Manchester City Council
Report for Resolution

Report to: Neighbourhoods and Environment Scrutiny Committee - 6 February 2019
Economy Scrutiny Committee - 6 February 2019
Resources and Governance Scrutiny Committee - 7 February 2019
Executive - 13 February 2019

Subject: Strategic Development Business Planning: 2019-2020

Report of: Strategic Director (Development)

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 further developed into this report based on the comments received from the committee and the outcome of the local government finance settlement. Sections on the directorate's 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 Committee is invited to review and comment on this directorate Business Plan.

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 leadership to support, promote and drive the role and continuing growth of the City centre as a major regional, national and international economic driver; as the main focus for employment growth through a strengthening and diversification of its economic base and through the efficient use of land.
A highly skilled City: world class and home grown talent sustaining the City's economic success	Supporting the delivery of a Schools Capital Programme which will provide new and expanded high quality primary and secondary school facilities for a growing population through the identification of suitable sites which can support our wider transformation proposals for neighbourhoods in the City. Work and Skills are supporting the Manchester College to develop a City Centre campus to deliver higher level skills required by the City's growth sectors. Manchester Adult Education are raising skill levels of Manchester residents and ensuring they 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 and partners actively demonstrate the principles of Our Manchester. Providing opportunities for our residents furthest from the labour market to access work, skills & progression opportunities.
A liveable and low carbon City: a destination of choice to live, visit, work	Actively manage the impact of a growing population and economy to minimise the City's carbon emissions through planning and working with partners across the City to move towards becoming a zero carbon City by 2038.
A connected City: world class infrastructure and connectivity to drive growth	Contribution to population and economic growth by providing an expanded, diverse, high quality housing offer that is attractive, affordable and helps retain residents in the City, ensuring that the growth is in sustainable locations supported by local services, an attractive neighbourhood and 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

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):

- Strategic Development Budget and Business Plan: 2017/18 -2019/20 - Executive – 8th February 2017
- Strategic Development Budget and Business Planning: 2018-2020 - Executive - 7th 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 Directorate has a pivotal role in driving the **sustainable economic growth of the City** by securing new commercial development, attracting inward investment and generating employment growth across the City. Along with providing leadership to the Council's Housing function, Strategic Development is delivering the City Council's Residential Growth Strategy which underpins the City's economic growth trajectory. The management of the City Council's land and property assets to promote growth is closely aligned with the management of the City Council's operational and investment estates. In July 2018 the Directorate expanded to include the planning, building control and licensing functions to enhance the strategic planning and place shaping function. Additionally, Work and Skills and Adult Education services joined the directorate to ensure that **Manchester residents directly benefit from the economic growth and development of the City and associated jobs creation.**

2.2. The Directorate also works with a range of stakeholders to enable people to better support their **children's learning, fulfilling their potential** and to be active citizens contributing in their communities. For an increasing number of residents, this means support to manage the impact of welfare reform and transition to universal credit.

2.3. Strategic Development has the central role in **ensuring the delivery of the right mix of good quality and affordable housing for Manchester residents to have a good choice of quality homes. We will accelerate and sustain the delivery of more housing, including enough which is affordable for our residents on low and average incomes** and will intervene, where necessary, to speed up the delivery of housing across the City, including developing homes ourselves.

2.4. The directorate recognises that we have a responsibility to support some of our most vulnerable residents, those at risk of, or **experiencing**

homelessness, and we are dedicated to enabling better housing options and better outcomes. The review of the Housing Allocations Scheme is to ensure that the correct level of rehousing priority is given to vulnerable people.

2.5. The Directorate also works directly with colleagues in the Neighbourhoods Directorate in the planning and delivery of new **neighbourhoods** making sure these meet the needs of our diverse and complex communities. As the Directorate with the key role for creating places where people will live or work our developments must consider the impact on **highways, connectivity,** and neighbourhoods management services (such as waste collections). We work proactively in partnership with businesses, residents and partners to make sure our developments meet local needs to deliver neighbourhoods people want to live in.

2.6. The directorate strives to be **well managed, to balance our budgets** and to provide additional efficiencies and **increase income** from the council's property portfolio to help underpin the council's budget.

