

Manchester City Council Report for Resolution

Report to: Young People and Children Scrutiny Committee – 13 January 2015
Neighbourhoods Scrutiny Committee - 13 January 2015
Economy Scrutiny Committee - 14 January 2015
Communities Scrutiny Committee - 14 January 2015
Finance Scrutiny Committee - 15 January 2015
Health Scrutiny Committee - 15 January 2015
Executive – 21 January 2015

Subject: Revenue Budget 2015/16

Report of: The Chief Executive, City Treasurer and City Solicitor

Purpose of the Report

This report proposes a provisional budget for 2015/16 based on the outcome of the provisional Financial Settlement and the issues which need to be taken into account prior to the Council finalising the budget and setting the Council Tax for 2015/16. It also sets out the estimated budget position for 2016/17 and the impact decisions made as part of the 2015/16 budget setting process will have on that year. The Strategic Response Report elsewhere on the agenda sets out the process for the 2015/17 budget. The proposals in this budget form part of the consultation process. An updated report will go to Executive in February and the budget setting Council in March taking into account the outcome of the consultation process, the final Financial Settlement and any views of the Finance Scrutiny Committee following its review of the overall budget at its meeting on 23 February.

Recommendations

The Executive is requested to:

- i. Note the outcome of the provisional Local Government Financial Settlement.
- ii. Note the proposals in this report for bringing forward a balanced budget for 2015/16.
- iii. Note that this draft budget is still subject to consultation and that following the outcome of the public consultation process, decisions on the revenue budget 2015/16 and the related impact on the budget position for 2016/17 will be taken by Council in March 2015.
- iv. Note that detailed Reports from individual Strategic Directors (Directorate Reports) and the proposals for service and expenditure changes will be reported to Executive in February 2015.
- v. Note that the report contains a proposal to invest £14m from reserves in the Children and Families Directorate. The February Budget report will

recommend a delegation to the Chief Executive and City Treasurer in consultation with the Executive Members for Finance and Human Resources and Children's Services to draw down the monies in accordance with the budget plans and to note that the phasing of the draw down between financial years may change as part of this process.

- vi. Consider as set out in this Report the budget proposals for 2015/16, proposals for 2016/17 that can be agreed as part of the 2015/16 budget setting process and the impact on the 2016/17 budget position.
- vii. Note the City Treasurer's review of the robustness of the estimates and the adequacy of the reserves

Wards Affected: All

Community Strategy Spine	Summary of the contribution to the strategy
Performance of the economy of the region and sub region	This report sets out detailed proposals for the delivery of a balanced budget for 2015/16
Reaching full potential in education and employment	
Individual and collective self esteem – mutual respect	
Neighbourhoods of Choice	

Implications for:

- Equal Opportunities Policy – Equality considerations are set out in the Report
- Risk Management – The risk management implications are set out in the report
- Legal Considerations – The legal implications are set out in the report

Financial Consequences – Revenue and Capital

The report sets out proposals for a revenue budget for the Council for 2015/16 and the impact on the budget position for 2016/17.

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Background documents (available for public inspection):

Provisional Local Government Financial Settlement from CLG 18 December 2014 (all papers available on the DCLG website).
2015/17 Budget – Workforce Implications Executive Report 26 November 2014

1. Introduction

- 1.1 Manchester is an ambitious city with a strong track record of delivery through partnerships and effective strategic leadership, improving the quality of life for the residents and delivering a vision of making Manchester a world class city.
- 1.2 However further significant cuts in public spending mean that 2015/16 and subsequent years will continue to be extremely challenging for the Council as an organisation. Now more than ever, the Council needs to be clear about the strategic objectives and focus on them to guide our decision making processes.
- 1.3 The Council's vision of Manchester as a world class city; the inseparable dual aims of sustaining economic growth and translating that growth into better lives for Manchester residents remains unchanged. The ambition for the Council as an organisation must be to find ever more creative ways of driving key priorities for the City including growth and reform and giving Manchester people best value for money in the resources that are available.
- 1.4 This report concentrates on setting out a draft budget for 2015/16 based on available resources. This is in response to the provisional finance settlement issued by the Government in December 2014 which set out a level of reduced funding.
- 1.5 This is a draft budget report, as the final budget proposals are still subject to consultation. A recommended final budget report will go to Executive in February that takes into account the outcomes of the consultation and budget scrutiny processes as well as reporting the formal setting of the council tax base and the final position for the business rates base. It will also take into account the receipt of the final settlement due in February.
- 1.6 The structure of the report is as follows:
- Section 4: Current and updated financial information, incorporating available resources, provisional finance settlement and dividends received.
 - Section 5: Updated savings proposals.
 - Section 6: Updated investment proposals.
 - Section 7: Updated overall financial position.
 - Section 8: Updated workforce issues.
 - Sections 9: Legal duties.
 - Section 10: Budget scrutiny
 - Section 11: Conclusion

2. Background

- 2.1 The provisional local government finance settlement was released on 18 December 2014 and showed a 15.77% reduction from Manchester's adjusted 2014/15 Settlement Funding Assessment to the provisional 2015/16 figures. The settlement gave no indication of how local authorities

will be affected in 2016/17 and beyond. The 2016/17 figures in the proposed budget are based on an assessment of the level of resources available to Local Government. Whilst the autumn statement provided no further specific information on Local Authority funding it did make clear that further major reductions in spending on public services are to continue.

2.2 Other key issues from the settlement are listed below.

- Council Tax referendum cap announced as 2% for 2015/16.
- 1% freeze grant for 2015/16 confirmed.
- Cut in Local Welfare provision grant in 2015/16 is confirmed following consultation by CLG.
- Confirmation of 2% Business Rate cap extended into 2015/16. Compensation grant to authorities increased as a result.
- Extension of 100% Small Business Rate Relief and increase of Small Retailer relief in 2015/16. This is neutral to authorities.
- Funding for Council Tax Support reducing within formula. Grant now down 25% whilst funding for Council Tax freeze is maintained in cash terms
- Spending power data still includes full amount of Better Care fund.
- Further £2 million added to Rural Services grant which now totals £15.5 million.

2.3 This also has to be seen in the context of other public services and the budget constraints that they will be facing. Therefore whilst this report focuses on the position for the Council it has to be seen in the wider context of the work with other agencies, particularly around the public sector reform agendas.

2.4 The Reports to Executive in November included a number of proposals for each Directorate. When considering proposals for reducing services a range of factors including cost, efficiencies, impact on equalities and local factors such as resident need and access to services were taken into account.

2.5 Where necessary proposals are subject to consultation and consideration of Equality Impact Assessments before final decisions are taken in February and March 2015.

Consultation

2.6 The main budget consultation on the 2015/17 budget options was launched on 26 November.

2.7 Consultation is currently underway with people and organisations who want to give their views on the budget options and they have until 18 February to share their opinions on the savings options and the investment in priority areas through the main consultation. A consultation to end free swimming for under 16's and over 65's has now closed.

- 2.8 All current options are or have been subject to a number of budget consultation events which includes drop in events for the public and interested organisations to attend over the next few weeks.
- 2.9 From 1 December detailed consultation on specific options for services provided by the Children's and Families Directorate commenced. These are on the voluntary and community sector (general and adult social care funding), mental health, youth and play, children and young people, homelessness and housing related support, drug and alcohol services, wellbeing services and sexual health services. As part of the consultation a number of events have taken place including 12 public consultation events and 22 targeted events. Since the outset, dialogue with residents, providers and key stakeholders has encouraged feedback and a 'we're listening' approach. A number of requests were therefore received to hold further service-specific/targeted events. These have been accommodated and arranged to ensure that the consultation process itself has been open and accessible. All consultations remain open and can also be accessed via www.manchester.gov.uk/budget
- 2.10 The Children and Families Directorate also consults a number of key citizen groups organised by disability theme. All groups will be consulted on the eight theme budget options in January. The groups are:
- Learning Disability Partnership Board
 - Physical Disability Partnership Board
 - Visually Impaired Steering Group
 - Deaf and Hard of Hearing Steering Group
 - Valuing Older People Board (completed in December)
- 2.11 The revised financial position of the Council following the receipt of the Provisional Financial Settlement and the application of the interim airport dividend has enabled the Council to relook at the savings options and has created capacity for £5.5m for investment in priority areas. This report sets out further options on how the airport dividend could be invested, including £3.5m in the Children and Families service.
- 2.12 The views of the public will continue to be sought as part of the budget consultation. The Children and Families consultation will now be extended to 1 February 2015 to hear the views of the public and service providers on how this additional £3.5m of investment should be spent as well as on the possible budget options in this area set out from paragraph 6.12 to 6.20. This process will be managed through the following approach:
- Additional information and supplementary questions will be added to the website; respondents will have the option to complete this additional section only or complete both the consultation theme as well as the additional questions
 - Additional and supplementary questions will be specifically highlighted during both the public and service-specific (targeted

events) with consultees provided with the opportunity to comment on the additional proposals.

Equalities

- 2.13 With regard to equality, the requirements of Section 149 of the Equality Act 2010 state that public bodies must have due regard to the need to:
- Eliminate unlawful discrimination, harassment, victimisation and any other conduct prohibited by the Act;
 - Advance equality of opportunity between people who share a protected characteristic and people who do not share it; and
 - Foster good relations between people who share a protected characteristic and people who do not share it.
- 2.14 Directorates have considered the Public Sector Equality Duty and in addition, where appropriate either have or will be carrying out full and comprehensive Equality Impact Assessments (EIAs) on their budget proposals. The assessments will consider in detail what impact the proposals could have on the protected characteristics of age, disability, gender re-assignment, pregnancy, maternity, race, religion or belief, sex and sexual orientation and action that will be taken to mitigate the risk of disproportionate impacts upon those with protected characteristics.

3. Budget and Business Planning

- 3.1 This report sets out the draft position for 2015/16. The report to February Executive will be supported by three Directorate Reports updating on progress on their budget and business planning priorities for those years and the Business Plans that will be reviewed by the relevant February Scrutiny Committees. This report will be made available for the January Scrutiny Committee meetings.

4. Financial Information

- 4.1 Previous budget reports set out the overall financial context and the scale of the savings that the Council needs to achieve following the publication of the Financial Settlement for Local Government. The overall position for 2015/16 and the estimated position for 2016/17 can be summarised as follows:

Table One: Financial Position 2015/16 and 2016/17

	2015 / 16 £'000	2016 / 17 £'000
Resources Available:		
Settlement Funding Assessment	299,277	276,831
Public Health Funding	48,304	48,304

	2015 / 16 £'000	2016 / 17 £'000
Public Health 0-5 Funding	5,441	5,441
Other non ring fenced Grants	37,802	39,515
Business Rates Section 31 Grants	5,815	5,815
Business Rates Increased Income	1,552	5,876
Council Tax	118,808	120,590
Dividends	8,750	8,750
Total Resources Available	525,749	511,122
Resources Required:		
<i>Corporate Costs:</i>		
Levies	71,196	72,693
Contingency	2,082	2,033
Capital Financing	51,982	51,982
Additional Allowances and other pension costs	10,886	10,886
Insurance Costs	2,004	2,004
Transfer to General Fund Reserve	29	
<i>Sub Total Corporate Costs</i>	<i>138,179</i>	<i>139,598</i>
<i>Directorate Costs:</i>		
Directorate Budgets	422,996	421,979
Inflationary Pressures	14,292	23,894
Budget Pressures	9,100	16,636
<i>Sub Total Directorate Costs</i>	<i>446,388</i>	<i>462,509</i>
Total Resources Required	584,567	602,107
Total Shortfall	58,818	90,985

4.2 The budget is based on the following assumptions:

- Reduced Settlement Funding Assessment figures (Revenue Support Grant, Estimated Retained Business Rates income and Business Rates top up) of £51.2m (14.6%) in 2015/16 and a further £22.5m (7.5%) by 2016/17. The latter is based on officers' assessments of future funding.
- No increase in Council Tax and acceptance of the council tax freeze grant of £1.5m
- An increase in Council Tax base in 2015/16 of 1.8% plus a further increase of £1.8m (1.5%) in 2016/17
- Increased income from business rates above that included in the Settlement Funding Assessment of £1.6m in 2015/16 rising to £5.9m in 2016/17. This excludes the Small Business Relief Grant and other Section 31 grants that are included as non ringfenced grants outside of the Collection Fund.

- Decrease in various levies of £994k (1.4% reduction) in 2015/16 and an increase of £1.5m in 2016/17 (2.1%). These mainly relate to the Greater Manchester Waste and Transport Levies.

Resources Available Based on Provisional Settlement

Government Resources 2015/16 and 2016/17

Spending Power and Settlement Funding Assessment

- 4.3 On 18 December 2014 the provisional Financial Settlement was published. This sets out the changes in both Spending Power, (the government's assessment of the overall impact on the Council's funding as a whole, including the ability to generate council tax locally) and the Settlement Funding Assessment (the government grant that will be received and an assumed amount of business rates that will be retained following their partial localisation).
- 4.4 The Spending Power figure showed a reduction of 5.1% for Manchester, compared to a 1.8% reduction nationally.

Whilst the overall national reduction is reported at 1.8% there are fundamental concerns with how the Spending Power has been calculated and that it masks the real and significant reductions in current spending. These include:

- The Manchester Public Health grant is presented as having increased by £4.187m. The allocation has actually remained at the same level as 2014/15, the figure reflects the adjustment to the original allocation which has been agreed locally in 2014/15. This is not new funding.
 - Last year, the 2015/16 spending power included an increase of £1.8 billion for the Better Care fund. Manchester and many other commentators challenged its inclusion since the fund was under the joint control of Clinical Commissioning Groups and local authorities, requiring approval by the Department of Health for its use. Despite this, the government have continued to include this and other ringfenced grants in Spending Power. The Manchester allocation of the BCF increased by £19.3m between 2014/15 and 2015/16 with an increase in the allocation to support integrated care and whilst a major element of this funding will be spent on community health services it is represented in full as an increase in Manchester's spending power.
- 4.5 Once these anomalies have been removed, the cut in Spending Power for Manchester is 9.4% in 2015/16.
- 4.6 Further details on the financial settlement are contained within the report entitled Budget 2015/17 – A Strategic Response elsewhere on this agenda.
- 4.7 Table Two below sets out the breakdown of Settlement Funding Assessment over Revenue Support Grant and Business Rates. The total for 2016/17 is estimated at £276.831m.

Table Two: Analysis of Start up Funding 2015/16

	2015 / 16 £'000
Revenue Support Grant (RSG)	137,024
Retained Business Rates Income	154,741
Business Rates Top-up	7,512
Total Settlement Funding Assessment	299,277

- 4.8 Included within the settlement funding assessment are the following grants which are held as corporate resources. The amount of grants to be received and included in the 2015/16 budget are as below, the 2016/17 total is estimated at £276.831m.

Table Three: Grants included in Settlement Funding Assessment 2015/16

	2015 / 16 £'000
Breakdown of Settlement Funding Assessment:	
Formula Grant*	262,629
Council Tax Freeze grant 2014/15	1,524
Early Intervention Grant	18,485
Preventing Homelessness	1,180
Flood and Water Management Act Grant	131
Learning Disability Grant	15,328
Total	299,277

*Includes notional allocation for Local Welfare Provision

Public Health

- 4.9 The public health White Paper, *Healthy Lives, Healthy People: Our Strategy for Public Health in England* set out the vision for a reformed public health system in England. The Health and Social Care Act 2012 transferred substantial health improvement duties to local authorities from 2013/14. Local authorities have been given a ring-fenced public health grant, which takes into account estimates of baseline spending, including from PCT recurrent resources and non-recurrent resources, such as the pooled treatment budget and drugs intervention programme, and a fair shares formula based on the recommendations of the Advisory Committee for Resource Allocation.
- 4.10 Public Health funding had been scheduled to be increased in line with the formula for public health funding, but on 9 September 2014 the Council

received confirmation that the amount for 2015/16 would be frozen at the 2014/15 level of £48.304m. The proposed spend by category is set out below.

