroner's services. It is anticipated that the review of systems and processes will reduce costs that help mitigate the cost pressures going forward.



## **Integrated Commissioning**

- As part of the 2018/19 budget, cross cutting Commissioning and procurement savings of £0.75m were approved. To date the Commissioning and Corporate Procurement teams have focused on supporting directorates in making savings, which have helped reduce net directorate spend. They have also undertaken significant work to improve contract management, through the creation of contract registers, revised processes to improve efficiency and work to improve systems. To date savings of £117k have been achieved against the approved £0.75m, leaving a shortfall of £0.633m. This has been offset from within the Core overall budget in 2018/19. In order to achieve the remaining savings target, work with Directorates to support opportunities to engage with suppliers and the market prior to contract renewal, including where contracts have been extended in order to ensure that the Council optimises contract benefits.

## **Investment and Other Changes**

- 5.18. The Discretionary Housing Payment (DHP) scheme provides funding to deal with anomalies and hardship in situations where normal Housing Benefit or the housing element of Universal Credit does not cover all of a resident's rent liability. In 2018/19 Government provided grant of £2.433m, and the Council agreed additional investment of £1m to give total funding of £3.433m, due to the increasing pressure within the Council to provide support to financially vulnerable and homeless residents it is proposed that a further £1m is included within the DHP budget in 2019/20.
- 5.19. The welfare provision scheme allows the Council to provide financial support in the form of grants to Manchester residents who are suffering financial hardship under certain circumstances. Over the last two years the number of applications and costs of approved grants has increased, and this is partly due to support being provided to residents moving from homelessness accommodation or other supported housing into their own property and requiring furniture packages and an increasing number of requests for fuel poverty grants. In order to provide additional support to the most vulnerable it is proposed that an additional £100k investment is made to increase the amount available.

## Approved Medium Term Financial Plan

	Approved MTFP						
Service Area	2018/19 Net Budget	Approved savings	Investme nt and other changes	2019/20 Net Budget	2019/20 Identifie d pressur es	2019/20 Recover y propos als	Proposed 2019/20 Net Budget
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>People, Policy &amp; Reform</b>							
HR/OD	4,445			4,445		(50)	4,395
Policy, Partnership, Research & Culture	9,248			9,248		(100)	9,148
Communications	3,690			3,690		(25)	3,665
Reform and Innovation	906			906		(4)	902
<b>People, Policy and Reform Sub Total</b>	<b>18,289</b>	<b>0</b>	<b>0</b>	<b>18,289</b>	<b>0</b>	<b>179</b>	<b>18,110</b>
Performance, Research and Intelligence	4,527			4,527		(60)	4,467
<b>Legal and Democratic Services</b>							
Legal Services	2,811	(100)		2,711			2,711
Democratic and Statutory Services	3,582			3,582			3,582
Executive	3,131			3,131			3,131

<b>Legal and Democratic Services Sub Total</b>	<b>9,524</b>	<b>(100)</b>	<b>0</b>	<b>9,424</b>	<b>0</b>	<b>0</b>	<b>9,424</b>
CEX Corporate Items (non business plan)	1,627			<b>1,627</b>			1,627
<b>Total Chief Executives</b>	<b>33,967</b>	<b>(100)</b>	<b>0</b>	<b>33,867</b>	<b>0</b>	<b>(239)</b>	<b>33,628</b>
ICT	14,035	(170)		<b>13,865</b>		(435)	13,430
Procurement	972			<b>972</b>			972
Commissioning	355			<b>355</b>		(15)	340
Revenue and Benefits	8,826		1,100	<b>9,926</b>			9,926
Financial Management	5,653	(390)		<b>5,263</b>			5,263
Audit, Risk and Resilience	1,401			<b>1,401</b>			1,401
Shared Service Centre	803			<b>803</b>			803
Capital Programmes	(199)			<b>(199)</b>			(199)
CS Corporate Items (non business plan)	314			<b>314</b>			314
Customer Services	4,161			<b>4,161</b>			4,161
Commercial Governance	246			<b>246</b>			246
<b>Total Corporate Services</b>	<b>36,567</b>	<b>(560)</b>	<b>1,100</b>	<b>37,107</b>		<b>(450)</b>	<b>36,657</b>
Cross cutting savings	(447)	(1,500)		<b>(1,947)</b>		(500)	(2,447)
<b>Corporate Core Total</b>	<b>70,087</b>	<b>(2,160)</b>	<b>1,100</b>	<b>69,027</b>	<b>0</b>	<b>(1,189)</b>	<b>67,838</b>