2.7. The Directorate also actively progresses the Our Ways of Working through the ongoing review and rationalisation of our operational estate, which the council uses to deliver all of its services from, to provide a more efficient asset base with a reduced carbon footprint. We constantly review our operational estate to ensure the Directorates have the right building assets to deliver quality services and deliver the Corporate Plan. We also actively encourage our teams to work differently, and in an agile and flexible way as part of demonstrating our commitment to Our Ways of Working.

2.8. The **Our Manchester approach** is at the heart of how we work. As a directorate we are committed to put people at the centre of everything we do, recognising that people are more important than processes, procedures or organisational boundaries. We are committed to listening, then learning, then responding to the needs of our residents and creating the capacity, interest, enthusiasm and expertise for individuals and communities to do things for themselves. We are committed to working together more, by building long term relationships and having honest conversations which provides a say and role to both those who need services and those who provide them.

3. Vision and Objectives: Building Manchester's Future

3.1. The Strategic Development Directorate seeks to drive effective place making and facilitating the economic growth of the City by creating the necessary conditions needed to promote strong growth in commercial, residential, retail and leisure related development in the City, stimulating new employment, new homes and broadening the City Council's tax base. To ensure that all Manchester residents benefit from this growth by providing good quality training and job creation and developing effective pathways for residents into these jobs.

3.2. Together with the other Directorates of the Council, Strategic Development will deliver the shared vision and objectives set out in the Our Manchester

Strategy and the Corporate Plan. The specific objectives for Strategic Development are:

Growth that Benefits Everyone: Facilitating the Economic Growth of the City

- The continuing sustainable growth of the City centre as a major regional, national and international economic driver; ensuring growth through efficient use of land for commercial led development opportunities, such as: the Airport City Enterprise Zone; the Didsbury Technology Park; the Eastern Gateway and the Etihad Campus; St John's Quarter, Mayfield, Manchester Science Park and the Corridor Enterprise Zone;

- Uphold Manchester's attractiveness as an investment opportunity for new commercial, residential and other development opportunities;

- Maintain and build confidence in Manchester's reputation as a destination City through the growth and improvement of its retail provision, the opportunities presented by its diverse cultural, sporting and leisure offer, together with its civic functions as a focus for residents and visitors;

- Ensuring residents, neighbourhoods, businesses and goods can 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 such as good local transport connections to high employment/enterprise zones, High Speed Rail (HS2, Northern Powerhouse Rail and Northern Hub), bus reform, and new walking and cycling infrastructure;

- Utilise the City centre developments, coupled with strengthening and diversifying the City's economic base, to drive new employment growth. Provide businesses with the opportunities to grow and re-invest in Manchester as their City of choice through the provision of new workspace across the City; and

- Support businesses to grow and re-invest in Manchester as their City of choice through a quality business support offer, investment in skills, local recruitment and contributing to social and environmental outcomes.

Growth that Benefits Everyone: Pathways to Good Quality Job Creation for Residents

- Maximise employment opportunities for Manchester residents, leveraging, in particular, where the City Council has a partnering, land ownership, investment, procurement or commissioning role;

- Ensure that business start-up and growth services deliver a quality offer for the City's businesses and facilitate more of the City's residents to start a business or pursue self-employment;

- To improve the skills and qualifications of adults in Manchester, working with partners to commission and deliver integrated services that support residents into employment;

- Simplify the skills offer and pathways for residents from all backgrounds to lead to sustainable jobs and careers progression, working with colleges and training providers to provide quality post-16 education and training with an accessible learning offer for all and clear routes to centres of excellence providing higher level and technical skills linked to the City's growth sectors;

- Improved careers advice based on real labour market information and continued work with schools and colleges to ensure that there are a range of positive pathways that provide young people with the skills and attributes needed to successfully compete in the labour market; and

- Embed work as an outcome across the City's reform programmes and continue to work with Working Well and the health system more broadly to support more people with underlying health conditions into sustainable and quality work.