	2014/15 Budget	Savings Options 2015/16 - 16/17	Investment 2015/16 - 16/17	2016/17 Proposed Budget
Public Health				
	£000	£000	£000	£000
Children's Health Services	5,700	-2,182		3,518
Drugs & Alcohol Services	12,375	-3,057		9,318
Sexual Health Services	10,773	-3,152		7,621
Health & Mental Wellbeing Services	9,909	-5,227		4,682
Living Longer Living Better	1,791		5,819	7,610
Complex Dependency	2,017		1,473	3,490
Early Years New Delivery Model			3,171	3,171
Other MCC Cross Directorate Prevention Programmes	677		4,169	4,846
Other Public Health activity	1,849	-1,014		835
Public Health workforce and overheads	3,213			3,213
Total	48,304	-14,632	14,632	48,304

Funding for 0-5 year olds public health services

- 4.11 The allocation for 0-5 transfer is a part year allocation for health visiting responsibility transferring to Local Authorities on 1st October 2015. The amount of the transfer for 2015/16 is based on the cost of the existing contract value plus the cost of expected health visitor increases in 2015/16. The allocation for 2015/16 is £5.441m which is £150k higher than the amount indicated by NHS England in September. The change relates to the inclusion of performance funding (CQuIN) of £135k and commissioning capacity funding of £15k per LA in the allocation.
- 4.12 Local Authorities have until 16 January to respond to the allocations made. The concerns previously raised on the inclusion of CQuIN performance targets and the lack of funding for commissioning have been addressed. However there remain concerns about the adjustment of allocations for the actual increase in health visitor recruitment rather than the target based on numbers required. This has been done to fund over recruitment in other areas so the Government can fulfil its commitment to increase health visitors by 4,200 by April 2015 but it compounds the difficulties areas like Manchester have in recruiting and retaining health visitors.
- 4.13 Allocations for 2016/17 will be made as part of a revised Public Health grant to local authorities based on a needs based formula to be determined by the Advisory Committee on Resource Allocation (ACRA), with work due to start in early 2015.

Other Government Funding

- 4.14 In addition to the settlement funding assessment other government funding is included in the budget. This is summarised in the table below –

Table Four: Non Ringfenced Grants Funding 2015/16 and 2016/17

	2015 / 16 £'000	2016 / 17 £'000
New Homes Bonus	10,264	12,317
New Homes Bonus Adjustment Grant	526	1,384
Housing Benefit Admin Subsidy	4,100	4,100
Council Tax Support Admin Subsidy	953	953
NHS Funding to Support Social Care	12,219	12,219
Education Services Grant	5,296	4,715
Special Educational Needs and Disability Implementation	336	336
Council Tax Freeze Grant	1,546	1,546
Lead local Flood Authorities	56	56
Council Tax New Burdens Funding	174	174
Local Reform and Community Voices	359	359
Care Act Grants	1,973	1,356
Total Non Ringfenced Grants	37,802	39,515
Business Rates Section 31 Grants:		
Business rates cap 2014/15	1,690	1,690
Business rates cap 2015/16	676	676
Small Business Rates Relief	2,622	2,622
Relief to retail properties	827	827
Total Other Grant Funding	5,815	5,815

New Homes Bonus

- 4.15 New Homes Bonus (NHB) no longer represents additional funding to the Council and is funded from a top slice from RSG. Distribution of the NHB is based on council tax banding and is tending to favour more affluent areas, particularly those in the South of the country where housing demand is still high and where houses are generally in a higher council tax band. As a result Manchester has lost more funding than it has gained. Therefore it is assumed that the NHB allocated will support the revenue budget. £950m is being held back for the national topslice in 2015/16.
- 4.16 The original Government proposals identified that the amounts distributed through the NHB would increase year on year for the first six years, after which it would be paid on a rolling six year programme. The Government has recently announced Manchester's NHB allocation for 2015/16 which will be £10.264m and represents the fifth year. 2016/17 is the final year in which

new money will be earned and it is assumed the grant will increase by a further £2.053m to a total of £12.317m.

- 4.17 CLG have estimated that the national topslice for New Homes Bonus will not be fully utilised and that an element of this funding will be returned to local authorities. Manchester's estimated share is £0.526m for 2015/16 and £1.384m in 2016/17. These amounts will change when the allocation is confirmed.

Housing Benefit and Council Tax Subsidy

- 4.18 Housing Benefit and Council Tax Support Subsidy, Council Tax New Burdens Funding and Local Reform and Community Voices grants (transfer of functions to Adult Social Care) are to fund corresponding costs within the Directorate budgets. Any Community Safety Grant will be paid via the Police and Crime Commissioner and no assumptions have been made in the budget as to the level of funding to be received.

NHS funding to support Social Care

- 4.19 In 2014/15 the revenue budget included a £12.219m transfer from Health which forms part of the Children and Families cash limit budget. For 2015/16, the full Better Care Fund allocation of £42m (including the capital funding for Disabled Facilities Grant and Adult Social Care capital funding allocation) will need to form part of a S75 pooled budget with Health Commissioners. It includes legacy funding streams alongside the CCGs growth allocation for 2015/16. The purpose is to promote the integration of health and social care in order to reduce the level of emergency hospital admissions. A separate report will go to Health and Well Being Board and Executive in February for the establishment of the pooled fund. It should be noted that a significant element of the pooled budget will still need to be spent on the provision of health services, albeit in a more integrated way in line with the Living Longer Liver Better work to develop out of hospital care models.

Education Services Grant

- 4.20 The Education Services Grant (ESG) was established in April 2013 to replace the former system of LA Block LACSEG payments to academies. ESG is paid to academies and local authorities on a simple per-pupil basis according to the number of pupils for whom they are responsible. One of the aims of ESG was to remove the link between the amount spent on education services by individual local authorities and the funding allocations for academies. Based on the estimated transfer rate of schools and the per pupil amount of funding that will be returned via the Education Services Grant, it is assumed that £5.296m will be returned in 2015/16 and £4.715m in 2016/17. In reality the position will be different and the budget will need to be adjusted as more information becomes available.

Special Educational Needs and Disability Implementation Grant

- 4.21 It was announced on 17 December 2014 that the Department for Education will invest a further £31.7 million in 2015 to 2016 to help local authorities in England continue to meet the costs of implementing the special educational needs and disabilities (SEND) reforms.
- 4.22 Manchester will receive £336k of SEND implementation grant in 2015/16. In 2014/15 the Council received SEN Reform grant of £839k as part of the settlement and on 19 June 2014 an additional £446k was announced for Special Educational Needs and Disability Implementation.

Local Reform and Community Voices

- 4.23 This funding from the Department of Health has reduced from £482k in 2014/15 to £359k in 2015/16. The grant in 2015/16 is comprised of three funding streams (Additional funding for Deprivation of Liberty Safeguards in Hospitals, additional local Healthwatch funding and funding for the transfer of Independent Complaints Advocacy Services (ICAS) to local authorities). This grant now excludes funding for Independent Mental Health Advocacy and the disregard for Guaranteed Income Payments for Veterans as these streams are included in the Better Care Fund in 2015/16.

Care Act New Burdens Grants

- 4.24 The Care Act comes into effect over two years starting April 2014 and introduces new functions and responsibilities for local authorities. The aim of the Care Act is to help to improve people's independence and wellbeing. Local authorities must provide or arrange services that help prevent people developing needs for care and support or delay people deteriorating such that they would need ongoing care and support. There are additional costs in relation to the Care Bill implementation and Manchester has been awarded New Burdens grant of £1.973m which is made up of four streams as follows - Social Care in Prisons (£162k), Early Assessments (£651k), Deferred Payment Agreements (£543k), Carers and Care Act Implementation (£617k). The implementation grant is assumed to be for one year only.

Business Rates Section 31 Grants

- 4.25 These Section 31 grants are awarded to offset the reduction in business rates yield due to the changes announced in the 2013 and 2014 Autumn Statements. These changes are:
- The increase in business rates has been capped at 2% (rather than RPI) for both 2014/15 and 2015/16.
 - The extension of the doubling of small business rates relief until 31 March 2016.
 - The relaxation of the SBRR rules to allow businesses in receipt of SBRR taking on an additional property, to retain SBRR on the first property for one year, with effect from 1 April 2014.

- A business rates discount of £1,000 for retail and food and drink premises with a rateable value below £50,000 up to state aid limits for 2014/15. This was increased to £1,500 from 1 April 2015.
- A 50% business rate relief for 18 months, up to the state aid limit for businesses that move into retail premises that have been empty for more than a year

4.26 It is estimated that the changes will cost £5.815m each year in reduced business rate income that the Section 31 grant will compensate for.

Directorate Grants

Dedicated Schools Grant

- 4.27 The 2015/16 Dedicated Schools Grant settlement was announced on 17 December 2014. This was broadly in line with expectations as summarised below.
- 4.28 School Block- Income has increased by £11.8m as a result of the increased pupil numbers in Manchester schools. It is not proposed to change per pupil allocations within the schools' funding formula, so expenditure will increase in line with increased income due to funding additional pupils.
- 4.29 Early Years Block - Two year olds will be funded on actual take up from 1 April 2015. Previously this budget has been funded on estimated pupil numbers. This is likely to lead to reduced income from DSG in 2015/16, but at the time of the settlement the budget has not been announced.
- 4.30 High Needs Block - the Council submitted an exceptional business case to the DfE to request additional High Needs funding to recognise the significant growth within the City's special school places. This was partially successful and the DfE have funded retrospective growth within the DSG settlement for the 2014/15 academic year (£490k). Increased 2015/16 pressures have attracted increased funding (£480k) although this recognises top up, not increased special school places, funding pressures.
- 4.31 A full report on the Dedicated Schools Grant will be submitted to the Executive in February.

Other Resources

Business Rates

- 4.32 The 2015/16 Settlement Funding Assessment contains a figure of £154.741m which is the assumed amount of the Council's local share of business rates.
- 4.33 The Council completes an annual return (NNDR1) to estimate the amount of business rates due based on the gross rateable value of the relevant hereditaments and the business rates multiplier. This is then adjusted for reliefs awarded, the costs of collection, the estimated amount of non collection

and losses due to appeals. This return also includes an estimate of the business rates outturn position for 2014/15. Following the announcement that accompanied the Autumn Statement, appeals against business rates that are submitted after 31 March 2015 will not be able to be backdated. This has impacted on the calculation of the appeals provision which previously included an estimated amount for the total value of successful appeals likely to be received in this valuation period (ie until 2017) and the associated costs of backdating. For the purposes of setting the budget assumptions have been made on the value of appeals that will be submitted by the end of the financial year and the likely outcome of the appeals based on previous experience.

- 4.34 The estimated Business Rates Collection Fund Deficit (as due to be declared by 31 January 2015) will be offset by drawing down on a reserve in 2015/16. The reserve was funded by the Safety Net grant received from CLG.
- 4.35 In 2015/16 budget assumes a 1.8% growth in the council tax base, no increase in Council Tax and a 94.5% collection rate. The collection rate takes account of the number of people who now pay a 15% contribution and is an increase of 1.3% from 2014/15 due to improved collection performance. This is estimated to raise a total of £118.8m from a total tax base of Band D equivalent properties (net of non collection). Collection rates are still at risk with the weakness of the economy and the need to take account of the move to universal credit.

Council Tax

- 4.36 The 2015/16 budget assumes a 1.8% growth in the council tax base, no increase in Council Tax and a 94.5% collection rate. The collection rate has been adjusted to take account of the number of people that the 15% contribution will now need to be collected from and has been increased by 1.3% from 2014/15 due to higher than budgeted for collection. This is estimated to raise a total of £118.8m from a total tax base of Band D equivalent properties (net of non collection). Collection rates are still at risk with the weakness of the economy and the need to take account of the move to universal credit.
- 4.37 The Government has announced that it is making available additional Council Tax Freeze Grant for 2015/16, equivalent to a 1% increase in their projected 2015/16 tax base, which is payable to all Councils who freeze or reduce their 2015/16 Council Tax. The grant has been calculated excluding the reductions on the council tax base for those receiving council tax support (i.e. on the old higher tax base calculation) and will be paid on an ongoing basis from 2015/16. An estimate of the level of the grant for each local authority has been published as part of the settlement - for Manchester the grant would be worth £1.546m in each financial year.
- 4.38 Authorities wishing to set a council tax involving any increase of 2% or over in their council tax between 2014/15 and 2015/16 will require a referendum.

- 4.39 This report is therefore prepared on the basis that Manchester's Council Tax is frozen in 2015/16 and the grant is taken. Final decisions on all of the assumptions in the report will however be taken in February and March 2015.

Dividends

- 4.40 The Council currently receives dividends from Manchester Airports Holdings Ltd and other organisations in which it has a shareholding. The figure to be utilised from dividends in support of the budget for 2015/16 and 2016/17 as per table one is £8.75m including dividends from the airport of £8.15m.
- 4.41 Only a proportion of the Airport dividend is applied to support the revenue budget. Any balance of Airport dividend not required to support the Revenue Budget is transferred into the Capital Fund where it is required to meet approved major projects.
- 4.42 An interim airport dividend for 2014/15 was announced on 4 December which is an additional £11m for Manchester. There has already been a commitment that any additional airport dividends will be used to support the revenue budget, and the updated proposals in this report are made on that basis. However, as stated above, final decisions will be taken in February and March 2015.

Use of Other Reserves

- 4.43 The budget also assumes the use of £87.7m from reserves in 2015/16 and £15.5m in 2016/17 to fund revenue expenditure. As the contributions from these reserves form a contribution to the cash limit budget for the Directorates concerned they do not as such form part of the total resources identified below. Full details on proposed use of reserves will be included in the February report to Executive for approval.

Total all Resources

- 4.44 The table below sets out the total resource position for 2015/16 and 2016/17 before the impact of the additional airport dividend.

Table Five: Total Resources for 2015/16 and 2016/17

	2015 / 16 £'000	2016 / 17 £'000
Resources Available:		
Settlement	299,277	276,831
Public Health Funding	48,304	48,304
Public Health 0-5 Funding	5,441	5,441
Other non ring fenced Grants	37,802	39,515
Business Rates Grants	5,815	5,815
Business Rates Increased Income	1,552	5,876

	2015 / 16 £'000	2016 / 17 £'000
Council Tax	118,808	120,590
Dividends	8,750	8,750
Total Resources Available	525,749	511,122

Calls Against Resources

Levies

- 4.45 The Council is responsible for paying a number of levies to other joint bodies, most notably the Greater Manchester Waste Authority and the Greater Manchester Combined Authority (GMCA) - including transport levy
- 4.46 Estimates have been included for levies as follows:

Table Six: Estimated Levies for 2015/16 and 2016/17

	2015 / 16 £'000	2016 / 17 £'000
Combined Authority Levy	36,972	37,601
GM Waste Disposal Authority*	33,939	34,807
Environment Agency	183	183
Probation (Residual Debt)	22	22
Magistrates Court (Residual Debt)	9	9
Port Health Authority	71	71
Total Levies	71,196	72,693

* Although included within the table of levies above, the waste levy is administered by Growth and Neighbourhoods and will be included within their published budget. This is to recognise that the actions in the directorate in reducing the levels of waste delivered to the WDA impact on the level of future levies which are tonnage based. It has been included above to give a complete view of the levies paid.

- 4.47 The GMCA levy covers what was the Integrated Transport Authority levy alongside some transport functions that had previously been AGMA functions and the maintenance of Traffic Signals previously charged directly to individual authorities. The proposed levy decrease, to be confirmed at the Greater Manchester Combined Authority Executive meeting on 30 January is a 1.5% reduction. The levy has decreased by £473k (1.3%) when compared to the budget for 2014/15. This is because the levy is distributed across the districts based on population and the above increase includes the impact of Manchester's population change in comparison to that of the other districts.
- 4.48 The WDA levy is largely calculated on the anticipated level of Manchester's waste disposed of through the WDA, together with equivalent levels proposed by each of the other Greater Manchester districts. The final charge to Manchester will depend not just on whether Manchester hits its waste targets but also on how all the other districts perform. This constitutes a risk to the budget and a contingency sum of £0.6m for 2015/16 and £0.5m for

2016/17 has been included within the Council's corporate contingency to cover any potential increased charge.