## 6. Capital Strategy / Programme

- 6.1. The capital programme for the Corporate Core totals £480m over the period 2018/19-2021/22, this includes the ICT programme, loans to third parties, and projects carried out on behalf of the Greater Manchester Combined Authority (GMCA). A summary of the current capital budget is shown in the table below, and details of the individual projects can be found in the Capital Strategy and Budget report for Executive in February:

	2018/19 £m's	2019/20 £m' s	2020/21 £m's	2021/22 £m's	Future Years	<b>Total £m's</b>
ICT	6.1	11.3	14.6	10.1	5.5	<b>47.6</b>
Corporate Investment	132.0	9.4	8.0	2.7	0.0	<b>152.1</b>
<b>MCC Programme</b>	<b>138.1</b>	<b>20.7</b>	<b>22.6</b>	<b>12.8</b>	<b>5.5</b>	<b>199.7</b>
GM projects	95.8	146.5	38.0	0.0	0.0	<b>280.3</b>
<b>Total</b>	<b>233.9</b>	<b>167.2</b>	<b>60.6</b>	<b>12.8</b>	<b>5.5</b>	<b>480.0</b>

- 6.2. The ICT investment plan is ongoing, with significant works having been undertaken in 2018/19 including implementation of a new social care system and design and implementation works to the data centre and associated networks.
- 6.3. Funding has been provided to the Airport in the form of a shareholder loan in 2018/19 and in 2019/20 funding is available to fund the purchase of equity in car parking facilities at the airport. Financial support will also be made available for the development of a project with Health Innovation Manchester to conduct research on life science sub-sectors of health and medical technologies.
- 6.4. The projects held on behalf of the Greater Manchester relate to loans for housing projects, and with the borrowing powers of the Combined Authority having recently been revised it is anticipated that the majority of the new projects and existing loans will transfer over to GMCA in the near future.
- 6.5. The Capital Strategy and Budget represents a continuation of the existing approved capital budget. The report to Executive provides information on the expected future investment requirements for the Council. The programme of works will include measures aimed at replacing communication room technology, and the implementation of the data centre network.
- 6.6. Other works to be supported include the implementation of disaster recovery works, replacement of out-of-support systems for social work casework and for telephony, and the roll out of assistive technology to support the delivery of adult social care.

## **7. Impact on Residents, Communities and Customers**

- 7.1 The Core will lead the review of the 2016-20 equality objectives in 2019-20, as well as leading the consultation and refresh of the Council's equality objectives for 2020-24. The duty to set equality objectives arises from the Public Sector Equality Duty; the Core will connect with its public sector partners in the City to assess the extent to which there is a shared set of Manchester equality objectives, as well as ensuring that those objectives defined by and for the Council are informed by the views and contributions of other sectors and community voice, and are aligned to the aims of the Our Manchester strategy.
- 7.2 Following the successful re-accreditation at the Excellent level of the EFLG in June 2018, the Core will lead the development, measurement and progress of a resulting EFLG action plan. The plan, which comprises the areas for further consideration identified by the Local Government Association peer review team in its final report, will form the basis of continuing our equalities good practice throughout 2019-20. This will involve the Core leading equalities performance management across all of the areas for consideration, which take into account all Directorates and all 5 of the EFLG performance areas. Successful delivery of this process will support the organisation's continuing ambitions against the EFLG going forwards.
- 7.3 The Core is integral to supporting the development and delivery of the Family Poverty Strategy 2017-22. In consultation with Core service leads, consideration will be given in 2019-20 to how equality considerations can be systematically built into the Family Poverty Strategy. This will ensure a greater alignment between the measures currently being considered as part of the strategic approach and the Council's well-established and effective frameworks for equality analysis. Consideration of the most applicable methodology of achieving this and the development of any required tools will be led by the Core, to enable the Strategy to more fully support the Our Manchester ambitions to create a 'progressive and equitable city'.