Housing: The right mix of good quality affordable Housing

- Create places where people want to live in good quality affordable housing with diverse tenures; inclusive neighbourhoods with a good social, economic, cultural offer and visitor offer;

- Promote new developments that support our environmental objectives associated with a zero carbon City;

- Contribute to population and economic growth by providing an expanded, diverse, high quality housing offer that is attractive, affordable and helps attract and retain residents in the City, ensuring that the growth is in sustainable locations supported by local services, an attractive neighbourhood and the public transport infrastructure;

- Explore and exploit the opportunities of new technologies including offsite construction to accelerate and sustain the delivery of more high quality and affordable housing; and

- Work with colleagues in Adult and Children's Services to deliver the right mix of good quality housing for residents with additional needs in the City, including people and families who are homeless; people with a learning disability; Our Children (who have been in the care of the Local Authority); and, Age Friendly housing.

Young People: Supporting children to have the best possible start in life

- Support the implementation of the City's Family Poverty Strategy, using an "Our Manchester" approach to engage with families and neighbourhoods,

where a disproportionate number of our children and young people grow up in poverty.

Healthy Cared for People

- Utilising our operational estate to enable integrated neighbourhood working by connecting teams to other services and assets locally.

Neighbourhoods: Reduce greenhouse gas emissions

- Supporting Manchester's commitment to be a zero carbon City by 2038 by reducing the Councils direct CO2 emissions through continued rationalisation of the operational building estate and improving energy efficiency in council owned buildings; and

- Leading and influencing others to reduce CO2 emissions in industry, commercial and residential sectors through developing planning policy and influencing contractors through procurement and commissioning.

4. Self-Assessment/Key Challenges

4.1. In order to facilitate and support the delivery of these priorities for the City and its residents, the Directorates will also need to address some key challenges.

The Investment Estate

4.2. The Directorate continues to generate income from the investment estate despite the challenges faced in respect of increased competition for office accommodation across the City, changing behaviour in respect of retail activity and during 2018/19 the overall income has increased from the investment property estate and this is being used to support the overall council budget position. The task of delivering both the budget requirements for 2019/20 and securing additional income from our property estate will continue to remain a key challenge for the Directorate. In order to achieve this, work will be ongoing to continue to strengthen the performance of the council property estate. The estate comprises around 4,300 separate income generating interests. New opportunities to generate long term income will continue to be explored and evaluated along with ongoing reviews to ensure costs against the estate are controlled.

The Operational Estate

4.3. The Council's land and property estate that is used to deliver Council services is managed by the Estates team and they will continue to make best use of the total collective public and community assets (Council and other publically owned assets) to support estates transformation and deliver modern efficient services to our residents and businesses. Where the Council holds space which is surplus to operational requirements opportunities for Community use are being implemented including community asset transfers. The Operational Estate Strategy and its associated capital investment will also support key

Council priorities such as the ambition of a zero carbon City. The Operational Estate accounts for 3% of the City's CO2 emissions; the latest data for 2017/18 showed that the Council's total direct CO2 emissions had reduced by 33.8% since 2009/10, putting the Council on target for a 41% reduction by 2020.

Commercial and Housing Development

4.4. In addition to the very direct contributions to supporting the Council's wider budget position the Directorate has a central role in facilitating the growth of the Council's business rate and council tax base, which is used to support the wider Council's budget. Looking forwards the uncertainty arising out of the June 2016 referendum decision to leave the European Union, and the current lack of clarity as to the precise detail on what BREXIT will be, has the potential to slow down investment decisions in new development.

4.5. Any slowdown will manifest itself within the Council through a reduction in the number of planning applications made with a consequent impact on planning fee income. The Planning Service is predominantly funded through the planning fees and this income is volatile. Although in recent years planning fee income has exceeded target, this cannot be guaranteed going forward. In 2016/17 a planning fee smoothing reserve was approved, this was set up using planning fee income and will be used to smooth any reduction in planning fee income; the reserve balance currently stands at £1.561m. Planning fee rates are set nationally, and in January 2018 a 20% increase was applied on condition that this is re-invested into improving planning services. In order to ensure that the increase is applied in line with the conditions there will be a review of all Planning services to ensure that appropriate services are being funded through the planning fee income. In respect of sustaining the delivery of new housing in the City and the expansion of new affordable housing across the City there will be a requirement to address the organisational capacity issues needed to ensure the housing pipeline in the City is sustained. In light of both the uncertainties that may arise from BREXIT and the need to actively drive forward new affordable homes programmes in the City proposals for additional staffing capacity in Strategic Development, Legal Services and Planning are being developed. It is assumed that the Regeneration reserve will be used to fund the costs of the additional capacity, and this is reflected within the reserves schedule.