Contingency

4.49 The contingency is used to hold monies to meet unforeseen costs that may arise during the year. The required contingency amounts are currently estimated as £2.1m for 2015/16 and £2m for 2016/17. The items included are:

- £0.6m for 2015/16 and £0.5m for 2016/17 to meet any potential increased charges from the WDA as identified above.
- £0.7m to fund costs of Heron House if the building is not occupied.
- £0.2m to support more Council staff to have access to the intranet.
- £0.6m as an unallocated contingency to meet future unforeseen expenses.

Capital Financing Costs

4.50 Capital financing costs have been calculated based on the assumptions on unsupported borrowing included within the Capital Programme. Any agreed changes to the capital programme that affect the proposed level of borrowing will have an impact on the estimated Capital Financing Costs. The estimated requirements for 2015/16 and 2016/17 are £51.982m.

Additional Allowances for Former Staff and Teachers Pension Costs

4.51 These relate to the pension cost of additional years being awarded to former employees in the past. The Council no longer awards added years and has not done for some time. This budget is made up of the additional years costs for teachers (£5.658m) and non teachers (£5.228m) and will reduce over time.

Insurance Costs

4.52 These costs of £2m relate to the cost of external insurance policies as well as contributions to the insurance fund reserve for self insured risks.

Inflationary Pressures and Budgets to be Allocated

4.53 Budgets are held centrally for known issues where the final cost to the Council is not certain or where the breakdown over services has not yet been ascertained. The estimated amount for 2015/16 is £14.292m and for 2016/17 is £23.894m. These are made up of:

- Price inflation of £3.220m in 2014/15, additional £3.347m in 2015/16 and £4.305m in 2016/17 – a total of £10.872m.
- Pay inflation of £2m in 2014/15, £2m in 2015/16 and £4m in 2016/17 A total of £8m.
- An uplift to the Manchester Minimum Wage of £329k

- £1.296m provision in 2015/16 for increasing pension costs to meet a further 0.8% increase in the Employer Contribution rate plus the additional 0.8% increase in 2016/17 (cumulative effect £2.593m)
- £660,000 to meet the Carbon Reduction Tax
- £40,000 annual allocation to the Cemeteries Replacement Reserve
- £1.4m for the Discretionary Support Scheme for the Council Tax Support Scheme (note £1.25m of this forms part of the savings proposals outlined later in the report).

Budget Pressures

4.54 The following unavoidable budget pressures have been built into the budget, these total £9.1m in 2015/16 rising to £16.636m in 2016/17:

- Care Bill – This comes into effect over two years starting April 2014. There are additional costs in relation to the Care Bill implementation. Some of this is being met through a New Burdens grant from the Department of Health (£1.973m), an ICT grant (£544k) and a contribution from the Better Care Fund (£1.479m) leaving a pressure estimated at c£1m.
- Demographic Funding £4.237m in 2015/16 rising to £7.353m in 2016/17 for learning disabilities and other client groups.
- Deprivation of Liberty – The March 2014 Supreme Court judgement widened and clarified the definition of deprivation of liberty. The judgement has made it clear that if a person is lacking capacity to consent to care arrangements which subjects them to both continuous supervision and control and they are not free to leave they are deprived of their liberty. Additional costs for assessments arising from this judgement are estimated at £0.8m.
- ICT – Ongoing investment is required including the full year effect costs to support the maintenance arrangements for Central Library and the Town Hall Extension WAN, telephony and licensing costs estimated at £1.2m.
- Costs relating to street lighting estimated at £1m for 2016/17 only.
- Increased national insurance costs due to the end of contracting out of £3.687m (2016/17 only).
- Property Related Pressures – Specific risks relating to the occupancy and maintenance of the estate estimated at £500k.
- Valuations – Additional valuations are required to update valuations of group company assets and for additional work when infrastructure (mainly roads) have to be valued rather than shown at cost, these costs are estimated at £150k.
- Savings - A review of the delivery of 2013/15 savings has been carried out to ensure that there are no additional cost pressures that will impact on the budget position next year. These total £620k in 2015/16 reducing to £270k in 2016/17 and predominately relate to Heaton Park (£350k one off) and Depot Rationalisation.
- Parks and Cemeteries Drainage Charges £166k in 2015/16 rising to £249k in 2016/17
- Copyright licenses £27k

- Other Pressure £450k

Directorate Requirements

- 4.55 Further information on the Directorate budgets and how they are used will be available in their budget plans, scheduled to go to Scrutiny Committees in February. As set out in previous reports some specific proposals are subject to specific consultation and Equality Impact Assessments where required before they are finally approved and implemented. An overview of the savings and investment proposals is included below.

Revised Budget Gap

- 4.56 The following table shows a potential revised budget gap after the above is taken into account, including the proposed use of the 2014/15 interim airport dividend.

Table Seven: Revised Budget Gap

	2015 / 16 £'000	2016 / 17 £'000
Resources Available (Per Table One)	525,749	511,122
Use of 2014/15 Interim Dividend	9,000	2,000
Revised Resources Available	534,749	513,122
Total Resources Required	584,567	602,107
Total Shortfall	49,818	88,985

5. Savings Proposals

- 5.1 In order to bring the budget into balance across the two years a programme of budget reductions is being considered. The strategy adopted over the past five years of ensuring decisions on reductions are based on the priorities for the City is being continued. This requires a clear framework for making spending decisions and maximising the resources that remain. The details for this are set out in the Strategic Response report elsewhere on the agenda.
- 5.2 Initial budget options were considered by November Scrutiny and Executive meetings and are also subject to public consultation and specific consultation and Equality Impact Assessments where required. The options that were before the Executive in November have also been reviewed following receipt of the Financial Settlement and the Interim Airport Dividend. The change in the financial position has meant that the level of savings that the Council will need to deliver has reduced. Savings options of a lower amount of £55.244m, rising to £70.224m in total in 2016/17 can now be considered. The total for 2016/17 takes into account the full year effect of the 2015/16 options alongside £3.7m of options for 2016/17 identified as part of the savings options which it is recommended are progressed. These are separately identified in the savings schedules and are shown separately in the table below and set out in more detail in paragraphs 5.5 to 5.63.

- 5.3 This has meant that the Council has the option of not progressing all of the savings options originally proposed in November. The options which may not be included in the Recommended Budget to February Executive are separately identified in Appendix Three at the end of the report. As outlined in paragraphs 2.6 to 2.12, the budget consultation processes have been updated to seek feedback on this approach.

The revised amount of Savings Options are set out in Table Eight below.

Table Eight: Total of savings proposals across Directorates

	2015/ 16	2016 / 17 (Ongoing Impact of 2015/16)	2016/17 New Options	Total Savings
	£'000	£'000	£'000	£'000
Children and Families	38,878	9,393	230	48,501
Growth and Neighbourhoods	4,471	1,238	3,075	8,784
Corporate Core	11,895	609	435	12,939
Total	55,244	11,240	3,740	70,224

- 5.4 The table below outlines the associated FTE (post) reduction. The actual FTE reductions will be subject to change as budget proposals are finalised. Details of the VER/VS scheme enacted to support this reduction were taken to the Executive in November 2014.

Table Nine: Total of FTE reductions identified within savings proposals

	Indicative Workforce reductions	Indicative Workforce element of savings
	FTE	£'000
Children and Families	319	7,684
Growth and Neighbourhoods	45	1,446
Corporate Core	98	3,706
Total	462	12,836

Overview of Options for Savings in the Children and Families Directorate

- 5.5 Savings options which total £38.878m for 2015/16 and further £9.623m for 2016/17, a total of £48.501m over the two years can now be considered. These are summarised in the table below. Where these options have changed from those set out in the reports to November Scrutiny and Executive the suggested changes and rationale for them are set out in the sections below. All of the options are still subject to the overall consultation process on the budget and a number of the options are subject to specific consultation

processes. As outlined above where there are changes proposed, these will be included as part of the consultation process.

Table Ten: Children and Families Savings Summary

Children and Families Savings Summary	Saving Proposals 2015/16	Saving Proposals 2016/17	Total Savings	Indicative FTE Reduction
	£,000	£,000	£,000	
Looked After Children and Complex Dependency	7,306	300	7,606	39
Early Years and Children's Health	1,705	1,011	2,716	3
Living Longer Living Better (LLLb)	8,328	1,206	9,534	73
Learning Disability Services	3,200	1,089	4,289	3
Homelessness, Refugee and Asylum	553	0	553	2
Care Services not included in LLLb	3,292	254	3,546	53
VCS & Housing Related Support	3,159	0	3,159	0
Other services commissioned	5,683	5,219	10,902	0
Education and Skills	3,902	544	4,446	67
Core and Back Office	1,750	0	1,750	79
Total C&F Savings	38,878	9,623	48,501	319

5.6 The proposals have been developed to ensure the Council can meet its statutory duties and make the maximum contribution to the priorities for the City. In some cases, this is by increasing the pace of implementing the Council's reform priorities to reduce demand for expensive reactive services. In other cases, this is by choosing options for service reductions which will have the least damaging impact on the Council's priorities. They are set out below.

5.7 Looked After Children and Complex Dependency

A key priority for Manchester is to help more families find and sustain meaningful employment. Working with partners including Jobcentre Plus, housing, probation, GMP, health and mental health services, education and advice providers, it is proposed to scale up the troubled families way of working to more families. This will tackle a wide range of issues and increasingly focus on those at risk of getting into difficulty. This means ensuring that there is a lead worker to better coordinate different agency services around the bespoke needs of each family and ensuring work is seen as the ultimate goal.

Manchester has more children in care and spends more on looked after children than Core City comparators or similarly deprived areas. The Directorate needs to improve services which protect the most vulnerable

children. This is a top priority for the Council following an Ofsted inspection which has led to the Council's services for children in need of help and protection, children looked after and care leavers to be judged inadequate. Action has already been taken and will continue to be taken to rectify the shortcomings identified by Ofsted. An additional £500k has already been invested in 2014/15 to make improvements in safeguarding services.

The Directorate will connect its work improving safeguarding and reducing the number of children looked after with work to scale up the troubled families way of working. As well as improving safeguarding the aim is to reduce the need for safeguarding in the first place.

As set out in the November Scrutiny report investment of £11.605m in 2015/16 and £2.514m in 2016/17 has been identified from reserves to support the priorities described above. The funding will be used to invest in:

- new working arrangements with partners, including the further development of the Multi Agency Safeguarding Hub (MASH) and evidence based interventions to target families with children on the edge of care to reduce the overall number of children coming into care
- management and delivery capacity to improve the consistency and quality of social work practice
- measures including improving social work practice and fostering and adoption services to safely reduce the number of children and young people in care.

The investment will be accompanied by a root and branch overhaul of the management and delivery of the service with support from external experts. The requirements of the Department for Education following the Ofsted inspection will help drive the improvements needed. Unlike previous approaches to reducing spending on looked after children, these proposals take a whole system approach, including a focus on the ability of partners to manage risk within the safeguarding system. Improvements to early help interventions and the introduction of the MASH will control the flow of new cases. At the same time, improving the basics of social work capacity and practice and better support for fostering and adoption will reduce the volume of existing children in the care system.

Subject to approval by Council draw down of the reserve will be delegated to the Chief Executive and City Treasurer in consultation with the Executive Member for Finance and Human Resources and the Executive Member for Children's Services.

It is planned that this investment will support delivery of recurrent savings of **£7.306m** in 2015/16 and **£300k** in 2016/17.

5.8 Early Years and Children's Health

The Early Years options would achieve significant savings whilst continuing to secure, albeit at reduced level, the key benefits of the Early Years New

Delivery Model (EYNDM), Sure Start Centres and high quality early learning and childcare across the City.

- The options in the November report included a saving of £1.12m by reducing the proportion of families receiving targeted parenting interventions when identified by the Early Years New Delivery Model which will be rolled out to the whole city from 2015/16. This option would reduce the proportion to 65%. The report also explained that an alternative option was to reduce the proportion to an 84% saving of £500k. In view of the importance of the Early Years New Delivery Model to the City's priorities for early intervention and to the Greater Manchester Devolution Agreement the lower level of saving of £500k is now an available option.
- A saving of £100k would be achieved in 2015/16 by reducing the quality assurance and improvement arrangements for early years settings and alternative education provision such as supplementary schools and madrassahs. A core capacity for quality assurance and intervention across the two areas of activity would be retained. This is a change from the November report which contains the option of a reduction of £200k. The change is proposed in order to retain more of the core capacity to monitor and intervene given the scale of the change in the City's early learning and child care arrangements over the last two years.
- A review of children's health services for school nursing, child accident and other prevention services in partnership with local NHS commissioners and providers would refocus provision on key priorities and ensure statutory and mandated responsibilities are delivered with a saving of £1.105m in 2015/16 and £1.011m in 2016/17. The transfer of funding and commissioning responsibilities for other public health services for 0-5s will strengthen the integrated approach to child health for 0-19 year olds.

Options for savings for Early Years and children's health services are now **£1.705m** in 2015/16 and **£1.011m** in 2016/17.

5.9 Living Longer, Living Better

The Living Longer, Living Better (LLLb) programme will reform health and social care services in Manchester to co-ordinate and deliver services in a way that delivers better outcomes and delivers efficiency savings. There are four key elements of the programme:

- A reduction in the number of admissions to residential and nursing care by providing more support at home including the use of assistive technology is projected to deliver savings of £1.909m in 2015/16 and £0.791m in 2016/17. Moving care closer to people's homes will reduce Council spend on residential and nursing care by reducing the flow into residential care, providing alternative places for people to live. This will be achieved through LLLb with investment of £800k from the Better Care Fund.

- The integration of Adult Social Care with hospital based Community Health Services to create a citywide and place based approach to health and social care. This has a Council saving of £2.6m for 2015/16, however there will be £2.3m of transition costs which will be met from the Better Care Fund.
- The integration of the Council Reablement Services with hospital Intermediate Care Services to create a new place based Rehabilitation Service is expected to deliver saving from efficiencies of £755k in 2015/16 and savings from demand management of £415k in 2016/17.
- Integrating commissioning across the Council and Public Health is expected to deliver savings of £1.1m in 2015/16. The next stage of integration with health will be to integrate CCG and Council commissioning.
- Investment in mental health provision will be refocused towards supporting LLLB and through supporting early intervention initiatives focused on improving well-being including an emphasis on enabling access to employment. Investment in out-dated models will be scaled down and replaced with new delivery models delivering a saving of £1.964m in 2015/16. An option to further reduce spending on mental health services by £1.152m could be removed. A strategic review of all mental health services including the Recovery and Connect services, is proposed.

Planned savings for LLLB options if the above options are accepted would be **£8.328m** in 2015/16 and **£1.206m** for 2016/17. There will be investment from the Better Care Fund in additional homecare and assistive technology and work with partners will increase the scale and pace of capital developments around sheltered housing and extra-care housing.

5.10 Learning Disability Services

The options for learning disability services will bring about a service-wide transformation. A key driver of reform will be to ensure that assessment and support planning increasingly focuses on securing innovative, cost effective solutions for people. This will involve increasing access to community assets and stepping people down into less intensive provision. The introduction of an all age disability strategy developing the support to families for transition from children to adult services will achieve better financial planning for future years.

This reform is dependent upon a fundamental shift in management culture, and practices and ways of working. A twin track approach is planned which will both strengthen existing care management teams and bring in external partners for a time-limited period to work alongside Council teams providing fresh expertise and experience. This will build on the existing brokerage pilot, which enables the Council to engage with a wide range of people (often existing carers of people with a learning disability) to be employed as peer brokers. These are people who have deep knowledge of local support networks in the community.

Planned savings for learning disability services are now **£3.2m** in 2015/16 and **£859k** in 2016/17 which will require a one-off investment of £300k. The investment will be met from the Council underspend in 2014/15. The option for savings in 2016/17 could be reduced by £1.015m to allow time for further consideration of the options relating to the closure of the Adult Placement and moving the service into Locality Teams and contract savings.