## **8. Impact on the Workforce**

- 8.1 The workforce impact of the budget proposals can largely be achieved by the deletion of vacant posts, overall review of vacancies to determine if they are true vacancies that are essential or can be offered as a reduction to make further efficiencies. To support this, additional governance has been put in place to review all external advertisement requests, new post creations and extension of agency/consultants.
- 8.2 Proposed changes to the Core will see a number of services moved to the new Deputy Chief Executive and City Treasurer, these will include;
- Financial Management, ICT, Revenue and Benefits, Audit and Risk Management, Procurement and Integrated Commissioning, Shared Service Centre and Customer Organisation, HROD, Policy, Partnerships and Research, Reform and Innovation, Performance, Research and Intelligence, Commercial Governance and Capital Programmes.

As well as proposed changes to the City Solicitors portfolio, these will in future include;

- City Solicitors - Legal Services, Statutory and Democratic Services, Strategic Communications, Civic and Ceremonial function.

8.3 Whilst this will have no direct impact on a reduction in workforce it will be essential that we continue to support the 'Our Manchester' behaviours to guarantee these are embedded across the various services as well as engaging with our staff to ensure they continue to feel supported and valued. All the workforce changes will be underpinned by improved technology and more modern effective ways of interacting with colleagues and customers.

8.4 The Core is fully engaged with the opportunity to continue the focus on workforce skills and development needs. It recognises that supporting employees to maintain high attendance levels is a fundamental element of Our Ways of Working and the Our People Strategy.

8.5 In order to achieve the Council and digital ambition, vision and objectives, ICT will revisit the current operating model to ensure it remains fit for purpose and establish an even more balanced, sustainable and service oriented operating model. It will deliver the right services to the right standards at the right time for the City's staff, Members and residents, using the most cost effective delivery models. This will place a significant focus on ICT continuing to get "the basics right" for the users of its services and delivering change to help transform services and reduce risks. Today's users and customers expect digital products and services to improve continuously. This model will reflect a long term strategy for future growth, attraction and retention of staff, clear lines of progression and development for staff.

## **9. Technological Support**

9.1 The importance of technology, systems and data should not be underestimated if the City Council is to achieve the aspirations of growth, reform and health and social care integration from both a Council and GM perspective. ICT investment is critical to enabling the delivery of the Directorate's priorities and budget strategies as it acts as key enabler to service transformation, efficiencies and operational delivery. It is important that ICT investment is aligned to the Directorate, ICT and wider City strategies and focuses on where it can provide the most value.

9.2 During 2018/19 ICT investment and progress has been made across the portfolio and examples are provided below where the initiatives have been a mixture of systems to underpin transformational agendas, the implementation of fit for purpose systems or to establish compliance in line with the ICT strategy.

- Coroner's application was upgraded and migrated to a new data centre.

- Implementation of a new Meetings Management solution to manage internal and committee meetings
- Procurement of a new case management solution for Councillors
- Implementation of ServiceNow in ICT to introduce a portal for staff to interact with the Service Desk and a new project management tool
- New multi functional printers installed across the estate to replace the old, out of date failing devices
- All laptops and desktops were upgraded to windows 10
- Migration of virtual server environment to new, up to date resilient hardware
- Replacement of Councillors tablets
- Various critical application upgrades e.g. SAP Netweaver, Academy
- Universal Access Phase 1 that provided intranet access to over 1000 staff members
- Implementation of the new Adult Social Care case management system
- Technology provider to the MLCO

9.3 During 2019/20 ICT will continue to work closely with the Directorate in order to identify solutions that comply with the information and ICT design principles and to help to develop robust business cases to support their development, including:

- Implementing a new Legal Services case management solution that will drive and deliver efficiencies to improve service performance.
- Embarking on the Digital Experience Transformation programme to improve the Council's current digital services and transactions placing our resident/business journey at the heart of this transformation by designing an integrated set of digital public services which are supported by an organisation that can deliver a consistently positive experience.
- Planning, designing and delivering a new Information Governance platform to manage information governance requests in line with the new GDPR regulation.
- Migrate all ICT services out of the current data centre to a new secure and resilient data centre
- Procuring, planning and designing a new, resilient, flexible and cost effective local and wide area network and introduce a consistent and reliable wireless infrastructure.
- New up to date, reliable telephony solution with contact centre capability for the MLCO
- Procuring, planning, designing and delivering a new Contract and Procurement Management system.
- Delivering the End User Experience programme that encompasses a number of projects aimed at transforming the way the organisation works: the new Microsoft Enterprise agreement licensing model, growing Google and to ensure staff are equipped with the appropriate device(s) so they can undertake their work in the most flexible and cost effective way.