Work & Skills

4.6. In terms of connecting our residents to the job opportunities being created in the City and the rest of the conurbation the Work & Skills and MAES teams play a key role in ensuring that these outcomes are secured. The 2018 State of the City Report highlighted that one of the key challenges is ensuring that Manchester residents directly benefit from the economic growth of the City. In particular, the report has shown that 1 in 4 people aged 50-64 are accessing out of work benefits with poor health f as a major challenge. The Over 50s are a priority for the work of the Work and Skills and MAES teams and there will be some joint work with Public Health to address the health challenges.

Directorate Wide

4.7. The Directorate will continue to review the approach to commissioning and contracts supporting our partners and the broader supply chain, delivering services on our behalf, to ensure that social value is embedded in all contracts, building on existing good practice.

4.8. The directorate needs to ensure it has the capacity to deliver the Council's affordable housing strategy, other strategic development opportunities and the Local Plan. A review of resources will be completed with a view to increasing the available capacity and advice required. The additional requirements are currently being scoped and will be funded from the Regeneration Reserve. A provisional amount of £1.2m has been included on the reserves schedule.

4.9. The Directorate has been committed to enabling the workforce to be more resilient, effective, creative, ambitious and innovative through embedding Our Manchester. In order to achieve this developing a culture of trust, honesty and empowerment is critical and we are committed to achieving this. There is a commitment to ensure staff are equipped with the skills and knowledge needed to be able to work in an Our Manchester way. To date, 287 staff have attended the Listening in Action events, and 110 have attended the Our Manchester experience. The directorate has already exceeded apprenticeship commitments for the year.

4.10. We are supporting our managers through Our Manchester Leadership and Raising the Bar training, of whom 32 and 77 staff have completed respectively. Strategic Development now has the lowest absence levels in the Council and its use of agency staff is comparatively low - at P8 from April to November 2018, the Directorate had spent £172,779 which was only 1% of the total agency spend across the Council.

4.11. It is essential that we continue to embed the Our Manchester approach and behaviours throughout the workforce and in the services approach to delivery. The Directorate continues to deliver a programme of engagement activities including large scale staff conferences, service specific away days and team huddles. The most recent staff conference, delivered jointly with Neighbourhoods, focused on 'Our Manchester in Action' was well received by staff with 73% of attendees providing feedback, 97% were satisfied with the event and 88% said it was relevant and helpful for their job. The staff engagement survey results from 2018/19 placed the Directorate in the 'One to Watch Category' and revealed that employees wanted greater opportunity for development opportunities which is being addressed through the Workforce Development Group with a focus on 'skills for growth' and 'innovation' to support the development of the key priorities.

4.12. A challenge for the directorate is communicating and engaging with front line staff employed within Facilities Management Services that have limited or no access to work emails, computers, e-learning and difficulties being released from frontline duties to attend training sessions. Plans are currently being

developed within the service to establish a bespoke solution to meet this challenge.

4.13. Supporting our ways of working also remains a priority, we intend to increase productivity amongst staff within the directorate through adopting leaner support systems and processes (working with the Corporate Core including ICT, HROD, and Finance) which enable efficient working, whilst also ensuring we have appropriate oversight and governance arrangements in place.

5. Revenue Strategy

5.1. The Strategic Development Directorate has a gross budget of £53.751m and a net budget of £7.235m, with 668 FTE posts. The breakdown of both budget and FTEs by service area is set out in the table below:

Table 1: 2018/19 Base budget

Service Area	2018/19 Gross Budget	2018/19 Net Budget	2018/19 Budgeted Posts (FTE)
	£'000	£'000	
Operational Property	7,981	7,052	33
Facilities Management	10,715	9,025	183
Investment Estate	7,042	(12,290)	27
Strategic Development	690	324	4
City Centre Regeneration	1,311	425	10
Housing & Residential Growth	2,983	1,577	34
Planning, Building Control & Licensing	6,742	(601)	128
Work & Skills	1,761	1,723	24
MAES	10,308	0	219
Our Town Hall Project	4,218	0	6
Total	**53,751**	**7,235**	**668**

5.2. Although there were no additional savings approved as part of the 2018/19 budget process, there are ongoing risks of £250k in respect of delays in delivering part of the £433k 2017/18 savings. The outstanding savings to be achieved are through forecast price reductions on both the security, and repairs and maintenance contracts following conclusion of the procurement exercise. The new repairs and maintenance contract is expected to commence in May 2019, with the new security contract expected in the autumn of 2019. The savings are expected to be achieved in 2019/20 following completion of the procurement exercises.