5.11 Homelessness, Refugee and Asylum Seeker Services

There are options to change the allocation of funding which tackles homelessness focusing on distinct services for rough sleepers, support for employment, education and training, prevention service for young people and severe and cold weather provision. There is also an opportunity to fund some services to Northwards tenants at risk of homelessness through the Housing Revenue Account. Specialist support to refugees and asylum seekers would be replaced by a more general service offer.

Options for savings for Homelessness, Refugee and Asylum Seeker Services are **£553k** in 2015/16.

5.12 Adult Care Services (not already linked to LLLB)

There are a number of options to reduce expenditure on adult care services

- The current short breaks service and estate for adults would be targeted to meet the needs of learning disabled adults. This would result in an increased number of beds available city wide for adults with a learning disability.
- The service for older people with mental health needs would be met through the specialist market, with a strong focus on enablement and step down to less intensive support. A new delivery model would be developed with partners for older people with a mental health diagnosis.
- Supported accommodation services for people with the most critical and substantial needs would be changed. The Council currently operates a mixed model of in-house and commissioned services. The external market is under-developed and expensive so the Council intends to develop and extend its internal services which would be delivered within local neighbourhoods. A partnership with Arcon Housing will improve the estate and enable the Council to deliver on site support within a reduced financial envelope.

Options relating to adults care services would deliver **£3.292m** in 2015/16 and **£254k** in 2016/17 in savings.

5.13 Advice and Community and Voluntary Sector Services and Housing Related Support

Advice Services

Social housing tenants are currently able to access advice services from their Registered Providers as well as the Council's commissioned services. One option is that the commissioned advice services are provided only for people in the private rented sector and homeowners focusing primarily on the areas of debt, housing and welfare benefits as part of a package of support to enable people to become more independent and move towards employment. This would reduce duplication with the advice services provided by Registered Social Landlords and would be a saving of £615k in 2015/16.

There is a second option in the November Scrutiny report to reduce spending on advice services by a further £300k in 2015/16. Whilst a core service covering all parts of the City can be maintained with the first option, it would not be the case when the further £300k is removed. However, a coherent strategy will be developed to inform the decision making process.

Voluntary and Community Sector Grants

The Council commissions a wide range of services from the community and voluntary sector. The option is to focus the Directorate's investment on those services which support the priorities of the Council and the new legislative requirements of the Care Act. The redesigned services would ensure services are provided across the City and seek to make savings of £544k in 2015/16. This would comprise reductions of 'wellbeing grants', (these are small grants to organisations helping people to support those with health, including mental health needs), grants to organisations supporting carers including 'handyman' type services and grants to organisations providing advocacy services. It would also include a reduction of £60k in voluntary and community sector infrastructure support. The options to reduce equality grants and infrastructure support by £732k in 2015/16 and a further £550k in 2016/17 could be withdrawn, as they may impact on the capacity of the Voluntary and Community Sector to support Council priorities.

The Council funds housing related support services to socially excluded groups, such as single homeless people, young people at risk of becoming homeless, women at risk of domestic violence. There is an option to make greater use of the accommodation and brokerage service to move people on more quickly with a target occupation length of six months. More rigorous arrangements would be put in place to ensure services are targeted at those most in need. This could result in the closure of some hostels and supported accommodation and would impact on support provided in refuges. There is also an option to reduce funding to sheltered services for older people whilst maintaining a scheme manager presence. This is expected to deliver savings of £2m in 2015/16.

However, within the above there is an option to retain the funding of £186k for domestic violence services and include these services in a redesign of all public services tackling domestic violence following the outcome of the Delivering Differently Programme

Options relating to housing related support, advice and voluntary and community sector services are currently subject to public consultation the outcome of which will be reported to Executive in February 2015. In view of the updated financial position the amount of savings required from this option could be reduced to **£3.159m** in 2015/16.

5.14 Other Services Commissioned for Children and Families – Public Health

The budget for the Directorate includes expenditure of £44.751m on Public Health which is funded via a ringfenced grant. A full review of public health expenditure has been undertaken and it is proposed that the funding be refocused on the areas that will address the wider determinants of health and the reform priorities for the City. This would mean reducing spend in some of the areas that had previously been funded by the public health grant to enable the resource to be moved to other priorities. The Council's statutory public health requirements will still be met.

The options rely strongly on the collaboration with health partners to recommission services and include:

- focus health and mental wellbeing services on moving long-term unemployed individuals presenting with mental health and other issues into recovery and work;
- ensure that health and wellbeing services support capacity building within communities to provide a safety net for people who no longer meet the threshold for targeted services;
- take an integrated approach (linked to the complex dependency approach) to drug and alcohol services, (which are commissioned separately at present), redesigning services with a strong emphasis on securing recovery and supporting employment;
- commission an integrated contraception and sexual health service and introduce cross-charging arrangements with Greater Manchester authorities for contraception services; and
- reconfigure school health services to have a greater focus on improving outcomes and implement the Early Years New Delivery Model.

These proposals will release **£5.683m** in 2015/16 and **£5.219m** in 2016/17.

5.15 Education and Skills

The Education and Skills options cover a wide range of functions. Some savings options relate to the development of transformed models of delivery, with associated efficiencies, whilst others constitute service reductions whilst sustaining the Council's core and statutory duties.

- The cessation of discretionary school clothing grants for school uniform for eligible secondary-age pupils to deliver saving of £267k in 2015/16.

- A reduction in free travel passes to school to the statutory minimum with saving of £40k in 2015/16 and £83k in 2016/17. This option could be scaled back from the £200k included in the November report so that the change can be introduced for all applicants for pupils starting at reception to the primary schools and year 7 at secondary schools. Those with existing grants would not then be affected.
- Home to school transport for children with Special Educational Needs saving of £464k in 2015/16 and £536k in 2016/17. This option would mean that transport is no longer provided free of charge for young people who are not covered by legislation. The option also outlines a new approach to making home to school transport arrangements which would look at identifying, where appropriate, support for travel to be put in place for those eligible rather than the direct provision of transport.
- Alternative arrangements for the Council to fulfill its statutory duties relating to school attendance, covering the issuing of penalty notices and prosecutions, would involve the development of an automated process for schools to complete the preparation of cases for statutory processing, and associated efficiency savings of £140k in 2015/16 and £360k in 2016/17.
- Short Breaks for parents and carers of children with disabilities would see new contracting and delivery models developed to deliver a transformed service at reduced cost, although some reduction in the level of short breaks provision would be necessary to achieve savings identified of £184k in 2015/16 and £132k in 2016/17. For 2015/16 this would scale back the £284k previously put forward. This is so that only those savings which relate to a more efficient way of delivering the service would be implemented, rather than the part of the option which would reduce the total level of provision available.
- Youth and Play, including current provision of Individual Advice and Guidance (IAG) for targeted young people and support for young carers. A number of budgets would be amalgamated, these cover commissioning for youth provision, commissioning for play provision, funding for youth hubs and youth inclusion leads and the commissioning of the targeted IAG service and the young carers service. The suggested saving for this option is £1m in 2015/16 and £433k in 2016/17. This option could be reduced from £2.170m in 2015/16 so that the changes required can be implemented more gradually and although the services would still be re-commissioned the amount available for commissioned services would not reduce.
- The Manchester Adult Education Service is currently funded through a combination of Skills Funding Agency grant funding (the vast majority of the service's budget) and a contribution from the Council. This proposal would remove the Council's contribution, resulting in some reduction in commissioned activity and community reach whilst sustaining the core purpose of the service. This is a saving of £343k in 2015/16.

- The November report included an option to save £250k by reducing the number of school crossing patrols. This option could be withdrawn to enable better consideration of individual crossing patrols on a case by case basis.
- A range of other savings are proposed which would identify additional efficiencies or changes in funding for areas of service which do not impact directly on children, young people or adults in the City. These cover: Statutory Moderation of school assessments, commissioned management support as required for the process of schools converting to academies, in line with reduced demand; reduced budget for costs related to closed school buildings; and some reduction in senior management and leadership capacity within the service.
- Changes to Education and Skills provision would deliver savings of **£3.902m** in 2015/16 and **£544k** in 2016/17.

5.16 Business Support and Back office

New delivery models for business support and back office functions would be implemented to deliver a more efficient set of services, realising the benefits of investment in technology to support managers and front-line staff to work more flexibly and digitally. Options for savings arising from business support and back office services total **£1.750m** in 2015/16.

Overview of Options for Savings in the Corporate Core

Table Eleven: Corporate Core Savings Summary

Corporate Core Savings Summary	Saving Proposals 2015/16	Saving Proposals 2016/17	Total Savings	Indicative FTE Reduction
	£,000	£,000	£,000	
Chief Executives				
Communications	709	25	734	11
Customer Organisation	342	147	489	13
ICT	65	435	500	2
Performance, Research and Intelligence	150	0	150	8
HR/OD	401	0	401	9
Transformation	1,000	0	1,000	18
Executive	125	92	217	0
Democratic and Statutory Services	111	0	111	0
Legal Services	290	50	340	4
Corporate Items	0	0	0	
Sub Total	3,193	749	3,942	65

Corporate Core Savings Summary	Saving Proposals 2015/16	Saving Proposals 2016/17	Total Savings	Indicative FTE Reduction
	£,000	£,000	£,000	
Corporate Services				
Financial Management	616	0	616	16
Revenue & Benefits	1,624	130	1,754	3
Procurement	234	85	319	5
Audit, Risk and Resilience	284	0	284	2
Shared Service Centre	770	120	890	7
Business Units	1,393	(40)	1,353	0
Corporate Items	3,781	0	3,781	0
Sub Total	8,702	295	8,997	33
Corporate Core Grand Total	11,895	1,044	12,939	98

The savings proposals below are set out in the key areas of Centres of Excellence, Digital proposals (using technology to reduce paper and print costs), Income Generation, Welfare Support and a range of smaller scale proposals focused on changing the way services are delivered, working with other organisations and reducing staffing.

5.17 Centres of Excellence

5.18 The Council created 'Centres of Excellence' as part of activity in support of the 2011/13 budget. These provide the Council's internal support and corporate assurance functions and consist of Financial Management, Human Resources and Organisational Development, ICT, Communications, Performance, Research and Intelligence and Procurement.

5.19 Following a review the savings options are to further develop and refine each of the Centres of Excellence to ensure that capacity is focused on the areas of greatest value to drive and enable the delivery of key organisational priorities. The proposed changes include:

- A continued focus on behaviour change and manager independence.
- Streamlined processes and improved guidance to managers supported by new technologies such as Employee and Manager Self Service (ESS/MSS) and increased use of the intranet to disseminate 'how to' guides.
- An agreed focus on the areas of highest priority and risk and a reduction in capacity and activity elsewhere such as a move to bi-monthly budget and human resource monitoring and focus on statutory returns reducing analytical capacity.
- A continued emphasis on managerial skills development and training

Following a review of the budget position there is the potential to further refine the above to ensure that the right capacity is in place to support the Council as follows:

- Focus Savings on Tier One Options for Human Resources and Organisational Development, ICT, Performance, Research and Intelligence and Procurement
 - Financial Management taking a saving between Tier One and Tier Two to ensure the delivery of corporate priorities
 - Communications taking the Tier Two Option
 - Focus on Tier Three saving for Reform and Innovation due to the smaller capacity required to undertake the strategic function with Directorates taking responsibility for the delivery of change.
- 5.20 For both the existing Centres of Excellence and the new Reform and Innovation function savings options of **£3.255m with a reduction of 69 FTE** are now suggested for 2015/16.
- 5.21 Digital Proposals
- 5.22 The use of digital channels and technology can transform the way services work and over the last few years the Core has been moving away from paper based communications (letters, paper, printing) through the use of digital technology. It is proposed to develop this strategy to achieve further savings in 2015/17 as set out below:
- 5.23 To encourage and enable increased customer self service the Council's newly designed online customer account which was launched in 2013 (57,427 residents have since registered for their own account) and easy to use online forms. New online services for all high volume Neighbourhood Service related to 'report it' or 'request it' transactions have been implemented and have proven to be extremely popular with residents. As a result calls made to the Corporate Contact Centre related to Neighbourhood Services have reduced by 20% which equates to almost 45,000 calls when comparing 2014 to 2013 (January to October).
- 5.24 Individuals and families currently access housing benefit by completing a paper based application which is sent to Revenues and Benefits. It is proposed in the future that these forms will also be available online; this approach will result in a more efficient and timely service and enable savings to be made.
- 5.25 A new mail system (hybrid mail) is currently being installed. This new system collates and consolidates letters into one envelope, pre-sorts mail by street order to maximise available discounts from mail providers and enables easier steps towards electronic mail for residents and businesses. This will reduce the paper produced by the Council delivering both financial savings and a reduced carbon footprint. This system will be rolled out across the Council with Revenues and Benefits and the Shared Service Centre forming part of the phase one roll out.
- 5.26 The continued use of improved technology and the introduction of Employee/Manager self service (ESS/MSS) will enable the Shared Service

Centre to make further savings as employees and managers will have direct access to information.

- 5.27 The successful delivery of the savings attached to the use of digital technology will be heavily reliant on continued behaviour change across the organisation.
- 5.28 The combined changes across Customer Services, Revenues and Benefits and the Shared Service Centre from digital proposals would see a **£445k saving and a reduction of 11 FTE.**
- 5.29 Income Generation
- 5.30 Business Units operate 16 separate trading services, including Bereavement Services, Facilities Management, Fleet Management, Manchester Contracts, Manchester Markets, Parking, Bus Lanes, CCTV and Pest Control. In addition Business Units have recently taken on the work associated with the policy decision to issue free school meals to all infant school children which will increase the income in the service for the next two year period. On residents parking schemes, instead of increasing income by **50k** from extending the number of residents parking schemes where visitors are charged for parking permits, consideration could be given to the development of a city wide residents parking policy within 2015/16 to ensure a consistent policy across the City.

Changes across Business Units Trading Services would see an increased income of **£1.353m over the two year budget period.**

- 5.31 Internal Audit and Risk Management have developed their services so they can deliver internally within the Council and to external public service partners. The Health and Safety and Audit Advice Services are currently provided to schools, and the service will build on their work across Greater Manchester and this will attract increased income of **£117k.**
- 5.32 The Shared Legal Service across Manchester and Salford was established in 2012, since this time the service has continued to develop partnership arrangements across public and voluntary organisations. There will be a targeted focus on the development of further arrangements to deliver increased income of **£150k** for the Council. There will also be increased income from the Registrars Service of **£109k** through charging for advertising and posting and increasing registrars fees.
- 5.33 The combined income generation options would see **£1.729m additional income generated.**
- 5.34 Welfare Related Support
- 5.35 As part of the 2013/14 budget planning £1.1m was set aside to provide additional targeted support to residents affected by different elements of the welfare reform changes. To date none of this additional funding has been used

- as the existing schemes are effectively responding to demand and it is proposed that this is removed from the budget saving **£1.1m**.
- 5.36 The Discretionary Council Tax Support Scheme budget was introduced in April 2013 with the intention of supporting the most vulnerable residents with the transition from Council Tax Benefit to Council Tax Support. Under Council Tax Benefit, those residents in receipt of Income Support did not have to pay any Council Tax. Since the introduction of Council Tax Support all residents have to make a contribution towards their bill, this was 8.5% of their Council Tax in 2013/14 and 15% from 2014/15. Therefore the aim of this scheme was to support residents with the transition of having to budget and pay for this additional household bill by providing support towards the Council Tax Bill for residents in special circumstances or who are suffering exceptional hardship. Any support provided is intended to be time limited.
- 5.37 The requirement for this budget should reduce as the original cohort of residents affected by the 2013 changes (approximately 37,000 residents received a bill for the first time in 2013) get used to paying this bill. The budget for this Scheme was increased to £300k but to date it is estimated that only £200k will be required during 2014/15. It should be noted that the spend increased in 2014/15 because the amount that residents had to contribute increased from 8.5% to 15%. The budget for this provision could be reduced to £150k for 2015/16 providing a saving of **£150k** rather than £200k.
- 5.38 The costs of collection and income received from Council Tax are held in a Collection Fund. This takes into account estimates of the numbers of households liable for council tax and an estimated collection rate is assumed. Due in part to the work of the Revenues and Benefits service the collection rate for council tax is likely to be higher than the 93.2% that is budgeted for across council tax, additional discounts and premiums and from those in receipt of some council tax support. This will deliver an estimated surplus of **£3.5m**.
- 5.39 Finally there is a proposal to collect all council tax costs if the summons is issued correctly rather than write off the summons' costs as a goodwill gesture or for people in receipt of income support. This will increase income by **£30k**.
- 5.40 The combined options across Corporate Items will see savings of **£4.780m**.
- 5.41 Further Savings Options
- 5.42 The remaining options impact across a range of services such as Revenue and Benefits, Legal, Shared Service Centre, Customer Services and Democratic and Statutory Services and will deliver efficiencies by implementing a range of new service models, reducing administration and changing service provision. These changes would deliver **£2.295** and **18fte**.
- 5.43 Overview of Options for Savings in the Growth and Neighbourhoods Directorate

Table Twelve: Growth and Neighbourhoods Savings Summary

Growth and Neighbourhoods	Saving Proposals 2015/16	Saving Proposals 2016/17	Total Savings	Indicative FTE Reduction
	£,000	£,000	£,000	
Neighbourhood Focus	376	838	1,214	28
Waste and Recycling	1,200	2,800	4,000	0
Leisure and Libraries	785	25	810	1
Culture and Galleries	267	200	467	5.5
Supporting Growth	1,843	450	2,293	10.5
Total	4,471	4,313	8,784	45

- 5.44 The key changes set out below outline how the Growth and Neighbourhoods directorate proposes to refocus its resources over the next two year budget period having regard to the financial position. These options have been developed in a way that will allow the directorate to achieve its objectives and support the Council, with its partners, to achieve its ambitions of economic growth, people-focused reform reducing dependency on high cost services and a focus on place, delivering services that meet the needs of Manchester's diverse neighbourhoods. As a result, they have been grouped under two headings - Neighbourhood Focus and Supporting Growth. These options do not require public consultation.

Neighbourhood Focus

- 5.45 Growth and Neighbourhoods provide a wide range of universal services to internal and external customers. These include community facilities and services that residents can expect to be available to everyone such as libraries, leisure, environmental services, collection of waste and recycling, street cleaning and grounds maintenance, neighbourhood enforcement and access to information and advice.
- 5.46 The options include the adoption of a new holistic and integrated approach to the development and management of neighbourhoods via a refreshed **Neighbourhood Function**. The integrated offer would include services currently delivered through Community and Cultural Services (CCS), Neighbourhood Regeneration (NRT) and Neighbourhood Delivery (NDT) teams. These services currently deliver a range of operational and strategic functions which include enforcement and compliance, ward coordination, and the management and development of parks and green spaces. Work is required to bring forward robust and integrated arrangements

- 5.47 Savings options are now proposed of **£894k**. The 6% reduction would be delivered through efficiencies from greater integration and a reduced requirement for direct operational management. There is now an option not to deliver the more significant reduction of £1.220m in 2015/16 and a further £838k in 2016/17, a total of £2.058m as it is felt that the impact on the City would be too significant.
- 5.48 A tighter, more structured programme of **Community Funding (Cash Grants)** will be developed with criteria aligned more clearly to the Council's priorities and where opportunities exist to lever investment elsewhere in support of priorities. This will be coupled with a planned saving of **£320k**. The additional option that would save a further £640k is not included.
- 5.49 **Waste Collection and Disposal, Recycling and Street Cleansing** remains the single biggest area of spend within the Directorate with gross expenditure of almost £50m. Savings of 10% are targeted through the external procurement of a joint service for Waste Collection and Street Cleansing which would deliver **£1.6m**.
- 5.50 Savings will also be sought in waste disposal costs, through working with residents to reduce the amount of waste they produce and to recycle more. These savings will be challenging to deliver due to the mechanics of the waste levy and the reliance on effective and sustained behaviour change across the City. Total savings of **£2.4m** from the waste levy are targeted from this work from 2016/17 following the award of the new contract. This will require investment in the Education, Engagement and Enforcement function, in conjunction with the new contractor, to deliver the required behaviour change amongst residents.
- 5.51 **Leisure Services** have made significant changes over the past year through the construction of new facilities, the award of a contract to Greenwich Leisure Limited to manage community leisure facilities, which will save **£235k**, and the development of the Eastlands and Wythenshawe Trusts to manage the remaining indoor leisure facilities. These arrangements will be further built on to deliver additional efficiencies of **£250k** through the transfer of some sports and leisure delivery, such as school swimming and sports development, to these operating partners.
- 5.52 The option of an integrated approach to events is currently being explored by aligning the development, delivery and commissioning of all major events within Growth and Neighbourhoods. Closer alignment on the Major Sports Events Strategy with the Eastlands Trust will remove duplication and drive a commercial focus, saving **£200k**.
- 5.53 The **Libraries Service** has made significant changes over the past two years through the development of an outreach model which has reduced the potential for further savings. The options therefore focus on improving efficiency through the adoption of a new library management system at GM level, saving **£25k**, and a reduction in the level of resources available for books and other materials of **£100k**.

- 5.54 **Galleries and Culture** have efficiency savings of **£30k** from changes to contractual arrangements and **£45k** from savings resulting from the realignment of the Culture Team into City Policy and more broadly integrating it with the emerging neighbourhood focus arrangements
- 5.55 Savings of **£172k** are from a further redesign of the back office Galleries Staff team. A reduction in resources of **£220k** is a further option in respect of grants to Cultural Organisations of which £200k will be in 2016/17.
- 5.56 The Directorate has also commissioned a piece of work to consider **income generation** from the Council's sporting, leisure and cultural assets. Whilst opportunities may exist it is not currently possible to confirm deliverables within the current budget period.

The changes in the overall resource position provide an opportunity to reconsider the options to reduce funding for libraries materials by a further £100k and by £70k to remove free swimming. The latter is subject to a specific consultation process and the final decision will be made in due course.

Supporting Growth

- 5.57 A range of **feasibility and commissioning budgets** which have been used to pump prime transformational initiatives such as Manchester Life and many small scale localised initiatives have been reviewed. The focussing of resources will enable the saving of **£680k** from these budgets to be used to support and deliver transformational projects. A further reduction of **£220k** will be made through better integration of physical and infrastructure related policy roles within **City Policy** with some reduction in capacity.
- 5.58 The continuing transformation, growth and economic recovery within the City will however translate into greater volumes of planning applications and building control work which will facilitate the delivery of **£200k** of savings in **Planning and Building Control** through a combination of additional income and efficiencies.
- 5.59 The **Strategic Housing** service will deliver savings of **£363k** by maximising the way Housing Revenue Account (HRA) funding is used informed through learning from experience elsewhere. This will ensure that it is appropriately funding both posts and functions that relate to the management and maintenance of the HRA stock and services that directly benefit HRA tenants.
- 5.60 It is also proposed to review and restructure the service to ensure that it is being delivered as efficiently as possible which will achieve a saving of **£180k** through workforce reductions.
- 5.61 Corporate Property will lead on the future introduction of the One Public Estate initiative; this will enable collaboration opportunities to be explored at a strategic level with public sector partners enabling property assets to be better

utilised increasing the opportunity for property related savings to be made in the future.

- 5.62 To ensure that the City Council is in position to maximise the opportunities that this will present, it will need to continue the property rationalisation of the Council's **Operational Property Estate**. This will result in reduced running costs with anticipated savings of **£450k** between 2015 and 2017.
- 5.63 Management of the Council's **Investment Property Estate** is currently split between the Council's in-house Development Team and an external provider. The external contract expires in June 2015 and the ongoing requirements are being reviewed in conjunction with a review of the overall Investment Estate. Additional income and efficiencies of **£200k** are proposed to be delivered through this process.

6 **Reinvestment Proposals**

- 6.1 The review of the savings options and application of the interim airport dividend to support the revenue budget has created capacity for c£5.5m of investment in priority areas for the Council that will help deliver its priorities and mitigate the impact of the savings proposals being put forward. The paragraphs below set out the proposals for consideration in February in the context of the outcome of public consultation on specific proposals and overall budget proposals.

Corporate Core

- 6.2 It is proposed to invest in the following priority areas:
- Reinvestment of **£100k** into Communications to ensure that full support can be provided to council priorities i.e. supporting recycling and behavioural change.
 - **£54k** into procurement in recognition of the growing volume of work on the team to deliver savings options and their review of ICT contracts.
 - **£82k** into internal Audit and Risk to provide capacity for the increased demand for investigatory work. .

- 6.3 These proposals total £236k

Growth and Neighbourhoods

- 6.4 Within the Growth and Neighbourhoods Directorate, if there was capacity to re-invest, officers suggest this should focus on two areas of neighbourhood based services – both of which would support delivery of savings but which would also seek to redress in part the significant budget reductions made in the previous two rounds of cuts. It is worth noting that the Council's three neighbourhood based teams have seen reductions of £28.6m since 2010 which has inevitably had a negative impact on services in neighbourhoods.

- 6.5 The first area relates to waste disposal which takes up the largest proportion of the directorate's budget with Manchester having the highest percentage of landfill of all the core cities. It is noted at paragraph 5.50 that savings of £2.4m in 2016/17 in the waste levy are necessary but delivery will be extremely challenging without investment in Education, Engagement and Enforcement in order to deliver the required behaviour change amongst residents.
- 6.6 The second broader area arises from the analysis officers have been undertaking to develop proposals for the integrated neighbourhood team. Cost comparisons per head of population with other similar cities have been made alongside an analysis of the impact of budget reductions over the last four years and this has identified three services where the reductions have had the most detrimental impact on the Council's ability to deliver the universal services the City's neighbourhoods need if Manchester is to grow and prosper. Investment could be utilised in the following services:
- Parks – where Manchester spends the least per head of population by some considerable way than any other core city;
 - Out of hours enforcement and compliance activity – to deal with issues such as ASB and noise nuisance at evenings and weekends which are a major source of concern for residents and for which Council resources are currently extremely limited and;
 - Street Cleansing – where a reduction in the service budget over the last four years has had an impact on the Council's ability to maintain the cleanliness of the city in key areas at key times.

The rationale and proposals for each of the above are set out in more detail below

- 6.7 **Waste and Recycling** – there is currently very limited capacity within the Council to strategically manage the new waste and street cleansing contract and progress work on the reduction in levels of residual waste and increased recycling. The proposal would be to scale up the team to be an effective client for the contract and ensure that the savings required from an increase in recycling rates can be delivered. The additional capacity required for education, engagement and enforcement would be in the region of **£650k**.
- 6.8 **Parks** – There are 160 parks in the city and it is essential we consider and develop the potential for these to become sustainable community resources. This requires a clear strategy that can lever investment into both parks and the surrounding areas with residents' and other partners' contributions maximised. The current resources are not sufficient to take this forward in a planned and programmed way. Parks in our city are of significant importance in our strategy for the future both in terms of providing places where residents and visitors want to spend leisure time and in terms of improving health outcomes but also as a significant contributor to the growth of the city. We know that proximity to a well managed park is a key influencer in the value of properties and in the choices residents make about where they want to live. This requires a clear strategy that can lever investment into both parks and the surrounding areas with residents' and other partners' contributions maximised. It is therefore

proposed to establish some additional capacity through a core team to lead the development of the City's parks at an estimated cost of £380k with a budget of £60k for volunteer programmes and activation of parks – a total of **£440k**.

- 6.9 **Enforcement** –, The current out of office hours / night time service is funded from the premises licensing budget and as such is only able to focus on non compliance issues in licensed premises. The issues that occur outside of working hours are clearly wider. It has been estimated that each weekend approximately 150,000 people visit the City Centre to enjoy the night life. In addition there are issues around student areas, noise nuisance and anti social behaviour as well as street trading particularly at weekends. Additional investment of **£200k** would provide capacity for enforcement at weekends and in evening times.
- 6.10 **Street Cleansing** – Due to changing demands and a reducing workforce the cleansing operation has struggled to follow a proactive programmed approach in the city centre particularly in the evening and at weekends and overnight. Additional investment would focus on providing resources at these key times and be included as a requirement in the new contract. Additional staff could be part of the dayshift but work from 3pm – 10.30 pm covering Wednesday – Sunday plus a night shift operating on Saturday and Sunday nights in the City Centre at a cost of **£400k**.
- 6.11 These proposals total £1.690m.

Children and Families

- 6.12 The investment proposals total £3.5m and are in the following areas:
- 6.13 *Living Longer Living Better (£1m)* - increase capacity for assessment and support planning to make the savings on Residential and Nursing Care achievable. This would focus on high cost packages and include :-
- investment in Community Occupational Therapists (OTs) and front line care managers as these posts will play a critical role in reducing demand. Their training and focus is on ability and promoting independence;
 - extending implementation of the new rehabilitation service and increase in home care as an alternative to residential care;
 - a review of the skill mix and capacity for qualified workers (Social Workers and OTs) and unqualified workers and workforce training for MCC and NHS team managers; and
 - workforce development and training based on independence and reducing dependency. This would be for key groups of frontline staff going into the co located teams based on an independence model: Primary Assessment Teams; Social workers; Equipment and Adaptations workers; Reablement workers; and Business Support staff.
- 6.14 Manage Demand (£400k) - To put measures in place to manage demand

away from the front door by implementing a self service approach for residents. This would include:

- Adoption of systems on the market and widely adopted by most Local Authorities to provide :-
 - advice and information for carers
 - a modern directory of services available within communities
 - a self assessment system
 - a self service system for those who don't qualify for Council funded support, including an e marketplace.
- The investment would support the next phase of roll out of early intervention using Assistive Technology. This would build on existing investment for kit by promoting take up.
- The investment would allow the roll out an integrated e Care Gateway which has been piloted with a smaller number of GP practices. This is the electronic interface between Primary Care and Adult Social Work.

6.15 Learning Disability (£500k) - investment into new assessment and brokerage for Learning Disability services. This investment would build on a programme to help deliver a fundamental shift in culture, practices and ways of working and to secure innovative, more cost effective solutions for people with for Learning Disabilities and their carers. The investment would be in brokerage by local residents (often carers of people with a learning disability) who would be employed as peer brokers who have knowledge of local support networks in the community. The key functions of brokerage are to:
Increase the volume and pace of support planning with a number of providers of brokerage

- Specifically meet the needs of transition cases by contributing to the Education, Health and Care plans of 19-22 year olds
- Undertake support planning with elderly carers to develop life skills in their adult children to enable them to live more independently as an alternative to 24 hour accommodation.

6.16 Mental Health (£500k) to fund a service for people with mental health problems in Residential Care and Supported Accommodation to move into more independent accommodation and to be placed on a path to work or supported employment. This would be based on the successful interventions developed through Working Well:

- Bio-psychosocial Assessment
- Tenacious Key worker
- Motivational Interviewing
- Support planning which coordinates and sequences interventions.

6.17 *Early Help for People at Risk of Complex Needs (£500k)* – For early help for people at with complex needs such as dementia or young people with combinations for conditions. This would support our Care Act responsibilities. It would prevent or delay needs escalating into more expensive support, including residential care with intensive support. Investment would be in:-

- Carers Services - providing back up with a sitting service and or a crisis response, for example if the carer is ill and Peer Mentoring;
- befriending services on the Good Neighbour Scheme type model for people with a learning disability to avoid day care and to help people access Universal services and developing community circles of support;
- clinical interventions to help people with Dementia stay within their communities.

6.18 Additional Investment with PRI of £60k to ensure there is a robust programme to improve data management and reporting. This is integral to more effectively tracking performance and investment decisions.

6.19 Outcomes of Peer review £540k. It is intended to invite a rigorous Peer Review of the Council's Adult Social Care services. The review will identify priorities for improvements in the efficiency and effectiveness of these services prior to integration with community health services. It will also identify any requirements for improvement in leadership and management of these services to ensure effective implementation of the changes needed to deliver the options for budget savings. The provision of £540k will cover the cost of the review and for any immediate changes required as a result of the review.