5.3. 2019/20 is the third year of the original three year budget strategy, and the 2019/20 budget proposals support the Directorates contribution towards the Corporate Plan. Progress towards the original priorities that were agreed as part of the strategy is set out below:

5.3.1. There continues to be a large number of complex commercial and residential led mixed use developments being delivered within the City Centre, these include: St Johns with Factory Arts Centre; NOMA; First Street; Oxford Road; Mayfield and Piccadilly. Looking forward the continuation of the current scale of development is more uncertain due to the ongoing issues around Brexit and the impacts this has on investor confidence. If development levels are reduced this may have an adverse impact on the level of planning fee income achieved, but also reduce the positive benefits of increased business rates income that also supports the overall Council budgets.

5.3.2. Work continues on the delivery of the City Council's Residential Growth Strategy and the Housing Affordability Policy. A revised Residential Growth target of 32,000 homes has been set between April 2015 and March 2025. An update was provided to Economy Scrutiny in January 2019. This revised target includes 6,400 affordable homes (20%) and a paper from Cllr Richards to Executive in December 2018 sets out a range of policy ideas. Officers will take back to Executive a response to these and related delivery proposals in early 2019.

5.3.3. The Planning service has continued to see a large number of planning applications and the strong relationships with partners and colleagues across the Council contributes to the continued large scale developments that will help contribute to delivering key outcomes of quality, new jobs and homes that people want.

5.3.4. The Work and Skills and MAES teams delivered their service priorities in 2018/19, with MAES over-achieving on some of its targets. The Adult Education Budget is being devolved to the GMCA in the 2019/20 financial year and it is critical that both teams ensure that they are well prepared to maximise the opportunity to deliver the work & skills priorities for the City, particularly to residents with none or low levels of skills and qualifications. Work will also continue to maximise the employment, training and work experience from major projects such as the Town Hall and the Factory, as well as work with partners to meet existing skills gaps.

Savings Proposals

5.4. As part of the work undertaken to support the wider Council budgets, a review has been undertaken of all existing budgets, and income opportunities in order to identify further savings opportunities. This has resulted in further savings proposals of £1.02m being identified for 2019/20, of which £1m is in respect of additional lease income for land used for car parking, this is an ongoing saving. A further £20k has been identified through increased building control fee income for building advice provided to housing services, this saving is time limited and is forecast to be available in 2019/20 and 2020/21 only.

Strategic Development Proposed Savings 2019/20	19/20 £000's
Building Control - Increase recharge income	20
Investment Estate - Additional lease income for car parking land	1,000
Total	1,020

Key Changes and Risks

5.5. The Strategic Development budget is forecast to underspend in 2018/19, and this is largely due to additional lease income for car parking land. There continues to be a number of risks around the investment estate, but these are being mitigated by other over performing sites. As referenced earlier in the report there have been delays in the retendering of both the security and the repairs and maintenance contracts. The repairs and maintenance contract has now been retendered, and the new contract commences in May 2019, the main risk is around whether because of the time that has elapsed the new prices are sufficiently low enough to realise the approved savings.

5.6. The security contract tender process has now commenced, and is expected to conclude around October 2019, it is only once the process has finished will the ability to deliver the savings be known. In order to mitigate the risks around delivery of the savings, the facilities management team will continue to carefully manage the ongoing expenditure in 2019/20.

5.7. In order to ensure that the City Council's advertising portfolio is managed effectively, and any opportunities for improved co-ordination of advertising across the City are maximised all the advertising contracts will be consolidated and managed within the Investment estate. In doing this the already approved £0.7m saving to be achieved from the re procurement of the on street advertising sites has transferred from Highways to Strategic Development. The new contract will commence in September 2019, and the risk of delivering the savings in year will become clearer once the procurement exercise is complete.