6.20 These proposals total £3.5m.

Total Investment Proposals

6.21 The total investment proposals are summarised in the table below.

Table Thirteen: Total of reinvestment proposals across Directorates

	£'000
Children and Families	3,500
Growth and Neighbourhoods	1,690
Corporate Core	236
Total	5,426

7 Overall Financial Position

Directorate Position

7.1 Appendix 1 shows the proposed directorate cash limits after savings proposals, pressures and investments.

7.2 The overall financial position for 2015/16 and 2016/17 can be summarised as:

Table Fourteen: Revised Summary of Resources Available and Budget Requirement for 2015/16 and 2016/17

	2015 / 16 £'000	2016 / 17 £'000

Budget Shortfall (Per Table One)	58,818	90,985
Use of 2014/15 Interim Dividend	(9,000)	(2,000)
Savings Proposals	(55,244)	(70,224)
Reinvestment Proposals	5,426	5,426
Total Shortfall / (Surplus)	0	24,187

Financial Reserves

7.3 The Council holds a number of reserves, all of which aside from the General Fund Reserve, have been set aside to meet specific future expenditure or risks. A fundamental review of all the reserves held has been carried out as part of the budget and some reserves have been released to meet the increases of £2.1m to the Transformation Reserve, required to meet the costs associated with the VS/VER scheme, and £10m for a Children and Families Investment reserve, which along with the remains of the Manchester Investment Fund reserve, will be used to support more families into sustainable employment and reduce the numbers of looked after children.

7.4 The reserves include:

- Statutory reserves – such as the Parking Reserve, where the use of these monies is defined in statute
- PFI Reserves – held to meet costs across the life of the PFI schemes
- Reserves to offset risk and manage volatility – such as the Insurance Reserve, and reserves to smooth volatility in for example adult social care placements due to winter pressures
- Schools reserves -schools funding which the council cannot utilise
- Reserves held to support capital schemes
- Reserves to support economic growth and public sector reform
- Grants and contributions which fall across more than one year – under the revised accountancy arrangements for IFRS these are now held in a reserve

7.5 The table below shows an analysis of the planned used of reserves in 2015/16 and 2016/17 to support revenue expenditure.

Table Fifteen: Use of reserves to support the budget

	2015 / 16 £'000	2016 / 17 £'000
Statutory Reserves:		
Bus Lane and Parking reserves	6,171	6,171
Other Statutory Reserves	468	155
Balances Held for PFI's:		
Street Lighting PFI	1,450	385
Small Specific Reserves	170	95

	2015 / 16 £'000	2016 / 17 £'000
Reserves held to smooth risk / assurance:		
Business Rates Safety Net	26,728	0
Transformation Reserve	12,582	0
Airport Dividend Reserve	9,000	2,000
Other Reserves held to smooth risk / assurance	752	0
Reserves held to Support Capital Schemes:		
Capital Fund	3,675	3,238
Economic Growth and Public Sector Reform:		
Clean City Reserve	9,166	0
C&F Investment Reserve	11,605	2,514
Other Economic Growth and Public Sector Reform	452	398
Grants and Contributions used to meet commitments over more than one year:		
Welfare Provision Scheme	500	500
Dedicated Schools Grant	3,700	0
Other grants and Contributions used to meet commitments over more than one year	1,292	54
	87,710	15,510

7.6 Further detail on the main proposed use of reserves to support revenue expenditure is set out in more detail below:

Transformation Reserve

7.7 It is estimated that £17.6m will be required to fund the costs of the current VER/VS scheme. There is £10.5m available in the reserve which was set up to fund the 2011 time limited incentivised scheme and £2.1m has been identified from other available reserves giving a total reserve of £12.6m. The balance of up to c£5m will be met from the remaining available allowances in the pension scheme for 2014/15 and 2015/16. A report approving the use of Council reserves to meet these costs was taken to November 2014 Executive.

Airport Dividend Reserve

7.8 The interim airport dividend for 2014/15 of £11m announced on 4 December will be used to support the revenue budget in 2015/16 and 2016/17. This amount will be transferred to a reserve at the end of 2014/15.

Clean City Reserve

7.9 The Council allocated £14.5m in 2013/14 to set up a 'Clean City' reserve. Due

to the one-off nature of this funding it is used to benefit the City in a way that is aligned to the strategic priorities of the Council and does not lead to any commitments for ongoing expenditure. The funding is invested in largely one-off strategic interventions to improve the quality of the environment and which are linked to delivering behaviour change.

- 7.10 35 applications that have been agreed so far with a value of £12m of which £5.3m is expected to be spent in 2014/15 and £6.7m is committed in 2016/17. Further projects are under consideration in relation to the balance of funding of £2.5m.

C&F Investment Reserve

- 7.11 There is an investment case to invest £14m to support more families into sustainable employment and reduce the numbers of looked after children. This can be covered by reserves (£10m) and funds remaining in the Manchester Investment Fund (£4m) which was set up to support the troubled families programme.
- 7.12 The costs and financial benefits of the investment have been modelled. For the investment of £14m, it is forecast that there would be net savings of £8m p.a. from a reduction in the numbers of children looked after by 2018/19. In the shorter term, the investment would allow savings to be made in 2015/16 and these have been included in the schedule of savings options appended to this report.

Welfare Provision Reserve

- 7.13 For 2015/16 and 2016/17 a revised scheme will be approved by the City Treasurer in consultation with the Executive member for Finance in accordance with the approved delegation. It is proposed to deliver a reduced Welfare Provision Scheme offer aimed at providing critical support to Manchester residents in immediate crisis. The scheme can be expected to provide basic household items such as beds and bedding and basic kitchen appliances such as a microwave for single people and couples and a cooker and a fridge for families. In exceptional and extreme cases the scheme may also offer support to families where a crisis situation is preventing a child from attending school, this could involve signposting residents to education caseworkers in Education and Skills. This will be funded from the Welfare Provision reserve expected to cost c£500k a year.

The General Fund Reserve

- 7.14 The General Fund Reserve is held to meet costs arising from any unplanned event. It also acts as a financial buffer to help mitigate against the financial risks the Council faces and can be used to a limited degree to “smooth” expenditure across years.
- 7.15 It is currently estimated that the balance on the reserve at 1 April 2015 will be £27.3m. The level of the un-earmarked General Fund reserve held has been risk assessed by the City Treasurer and is felt to be prudent given the level of volatility in council funding streams, the scale of the savings that needs to be

achieved and increasingly for business rates especially appeals. In addition to the savings targets built in to the budget; there are also a number of risks as described below

- Increased volatility – income is now linked to business rates (collection rates, appeals risks, growth to be achieved), council tax (with risks on collection rates, collecting charges from those previously in receipt of benefits) and topslices such as New Homes Bonus and LACSEG where it is not clear what will be returned.
- Half of the risk of historic business rates appeals now lies with the local authority – this includes appeals before the new funding system was implemented. Full provision has been made in the budget for the estimated level of risk to the Council.
- Business rates growth will need to be achieved in order to stand still. The safety net will only provide limited protection as we will need to lose £12.2m to trigger access to it
- Cost relating to the risks associated with `Winterbourne review. The indicative cost of people transferring from hospital based provision (currently funded by health) is c£3.4m. The Department of Health principle is that the changes should not lead to additional burdens for social care however whilst the Clinical Commissioning Groups support this principle, the risk lies with the cost of care for people currently funded by NHS England and the longer term impact of the change.
- There is a risk around the increase in the National Living Wage and any decision to increase the Manchester Minimum Wage in line with this.

7.16 The expected level of the General Reserve is therefore seen as the minimum level required to be held to protect the Council from the financial risks inherent within the proposed budget strategy. Any variation in spend at the year's outturn, over and above any carry forward, will also affect the level of General Fund Reserve available next year.

7.17 The City Treasurer feels it would be prudent in light of the higher level of risk being faced by the Council going forward that the reserve should be maintained at this level.

8 Workforce Issues

8.1 The Council has seen a reduction of circa. 3,400 FTE (34%) from the workforce in support of the budget reductions described above since 2010/11. This has included circa. 2,400 FTE through time limited incentivised voluntary severance schemes in 2011 and 2013. These reductions have supported the delivery of around £94m of workforce savings (£70m across 2011/13 and £24m across 2013/15), around 38% of the total savings required from the organisation, as well as further reductions aligned to areas of reducing grant and income funding.

8.2 In order to support the delivery of the required budget there will be a need to deliver savings in the region of £12.8m from the workforce, representing 18% of the proposals set out. This is estimated to require a reduction in workforce

of approximately 450-550 FTE. This sum represents a reduction from the total savings options related to the workforce which were presented to Scrutiny Committees in November and reflects the more detailed design work on savings plans which has taken place over recent weeks and months.

- 8.3 This position should be seen in the context of a further investment of £1.4m in the workforce to provide additional capacity in key critical areas which would reduce the total net required savings from workforce budgets to £11.4m and the approximate reduction in posts by 43 FTE.
- 8.4 It is important to stress that the level of required workforce savings, though lower than could have been the case, still represents a significant challenge.
- 8.5 A considerable number of applications for VER/VS have been received and whilst these are subject to review it is likely that a significant element of the workforce savings should be achieved dependant on the numbers of staff accepting their offer and the ability to facilitate movement based on skills required for the effective operation of services. The progress of the scheme in achieving savings will be kept under review and any further required actions identified over the coming weeks.
- 8.6 The delivery of the proposed changes will not only require a reduction in workforce, but also a continuation of the shift in the types of roles and skills needed across the Council. This change will be managed in alignment with the **m people** principles, with a focus on developing the Council's existing workforce to meet future skills needs wherever possible. In support of this, it will be important that individuals continue to move flexibly across the organisation and the wider public sector. Robust workforce planning arrangements and a continued investment in the skills of the workforce are in place to ensure that, as functions and roles change, the workforce is effectively developed in alignment with this in both the short and long term.
- 8.7 The Council needs to consider all possible options open to it to ensure that the required reduction in posts can be made to achieve the budget savings required. The Council still intends to aim to avoid compulsory redundancies, however, if all other options do not offer or cannot deliver the required saving, the Council will be forced to reconsider its position, including in relation to compulsory redundancies, in order to ensure that it will have a balanced budget and robust medium term financial strategy.

9 Legal Issues

- 9.1 In coming to decisions in relation to the revenue budget and Council Tax the Council has various statutory and fiduciary duties. These will be considered in full as part of the recommended budget which will go to February Executive.
- 9.2 This is a provisional budget report containing a set of budget options where there are suggested changes following the change in the Council's overall financial position. These options are the subject of consultation. A final budget report will go to Executive in February which will also report the formal

setting of the council tax base and the final position for the business rates base. It will also take into account the receipt of the final settlement.

The February Budget report will also fully consider the issues of risk and ensuring appropriate mitigations are in place. This will take into account the workforce issues.

- 9.3 Planning workforce reductions whilst maintaining continuity of services will be a significant risk. The workforce reductions identified to date represent circa 18% of the savings required and the Council needs to ensure that the reduction takes place in a timely way whilst maintaining key services. The aim is to achieve such reductions on a voluntary basis without recourse to compulsory redundancies with the VSS supported by the deletion of a number of currently funded vacant roles and turnover over the next two financial years. At time of writing this report, a considerable number of applications have been received and whilst these are subject to review it is likely that a significant element of the workforce savings should be achieved dependant on the numbers of staff accepting their offer and the ability to facilitate movement based on skills required for the effective operation of services. The progress of the scheme in achieving savings will be kept under review and any further required actions identified over the coming weeks. If Officers cannot be satisfied that the workforce savings required are achievable under the current amended VSS scheme, proposals will be brought forward for consideration by the Council. The proposals could include, alongside other options, compulsory redundancies as workforce savings are an integral part of the required reduction proposals

10 Budget Scrutiny

- 10.1 Overview and Scrutiny committees are holding special meetings to look at the Budget Proposals and their delivery. Finance Scrutiny Committee will look at the overall budget proposals, receive comments from other scrutiny committees and consider responses to the budget consultation.

11. Conclusion

- 11.1 This report and the accompanying Strategic Response report elsewhere on the agenda detail proposals to respond to the Local Government Settlement and to the requirement to produce a definitive budget to be approved at the City Council meeting on the 6 March 2015. There is no doubt that the level of service changes which are proposed, together with the considerable reduction in the workforce which is required, will pose significant challenges for the Council. Officers have satisfied themselves with the robustness of the planned service changes and their broad deliverability. However, a crucial input to their overall assessment about achieving budget requirements over the coming months, is the success or otherwise of the voluntary severance scheme. Prior to the Council finalising its budget on the 6 March the Council should satisfy itself that this scheme will deliver the reductions which are required, or whether the alternative option, compulsory redundancy, has to be considered alongside other options. Officers will produce further advice nearer the time,

and in the light of the actual experience of administering the Voluntary Severance Scheme.

11.2 Detailed recommendations appear at the front of this Report.

Appendix 1 Directorate Cash Limits

	2014/ 15	2015/16 Savings Proposals	2015/16 Investment Proposals	2015/16 Pressures	2015/16 Other Adjustments	Proposed 2015/16 Cash Limit	2016/17 Savings Proposals	2016/17 Pressures	2016/17 Other Adjustments	Proposed 2016/17 Cash Limit
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Children and Families	294,363	(38,878)	3,500	5,987	9,276	274,248	(9,623)	3,116		267,741
Growth and Neighbourhoods	101,406	(4,471)	1,690	1,016	(874)	98,767	(4,313)	733	468	95,655
Corporate Core	53,442	(6,995)	236	1,647	(100)	48,230	(1,044)	0		47,186
Total Directorate	449,211	(50,344)	5,426	8,650	8,302	421,245	(14,980)	3,849	468	410,582
Corporate Budgets		(4,900)		450				3,687		
Total		(55,244)	5,426	9,100			(14,980)	7,536		

Appendix 2 Savings Proposals

CHILDREN AND FAMILIES		Savings Proposals				FTE Impact (Indicative)
	2014/ 15 Baseline Budget	Type of Saving	2015/16	2016/17	Total	
	£,000		£,000	£,000	£,000	
LOOKED AFTER CHILDREN (LAC) AND COMPLEX DEPENDENCY						
<p>The proposal is to invest £14m in Complex Dependency and LAC over the next two years. This will be covered by £10m reserves and funds remaining in the MIF* of £4.8m. The MIF is the fund that was set up for the Troubled Families (TF) programme. The costs and financial benefits of the investment have been modelled. It is forecast that there will be net savings of £8m p.a. from a reduction in the numbers of children looked after by 2018/19. The model does not assume the investment of reserves will be paid back during this period, but do deliver the savings already included in the savings schedule for LAC. By year 5, the model estimates the total savings generated will exceed the £14m investment required. There will be choices about whether the savings generated are used to replenish reserves or set against any future budget reductions. These savings are net of continuing investment and cannot be realised any earlier largely due to the scale of investment required for TF phase 2, where total cost to Children's and Families would exceed safeguarding savings, especially in 2015/16 and 2016/17.</p>		Investment from reserves and the MIF*				
			(11,605)	(2,514)	(14,119)	

CHILDREN AND FAMILIES		Savings Proposals				FTE Impact (Indicative)
	2014/ 15 Baseline Budget	Type of Saving	2015/16	2016/17	Total	
	£,000		£,000	£,000	£,000	
<p>The savings in 2015/16 include £4.691m of savings in looked after children costs which would remove a current overspend of £3m leaving a net contribution to savings next year of £1.691m. It also includes £2.797m spending on troubled families which is being taken out of the revenue budget and replaced with investment (see options later in the schedule for sub-total of LAC savings of £1.691m and Troubled Families saving of £2.797m). The savings are ongoing reductions in the revenue budget and would increase year on year as the numbers of looked after children reduce, the modelling indicates a reduction in looked after children numbers over time from around 1,385 (Oct 2014) to around 1,115 by the end of the 2018/19 financial year. The savings from LAC and Complex Dependency set out below for 2015/16 are dependent on this investment, further savings of £8.3m for 2016/17 will fund the investment required in 2016/17 reducing the call on reserves to £2.514m</p>						
*Manchester Investment Fund (MIF)						
<u>Looked After Children (savings from first year impact of investment above)</u>						
Fostering and Adoption - increase the number and speed that children are adopted and shift placements from external to internal fostercare (this saving is a first year impact of the investment of £11.605m in 2015/16 referred to above)		Reform	1,671	0	1,671	
Increase scale of Families First to reduce LAC for children on edge of care and in care (this saving is a first year impact of the investment of £11.605m in 2015/16 referred to above)		Reform	1,576	0	1,576	-30

CHILDREN AND FAMILIES		Savings Proposals				FTE Impact (Indicative)
	2014/ 15 Baseline Budget	Type of Saving	2015/16	2016/17	Total	
	£,000		£,000	£,000	£,000	
Invest in the best possible evidence-based interventions for children in care and edge of care to reduce the overall number of children needing to be looked after (this saving is a first year impact of the investment of £11.605m in 2015/16 referred to above)		Reform	1,444	0	1,444	
Sub Total Savings			4,691	0	4,691	
Adjustment to offset existing LAC pressure		Reform	(3,000)	0	(3,000)	
Subtotal LAC (after the adjustment of £3m)			1,691	0	1,691	-30
Other LAC/Complex Dependency						
Multi-Treatment Fostercare intervention to reduce number of children in residential care		Reform	300	300	600	
Section 17 - reduce volume and value of payments from budget in Children and Families in exceptional circumstances		Efficiency	175	0	175	0
Child and Adolescent Mental Health - Reduce Council spend on psychiatry in the contract		Service Reduction	300	0	300	
Supervised Contact - change the way contact for LAC cases is provided		Efficiency	258	0	258	10

CHILDREN AND FAMILIES		Savings Proposals				FTE Impact (Indicative)
	2014/ 15 Baseline Budget	Type of Saving	2015/16	2016/17	Total	
	£,000		£,000	£,000	£,000	
Troubled Families - Reduce in-house parenting team support and buy additional parenting courses from external provider, reduce assertive outreach for adults		Service Reduction	1,000	0	1,000	
Troubled Families - Remove all of the recurrent Council budget for Troubled Families and fund the programme from government income, some partner investment and a Reform Investment Fund from reserves which would generate longer term savings (this saving is a first year impact of the investment of £11.605m in 2015/16 referred to above)		Reform	2,797	0	2,797	0
Creation of Early Help hubs through co-location of early help, troubled families, early years new delivery model linked to social works teams into Sure Start children's centres with associated reductions in management and centre-based posts.		Service Reduction	685	0	685	29
Early Help - Role of chair of SRF Children's Partnerships - Cease payments to schools for chairing the role		Efficiency	100	0	100	0
Subtotal other LAC and Complex Dependency			5,615	300	5,915	69
TOTAL LAC AND COMPLEX DEPENDENCY	75,455		7,306	300	7,606	39

CHILDREN AND FAMILIES		Savings Proposals				FTE Impact (Indicative)
	2014/ 15 Baseline Budget	Type of Saving	2015/16	2016/17	Total	
	£,000		£,000	£,000	£,000	
EARLY YEARS AND CHILD HEALTH						
Scale back targeted parenting interventions within early years new delivery model to 85% of those requiring intervention.		Service Reduction	500	0	500	0
Reduce Quality Assurance team across Early Years settings and alternative provision.		Service Reduction	100	0	100	3
Children's Services for School Nursing, Child Accident and other prevention services and Homeless Families provision - review to deliver efficiencies		Reform	1,105	1,011	2,116	0
TOTAL EARLY YEARS & CHILDREN'S HEALTH	10,449		1,705	1,011	2,716	3
LIVING LONGER LIVING BETTER						
Care Closer to Home - Saving from reduction in residential and nursing admissions. This proposal will use £1.6m of the Better Care Fund to provide investment into homecare and assistive technology to enable people to remain in their own homes		Reform	1,909	791	2,700	0

CHILDREN AND FAMILIES		Savings Proposals				FTE Impact (Indicative)
	2014/ 15 Baseline Budget	Type of Saving	2015/16	2016/17	Total	
	£,000		£,000	£,000	£,000	
Community Health and Social Care Integration - This proposal will include use of £2.3m the Better Care Fund to support the social care service through the integration with health addressing new responsibilities under the Care Act 2014		Reform	2,600	0	2,600	
Reablement - deliver efficiencies from internally delivered service		Efficiency	505	0	505	20
Reablement - Integrate with Intermediate Care and Services in the hospitals to create a new integrated Rehabilitation Service. Target reablement at residents who would otherwise have high costs residential and home care packages.		Reform	0	415	415	14
Integration of Primary Assessment Teams and Reablement Teams which will makes some efficiency savings in management and further staff.		Efficiency	250	0	250	8
Integrated Commissioning of Health and Social Care		Reform	1,100	0	1,100	23

CHILDREN AND FAMILIES		Savings Proposals				FTE Impact (Indicative)
	2014/ 15 Baseline Budget	Type of Saving	2015/16	2016/17	Total	
	£,000		£,000	£,000	£,000	
Mental Health - Commissioning intentions for mental health services that shift investment into early intervention, particularly linked to work, decommission of recovery and connect service and Recommission assessment and delivery		Reform	1,964		1,964	0
TOTAL LIVING LONGER LIVING BETTER	61,694		8,328	1,206	9,534	73
LEARNING DISABILITY SERVICES						
Integration of Learning Disabilities staff into Locality Team to make efficiency savings		Efficiency	60	0	60	3
Brokerage and support planning including reductions in Supporting People funding		Reform	900	0	900	0
Contract savings from negotiations with providers		Efficiency	1,250	0	1,250	0
Charge other local authorities for service users in residential provision that have ordinary residency outside the city		Efficiency	300	0	300	0
Expand the shared lives programme		Reform	124	584	708	0
End the contract for Emergency Assessment & Treatment Unit		Reform	291	0	291	0

CHILDREN AND FAMILIES		Savings Proposals				FTE Impact (Indicative)
	2014/ 15 Baseline Budget	Type of Saving	2015/16	2016/17	Total	
	£,000		£,000	£,000	£,000	
Expand Specialist Assisted Daily Living to make savings on high cost residential provision		Reform	275	275	550	0
LEARNING DISABILITY SERVICES	35,146		3,200	859	4,059	3
OTHER ADULT SOCIAL CARE						
<u>Homelessness, Refugee and Asylum</u>						
Reduction in the Homelessness Grants to voluntary and community sector organisations for rough sleepers and integration with the Inspiring Change programme which is a lottery funding project working specifically with rough sleepers.		Efficiency	200	0	200	0
Housing Revenue Account to fund homelessness services for Council Tenants		Income generation.	303	0	303	0
Refugees and Asylum - Decommission Multi-agency for refugee integration (MARIM) and replace with reduced delivery model.		Reform	50	0	50	2
Sub-total Homelessness, Refugee and Asylum	4,679		553	0	553	2
<u>Adult Care Services not included in LLLB</u>						
Homecare and Cash Individual Budgets		Efficiency	2,000	0	2,000	0

CHILDREN AND FAMILIES		Savings Proposals				FTE Impact (Indicative)
	2014/ 15 Baseline Budget	Type of Saving	2015/16	2016/17	Total	
	£,000		£,000	£,000	£,000	
MCC Provided Respite Care - Change the current Short Breaks service and estate and target to learning disabled residents. Provide the services through a new delivery model in line with All Age Disability <i>strategy and</i> externalise current provision for older people with mental health needs through external provision.		Efficiency	475	0	475	24
MCC provided Supported Accommodation - Development of a new delivery model for Supported Accommodation		Efficiency	817	254	1,071	29
Sub-total Adult Care Services not inc in LLLB	30,093		3,292	254	3,546	53
<u>Voluntary and Community Sector and Housing Related Support</u>						
Advice Services - Removal of universal provision. Targeted offer supplemented by Registered Providers		Reform	615	0	615	0
Voluntary Community Sector Grants reductions with remaining budget focused on community strategy priorities.		Reform	544	0	544	0
Housing Related Support - Redesign services and commissioning alternative delivery models. This may include the closure of hostels and supported accommodation		Reform	2,000	0	2,000	0

CHILDREN AND FAMILIES		Savings Proposals				FTE Impact (Indicative)
	2014/ 15 Baseline Budget	Type of Saving	2015/16	2016/17	Total	
	£,000		£,000	£,000	£,000	
Subtotal Vol & Community Sector Services	16,877		3,159	0	3,159	
Other services commissioned for Children & Families						
Drugs and Alcohol - Review & redesign Drug & Alcohol Services with a greater emphasis on service integration. This will involve a collaborative approach with providers in the independent and community sector, NHS Trusts and Primary Care		Reform	1,450	1,606	3,056	0
Sexual Health - Review & redesign Sexual Health Services bringing together Genito Urinary Medicine (GUM) and Contraception & Sexual Health Services to deliver an Integrated Sexual Health Service across the city whilst maintaining open access. This will involve independent and community sector, NHS Trusts and Primary Care providers		Reform	1,017	835	1,852	0
Community Nutrition Service - Remodel and commission a city wide service involving the NHS Trusts and other providers		Reform	164	492	656	0
Falls Prevention - Remodel and commission a city wide service involving the NHS Trusts and other providers		Reform	250	0	250	0
Physical Activity Services - Review & commission an integrated service incorporating NHS Trust and City Council Services		Reform	649	283	932	0

CHILDREN AND FAMILIES		Savings Proposals				FTE Impact (Indicative)
	2014/ 15 Baseline Budget	Type of Saving	2015/16	2016/17	Total	
	£,000		£,000	£,000	£,000	
Wellbeing Services - Review & commission an integrated Wellbeing Service incorporating NHS Trust and City Council Services		Reform	794	1,932	2,726	
Oral Health, Food and Health, and Ageing Well - Review existing programmes to deliver efficiencies		Reform	130	10	140	0
NHS Health Checks - Review and deliver NHS Health Checks through a more targeted approach		Reform	247	0	247	0
GM Public Health Programme - Review investments in GM programme, deliver efficiencies and in some cases decommission		Reform	96	200	296	0
Well North - Remove non-recurrent provision		Efficiency	317	(317)	0	0
Review other budgets to get best value for money		Reform	569	178	747	0
Subtotal other services commissioned for C&F	32,210		5,683	5,219	10,902	0
TOTAL OTHER ADULT SOCIAL CARE	83,859		12,687	5,473	18,160	55
EDUCATION AND SKILLS						
Home to school transport for Special Needs: secure efficiencies within statutory requirements to enable travel to school		Efficiency	464	536	1,000	36

CHILDREN AND FAMILIES		Savings Proposals				FTE Impact (Indicative)
	2014/ 15 Baseline Budget	Type of Saving	2015/16	2016/17	Total	
	£,000		£,000	£,000	£,000	
Cease discretionary school clothing grants.		Service reduction	267	0	267	
Attendance - Alternative options for school attendance service		Efficiency	140	360	500	0
Manchester Adult Education Service (MAES)		Efficiency	343	0	343	25
Youth and Play Services - To amalgamate a number of youth and play related budgets which provide or commission services to young people and younger children (including young carers and for IAG), to deliver a reduced but fully integrated senior and junior youth offer through targeted interventions. To explore the possibility of establishing a youth trust with appropriate partners to enable MCC funding to act as leverage for additional funding from grants and other sources.		Service Reduction	1,000	433	1,433	5
Dedicated Schools Grant		Income generation.	1,000	(1,000)	0	0
Statutory Moderation of school assessments - alternative delivery model		Service reduction	125	0	125	
Management Support for schools - Reduction in budgeted capacity in line with current demand		Efficiency	100	0	100	
Short Breaks - Identify alternative contracting and delivery models and some reductions in short breaks for families with disabled children, building on success of access to universal services.		Reform	184	132	316	0

CHILDREN AND FAMILIES		Savings Proposals				FTE Impact (Indicative)
	2014/ 15 Baseline Budget	Type of Saving	2015/16	2016/17	Total	
	£,000		£,000	£,000	£,000	
Free Travel Passes - reduce provision of free travel to school to statutory minimum for new applicants only.		Service reduction	40	83	123	
Closed School Buildings - Reduce budget for costs related to maintaining closed school building and sites		Efficiency	129	0	129	
Education Psychology - seek efficiencies and minor reductions within current contract		Efficiency	40		40	0
Reduction in capacity - for leadership of skills and for Education Other Than At School provision		Efficiency	70	0	70	1
TOTAL EDUCATION & SKILLS	20,453		3,902	544	4,446	67
CORE/BACK OFFICE						
Centrally managed business support with co-location and integration and new business support model		Efficiency	1,750	0	1,750	79
TOTAL CORE/BACK OFFICE	7,308		1,750	0	1,750	79
Total C&F proposals	294,364		38,878	9,393	48,271	319
2016/17 Only Proposals:						
Introduce Transition Housing to reduce the number of young people needing to be placement in expensive residential care homes that are not appropriate		Reform	0	53	53	0

CHILDREN AND FAMILIES		Savings Proposals				FTE Impact (Indicative)
	2014/ 15 Baseline Budget	Type of Saving	2015/16	2016/17	Total	
	£,000		£,000	£,000	£,000	
Reduce cost of high need provision for older people with learning disabilities by 25% for 17 placements		Reform	0	177	177	0
			0	230	230	0
Total C&F proposals including 2016/17 Only			38,878	9,623	48,501	319

GROWTH AND NEIGHBOURHOODS	2014/ 15 Baseline Budget	Type of Saving	Amount of Saving Proposal			FTE Impact (Indicative)
			2015/16	2016/17	Total	
	£,000		£,000	£,000	£,000	
Neighbourhood Focus						
Integration of Neighbourhood Functions across the Directorate (CCS, NDT, NRT).	14,890	Efficiency / Service Reduction	56	838	894	27.5
Maximising access to Community Funding (Cash Grants)	960	Service Reduction	320	-	320	-
Sub total Neighbourhood Focus and Community Funding	15,850		376	838	1,214	28

GROWTH AND NEIGHBOURHOODS	2014/ 15 Baseline Budget	Type of Saving	Amount of Saving Proposal			FTE Impact (Indicative)
			2015/16	2016/17	Total	
	£,000		£,000	£,000	£,000	
Waste, Recycling and Street Cleansing						
Increased efficiency from waste collection and street cleansing contract	16,020	Efficiency	1,200	400	1,600	TUPE
Sub Total Waste, Recycling and Street Cleansing	16,020		1,200	400	1,600	
Leisure						
Efficiencies from revised leisure contract	2,645	Efficiency	235	-	235	-
Transfer of functions to the Leisure Trust	590	Efficiency	250	-	250	TUPE
Reduced costs of sports events	1,170	Efficiency	200	-	200	1.0
Sub Total Leisure	4,405		685	-	685	1
Libraries						
Reduced funding for libraries materials.	1,124	Efficiency	100	-	100	
Sub Total Libraries	1,124		100	0	100	0
Sub total Leisure and Libraries	5,529		785	0	785	1
Galleries & Cultural Grants						
Undertake a service redesign in Galleries		Efficiency	172	-	172	3.5
Reduce grant funding to organisations	7,274	Reform	20	-	20	

GROWTH AND NEIGHBOURHOODS	2014/ 15 Baseline Budget	Type of Saving	Amount of Saving Proposal			FTE Impact (Indicative)
			2015/16	2016/17	Total	
	£,000		£,000	£,000	£,000	
VAT efficiencies		Efficiency	30	-	30	
Align culture resources in City Policy function		Efficiency	45	-	45	2.0
Sub Total Galleries & Cultural Grants	7,274		267	0	267	5.5
Supporting Growth						
Additional income generated from planning fees.	675	Income generation.	150	-	150	
Efficiencies within the building control service.	259	Efficiency	50		50	
		Efficiency	363	-	363	-
Strategic Housing service redesign	869	Service Reduction	180	-	180	4.0
Redesigning strategic planning, policy, research and environmental strategy roles within City Policy	2,375	Efficiency	220	-	220	6.5
Generation of additional income from the investment estate	(13,441)	Income generation / Efficiency	200	-	200	