5.8. Given that the contract start date is likely to be September 2019 it is anticipated that the best case scenario is that only half year savings will be achieved in 2019/20, with this possibly reducing further if the successful tenderer requires a period of time to install new advertising infrastructure. In order to provide mitigation for this risk it is recommended that a smoothing reserve as part of the Council's reserves held on the balance sheet and funded from a historic reserve that is no longer required.

5.9. There remains an ongoing risk in relation to the operational and investment estate budgets, and the Strategic Development service continually look at ways to effectively manage the estate through regular reviews of rents, leases and service charges whilst maximising occupancy.

5.10. In light of the ongoing uncertainty around BREXIT, and the potential implications on the economy during 2019/20 and beyond there is still a significant risk around adverse implications on the budget, and these will have

to be retained under review pending the final outcome of the BREXIT negotiations.

Table 2: 2019/20 Proposed Changes and Revised Budget

	Approved MTFP						
Service Area	**2018/19 Net Budget**	**Approved savings**	**Investment and other changes**	**2019/20 Net Budget**	**2019/20 Identified pressures**	**2019/20 Recovery proposals**	**Proposed 2019/20 Net Budget**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Operational Property	7,052	0	0	**7,052**	0	0	7,052
Facilities Management	9,025	0	0	**9,025**	0	0	9,025
Property Rationalisation	0	0	0	**0**	0	0	0
Investment Estate	(12,290)	(700)	0	**(12,990)**	0	(1,000)	(13,990)
Strategic Development	324	0	0	**324**	0	0	324
City Centre Regeneration	425	0	0	**425**	0	0	425
Housing & Residential Growth	1,577	0	0	**1,577**	0	0	1,577
Planning, Building Control & Licensing	(601)	0	0	**(601)**	0	(20)	(621)
Work & Skills	1,723	0	0	**1,723**	0	0	1,723
MAES	0	0	0	**0**	0	0	0
Our Town Hall Project	0	0	0	**0**	0	0	0
Total Strategic Development	**7,235**	**(700)**	**0**	**6,535**	**0**	**(1,020)**	**5,515**

6. Capital Strategy / Programme

6.1. The capital programme for Strategic Development totals £773.5m over the period 2018/19 -2023/24, this includes the Cultural programme, the Town Hall refurbishment, funding to support the Council's corporate estate, regeneration funding, and private sector housing. 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:

Programme	2018/19 £m's	2019/20 £m's	2020/21 £m's	2021/22 £m's	Future £m's	Total £m's
Culture	26.7	55.2	40.2	4.7		**126.8**
Our Town Hall	11.1	24.4	67.7	103.3	94.9	**301.4**
Corporate Estates	49.2	50.7	29.8	15.6		**145.3**
Development	47.1	21.2	11.7	15.9	4.9	**100.8**
Private Sector Housing	27.8	24.7	30.5	8.7	7.5	**99.2**
Total	**161.9**	**176.2**	**179.9**	**148.2**	**107.3**	**773.5**

6.2. During 2018/19 work has progressed on the Factory cultural venue, particularly in regard to design and acquisition of land, and this will continue prior to the build programme commencing. The design team for the Town Hall project have been appointed, and the management contractor has also been appointed. Work is being undertaken on the delivery and cost plans.

6.3. The rolling Asset Management Plan has been ongoing providing works to the Council's corporate estate. The Council has acquired a number of strategic sites across the City, including the Spire hospital site. The refurbishment of Heron House is well underway and tenants are expected to move in during 2019/20, and the wider Estates Transformation plan has progressed with proposals brought forward for the refurbishment of Hulme District Office and Alexandra House, to support the corporate estate.

6.4. Design works for the Civic Quarter Heat Network, including resolution of legal issues regarding the structure of the finance model, have progressed and it is expected that construction will commence in 2019/20. The expansion of the City's digital base at One Central Park is ongoing.

6.5. Within Private Sector Housing, work on the Extra Care programme has continued, as has the regeneration project at Ben Street. Providing adaptations work through the Disabled Facilities Grant has also been ongoing. Proposals to bring into use empty houses and to provide accommodation for homeless families are being developed. The Manchester Life Development Company continues to successfully deliver the redevelopment of Ancoats and New Islington; works are beginning at Central Retail Park and the council intend to explore a viable meanwhile use to ensure we maximise the potential of the development.

6.6. The Capital Strategy and Budget represents a continuation of the existing approved capital budget. The report to Executive does provide information on the expected future investment requirements for the Council, including investment in the Manchester Aquatic Centre and National Cycling Centre, New Smithfield Market, key regeneration projects such as Wythenshawe Town Centre, and the investment required in Housing to increase the number of affordable homes.

7. Impact on Residents, Communities and Customers

7.1. Manchester has a diverse and rapidly changing population and it is important that the Council is able to manage its business priorities with due regard for the wide-ranging and complex priorities and needs of the City's residents. The business planning process helps the directorate to consider and communicate how it will fulfil the requirements of the Public Sector Equality Duty in the development of its business priorities. The Directorate will continue to use its Equality Impact Assessment framework as an integral tool to ensure that all relevant services have due regard of the effect that their business change proposals will have on protected groups within the City.

7.2. The Directorate is proud of its contribution to the Council's re-accreditation as an excellent authority against the Equality Framework for Local Government and is committed to maintaining this standard. Ensuring that Directorate's equality considerations and priorities are clearly articulated through the business planning process is a crucial part of achieving this commitment. In 2017 the Directorate established an Equalities Working Group which is responsible for ensuring progress against the Directorate delivery plan and corporate priorities. The Group has met regularly and developed a new model of working to ensure consistent delivery against these priorities. This work is set out in detail in the Equalities Delivery Plan, attached.

7.3. The directorate is committed to securing social value through its commissioning and procurement processes. Working with the corporate Social Value Working Group the directorate will continue to refine the definition of social value, clarifying this for partners, actively monitor and learn from the initial projects, and develop a framework for assessing the collective additionality generated through social value. The Directorate also uses its asset base to support young people to gain employment. The Sharp Project (creative and digital office and production space) has established a social enterprise, Sharp Futures, to support diverse young people into employment in the creative, digital and technology sectors. By offering a range of interventions including apprenticeships, paid work experience and volunteering, Sharp Futures support the transition into work whilst responding to the fluctuating needs of the creative and digital sector.

8. Impact on the Workforce

8.1. There are no workforce reductions proposed in savings for 2019/20

8.2. To meet the challenge of affordable housing in the City, the Housing and Residential Growth service will increase its staffing establishment and further details will be shared in due course.

8.3. Key priorities for 2019/20 will include:

- The B-Heard survey results 2019/20 revealed a positive increase for scores relating to 'My Manager' factor. The Directorate is keen to ensure it builds on the strong and positive relationship between staff and managers and will continue to ensure all managers attend the Our Manchester Leadership and Raising the Bar programmes.
- The B-Heard survey also highlighted challenges with team work in some service areas, therefore the workforce development group will look to ensure all teams have tailored activities available to improve teamwork and cross service collaboration.
- 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 creates great accessibility to many local residents who may otherwise have barriers to accessing the employment market.

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. Additional ICT investment has been agreed as part of the three year budget strategy and a five year capital plan with 2019/20 being the third year of this investment programme.

9.2. During 2018/19 ICT investment has been made in the areas listed below. The initiatives are a mixture of systems to underpin departmental transformational agendas, the implementation of fit for purpose systems or to establish compliance in line with the ICT strategy.

- Universal Housing;
- Uniform Upgrade;
- Selective Licensing;
- Houses of Multiple Occupation Licensing;
- Universal Access phase 1.

9.3. Key priorities for 2019/20 will include:

- Completion of the NSC Rent accounting system with a modern supported fit for purpose alternative system significantly reducing the current risk to the Council (of continuing to use an old, unsupported, legacy platform) to deliver this service.
- Planning, designing and delivering the new Digital Experience Programme (which includes a new CRM) which will provide a CRM capability to enable

a more coordinated and joined up approach to communicating with, managing and targeting businesses across a wide range of services.

- Completion of the rent accounting element of the QL application which will allow the rent accounting team to be able to utilise the QL application to deliver their service.
- Review of FM from an ICT perspective with a view to developing a stable and supported platforms for CCTV, access control and Building Management Systems.
- Procure, design, deliver and test a replacement to the Uniform planning, building control and licensing application. This is the largest application in terms of users in the directorate and reflects a significant piece of work.

9.4. The above projects are prioritised against directorate and corporate objectives. 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 develop robust business cases to support their development.