GROWTH AND NEIGHBOURHOODS	2014/ 15 Baseline Budget	Type of Saving	Amount of Saving Proposal			FTE Impact (Indicative)
	£,000		2015/16	2016/17	Total	
			£,000	£,000	£,000	
Reduction in the Feasibility and Commissioning budget	2,140	Efficiency	680	-	680	
Sub Total Supporting Growth	(7,123)		1,843	-	1,843	10.5
Total Growth and Neighbourhoods			4,471	1,238	5,709	45
2016/17 Only Proposals:						
Reduction in levels of residual waste to help reduce our waste levy	33,637	Efficiency	-	2,400	2,400	0
Efficiencies from the GM library management system		Efficiency	-	25	25	
Reduce grant funding to organisations		Reform	-	200	200	-
Rationalisation of the operational property estate	10,475	Efficiency / Collaboration	-	450	450	
			-	3,075	3,075	-
Total Growth and Neighbourhoods including 2016/17 Only			4,471	4,313	8,784	45

CORPORATE CORE	2014/ 15 Baseline Budget	Type of Saving	Amount of Saving Proposal			FTE Impact (Indicative)
			2015 / 16	2016 / 17	Total	
	£,000		£,000	£,000	£,000	
CHIEF EXECUTIVES						
Communications						
Where appropriate use electronic alternatives to post and reduce printing		Efficiency, Digital	30	0	30	0.0
Tier 1 General reduction in staffing across Digital & Communications, this will involve deleting vacancies and a restructuring of how the service is delivered.		Service Reduction, Centre of Excellence	204		204	9.0
Tier 2 Additional reduction in staffing across Digital & Communications over and above tier 1 proposals and a further reduction in the level of support that can be provided and jobs supported, risk to income.		Service Reduction, Centre of Excellence	100		100	2.0
Reduction in the centralised Communications projects budget by further £100k - focus on the highest priority work only		Efficiency, Centre of Excellence	100	0	100	0.0
Review Comms Media - Review existing media used for advertising/communications.		Efficiency, Centre of Excellence	40	0	40	0.0
Revise the format of public notices to save unnecessary costs.		Efficiency, Centre of Excellence	30	0	30	0.0
Increased income through charging appropriate rates for work undertaken for other public organisations and increase translations income targets		Income generation. , Centre of Excellence	75	25	100	0.0
Brand Development & Marketing - remove Marketing Manchester funding		Efficiency, Centre of Excellence	130	0	130	0.0
Communications Sub Total	5,205		709	25	734	11.0
Customer Organisations						

CORPORATE CORE	2014/ 15 Baseline Budget	Type of Saving	Amount of Saving Proposal			FTE Impact (Indicative)
	£,000		2015 / 16	2016 / 17	Total	
			£,000	£,000	£,000	
Where appropriate make available more services on the website and improve online services and information which in turn will enable reductions in staffing through reduced call volumes received through the Contact Centre and visits to the Customer Service Centre.		Efficiency, Digital	164	52	216	9.0
Reduce the operating hours of the Contact Centre (neighbourhood and switchboard only) so 9-6pm rather than 8-8pm service. Increase the waiting time for a same day appointment in the Customer Service Centre.		Service Reduction, Non Big Ticket	103	0	103	4.0
Savings from the Tourist Information Centre		Efficiency, Non Big Ticket	75	95	170	0.0
Customer Organisations Sub Total	3,768		342	147	489	13.0
ICT						
Review of ICT Contracts and Service Redesign		Efficiency, Centre of Excellence	65	0	65	2.0
ICT Sub Total	10,612		65	0	65	2.0
Performance, Research & Intelligence						
Tier 1 - Service redesign and reduction in staffing		Efficiency, Centre of Excellence	150	0	150	8.0
Performance, Research & Intelligence Sub Total	2,899		150	0	150	8.0
HUMAN RESOURCES						
Tier 1 - Undertake a service redesign to bring teams together and enable posts to be reduced		Efficiency, Centre of Excellence	325		325	9.0

CORPORATE CORE	2014/ 15 Baseline Budget	Type of Saving	Amount of Saving Proposal			FTE Impact (Indicative)
	£,000		2015 / 16	2016 / 17	Total	
			£,000	£,000	£,000	
Increased income through Agency Client Group fee income and charge partners for external senior recruitment support.		Income generation. , Centre of Excellence	66		66	0.0
Identification of efficiencies from non-workforce budgets e.g. corporate events, corporate training		Efficiency, Centre of Excellence	10		10	0.0
Human Resources Sub Total	3,419		401	0	401	9.0
Reform & Innovation						
Tier 1 - New function to drive Reform & Innovation across MCC. Will require service redesign and staff reductions.		Reform, Centre of Excellence	500		500	9.0
Tier 2 Develop a smaller Reform & Innovation Function over and above tier 1 above. Reducing the amount of capacity to support strategic change.		Reform, Centre of Excellence	250		250	9.0
Tier 3 - Further reduced resources over and above tier 1 & 2 above which would leave no capacity to provide direct support to Directorates.		Reform, Centre of Excellence	250		250	0.0
Reform & Innovation Sub Total	1,177		1,000	0	1,000	18.0
Executive						
Savings from non workforce budgets and minor staffing change		Efficiency, Non Big Ticket	58	0	58	0.0
Civic Functions Budget Reduction		Efficiency, Non Big Ticket	20		20	0.0
Due to national pension changes there is a reduced requirement for members pension budgets		Efficiency, Non Big Ticket	47	92	139	0.0
Executive Sub Total	3,752		125	92	217	0.0
Democratic and Statutory						
Coroners						

CORPORATE CORE	2014/ 15 Baseline Budget	Type of Saving	Amount of Saving Proposal			FTE Impact (Indicative)
			2015 / 16	2016 / 17	Total	
	£,000		£,000	£,000	£,000	
Reduce Costs of Legal Fees, by using the Council's legal service & explore options for GM toxicology services		Efficiency, Non Big Ticket	2	0	2	0.0
Registrars						
Increased income Target within Registrars, this will include increased Registrars fees, charging for posting Certificates and advertising.		Income generation. , Income Generation	109	0	109	0.0
Democratic and Statutory Sub Total	3,474		111	0	111	0.0
Legal Services						
Increased income from doing more work for other public service providers		Income generation. , Income Generation	100	50	150	0.0
Review Regeneration Group structure		Service Reduction, Non Big Ticket	150	0	150	2.0
Increased efficiencies from implementation of a case management system.		Efficiency, Non Big Ticket	40	0	40	2.0
Legal Services Sub Total	2,297		290	50	340	4.0
Chief Executive Corporate Items	1,789		0	0	0	0.0
CHIEF EXECUTIVES SUB TOTAL	38,392		3,193	314	3,507	65.0
CORPORATE SERVICES						
Financial Management						
Tier 1 - Review existing structures, delete existing vacant posts and review remaining finance functions in Capital Programmes & Property and Legal Services whilst streamlining the existing service offer and reduce workforce accordingly.		Service Reduction, Centre of Excellence	416	0	416	16.0

CORPORATE CORE	2014/ 15 Baseline Budget	Type of Saving	Amount of Saving Proposal			FTE Impact (Indicative)
	£,000		2015 / 16	2016 / 17	Total	
			£,000	£,000	£,000	
Review basis of charging, and who can be charged to ensure income maximised, including the HRA, CA and BSF/Health and explore further opportunities to share financial expertise across GM		Income generation. , Centre of Excellence	100	0	100	0.0
Tier 2 - further reduction in staffing will mean a focus on high risk areas only, less capacity to provide strategic finance support and a much greater reliance on manager self serve for access to monitoring information. Formal budget monitoring reporting will be bi-monthly. Review and deliver saving between Tier 1 and Tier 2 to deliver some capacity to support core.		Service Reduction, Centre of Excellence	100	0	100	0.0
Financial Management Sub Total	5,870		616	0	616	16.0
Revenue and Benefits						
Use of Hybrid Mail		Efficiency, Digital	40	0	40	0.0
Enable the use of on line applications for Housing Benefit claims		Efficiency, Digital	8		8	
Reduced costs of verification of Housing Benefit claims through risk based approach		Efficiency, Non Big Ticket	100	100	200	0.0
Internal improvements to ways of working to reduce the use of paper and printing		Efficiency, Non Big Ticket	30	30	60	0.0
Staffing efficiencies through reorganising functions, and deleting vacancies		Efficiency, Non Big Ticket	166		166	3.0
Remove miscellaneous budget to fund the impact of welfare reform		Service Reduction, Corporate Items	1,100	0	1,100	0.0
Reduce discretionary Council Tax support scheme from £300k to £150k		Service Reduction, Corporate Items	150	0	150	0.0

CORPORATE CORE	2014/ 15 Baseline Budget	Type of Saving	Amount of Saving Proposal			FTE Impact (Indicative)
	£,000		2015 / 16	2016 / 17	Total	
			£,000	£,000	£,000	
Improve CTax costs collection by reducing the number written off as a goodwill gesture		Efficiency, Corporate Items	30	0	30	0.0
Revenue & Benefits Sub Total	7,068		1,624	130	1,754	3.0
Corporate Procurement						
Increased income generated though the continuation of collaborative arrangements with Bolton. MCC runs the Procurement function at Bolton and in addition, now provides energy management services to the authority.		Collaboration, Centre of Excellence	70	50	120	0.0
Tier 1 - Service redesign and reduction in staffing to align with service delivery requirements.		Service Reduction, Centre of Excellence	110		110	2.5
Tier 2 - Additional staffing reductions over and above Tier 1to be undertaken to align with service delivery requirements.		Service Reduction, Centre of Excellence	54	35	89	2.5
Corporate Procurement Sub Total	1,074		234	85	319	5.0
Audit, Risk & Resilience						
Increased external income for both Internal Audit and Health & Safety work, opportunities for increased income from Schools and other public service providers.		Income generation. , Income Generation	117	0	117	0.0
Reduce Health & Safety Budgets		Efficiency, Non Big Ticket	25	0	25	0.0
Review of contractual arrangement to deliver Aids and Adaptations to improve delivery and timescales		Efficiency, Non Big Ticket	10	0	10	0.0
Systematic review of payments to recover duplicate payments		Efficiency, Non Big Ticket	50	0	50	0.0
Reduction in staffing numbers.		Service Reduction, Non Big Ticket	82	0	82	2.0
Audit, Risk & Resilience Sub Total	1,648		284	0	284	2.0
Shared Service Centre						

CORPORATE CORE	2014/ 15 Baseline Budget	Type of Saving	Amount of Saving Proposal			FTE Impact (Indicative)
	£,000		2015 / 16	2016 / 17	Total	
			£,000	£,000	£,000	
Undertake a small restructure and enable managers and staff with the technology to access information themselves in a more timely way will reduce the work in the Shared Service Centre, this could include moving to one payroll date.		Service Reduction, Digital	70	0	70	2.0
Service Redesign and staff reductions whilst also reviewing the service offer.		Efficiency, Non Big Ticket	300	0	300	0.0
Further redesign of SSC - redesign existing structure, including review of both senior management structure and existing vacancies		Service Reduction, Non Big Ticket	200	120	320	5.0
Budget to reflect actual Purchase Card rebates		Efficiency, Non Big Ticket	200		200	
Shared Service Centre Sub Total	2,602		770	120	890	7.0
Business Units						
Offer more bereavement services to increase income		Income generation. , Income Generation	60	60	120	0.0
Town Hall Trading & Conference Office increased Income Target		Income generation. , Income Generation	83	0	83	0.0
Manchester Contracts increased Income Target		Income generation. , Income Generation	500	-250	250	0.0
Manchester Fayre increased Income Target		Income generation. , Income Generation	250	0	250	0.0
More efficient enforcement for the use of Bus Lanes - increased income		Income generation. , Income Generation	400	100	500	0.0
More efficient enforcement of decriminalised parking - increased income		Income generation. , Income Generation	100	50	150	0.0
All new visitor passes will be chargeable and free visitor passes held currently will be phased out		Income generation. , Income Generation				
Business Units Sub Total	-4,196		1,393	-40	1,353	0

CORPORATE CORE	2014/ 15 Baseline Budget	Type of Saving	Amount of Saving Proposal			FTE Impact (Indicative)
			2015 / 16	2016 / 17	Total	
	£,000		£,000	£,000	£,000	
Corporate Items						
Reduction in printing costs through a range of measures, enabling people access to print when appropriate		Efficiency, Digital	81		81	0.0
The bank charge the Council 1.7% on each transaction that is paid by credit card. Charges to be passed to people paying by credit card		Efficiency, Non Big Ticket	50	0	50	0.0
Continue to develop and improve collection rates for Council Tax, and work to reduce levels of bad debts through work of the Council Tax team.		Income generation. , Corporate Items	3,500		3,500	0.0
Reduced additional allowances requirements		Efficiency, Non Big Ticket	150		150	
Corporate Items Sub Total	397		3,781	0	3,781	0.0
CORPORATE SERVICES SUB TOTAL	14,463		8,702	295	8,997	33.0
CORPORATE CORE TOTAL	52,855		11,895	609	12,504	98.0
2016/17 Only Proposals:						
ICT						
WAN cost savings linked to property rationalisation, centralisation of licences and budgets, service review and link to Centres of Excellence		Efficiency, Centre of Excellence	0	435	435	
CORPORATE CORE GRAND TOTAL including 2016/17 Only	52,855		11,895	1,044	12,939	98

CORPORATE CORE SAVINGS BY THEME

	Amount of Saving Proposal			FTE Impact (Indicative)
	2015 / 16	2016 / 17	Total	
	£,000	£,000	£,000	
Digital	393	52	445	11.0
Centre of Excellence	3,145	545	3,690	69
Income Generation	1,719	10	1,729	0
Corporate Items	4,780	0	4,780	0.0
Non Big Ticket Items	1,858	437	2,295	18
Corporate Core Grand Total	11,895	1,044	12,939	98.0

Appendix Three - Summary of saving options which will be considered in context of updated financial position

	2015 / 16 £'000	2016 / 17 £'000	Total £'000
Children and Families			
EARLY YEARS AND CHILD HEALTH			
Scale back targeted parenting interventions within early years new delivery model to 65% of those requiring intervention.	620	0	620
Reduce Quality Assurance team across Early Years settings and alternative provision.	100	0	100
Voluntary and Community Sector and Housing Related Support.			
Cease Advice Services except for those people in the private rented sector tenants rather than those in social housing where advice services can be provided through registered social landlords - this is a further option to the above.	300	0	300
Voluntary Community Sector Grants reductions with remaining budget focused on community strategy priorities.	(60)	792	732
Equalities Grants and VCS infrastructure - further option to the above for a significant reduction in funding.	0	550	550
EDUCATION AND SKILLS			
Youth and Play Services - To amalgamate a number of youth and play related budgets which provide or commission services to young people and younger children (including young carers and for IAG), to deliver a reduced but fully integrated senior and junior youth offer through targeted interventions. To explore the possibility of establishing a youth trust with appropriate partners to enable MCC funding to act as leverage for additional funding from grants and other sources.	737	0	737
Short Breaks - Identify alternative contracting and delivery models and some reductions in short breaks for families with disabled children, building on success of access to universal services.	100	0	100
Free Travel Passes - reduce provision of free travel to school to statutory minimum	77	0	77

	2015 / 16 £'000	2016 / 17 £'000	Total £'000
School Crossing Patrols - Reduce numbers by circa 40 amber crossings (from 55 existing amber patrols) and continue current traded service offer to schools to self-fund crossings.	250	0	250
Education Psychology - seek efficiencies and minor reductions within current contract		75	75
LIVING LONGER LIVING BETTER			0
Mental Health - Commissioning intentions for mental health services that shift investment into early intervention, particularly linked to work, decommission of recovery and connect service and Recommission assessment and delivery.		1,152	1,152
LEARNING DISABILITY SERVICES			
Close the in-house Adults Placement Team.		200	200
Integration of Learning Disabilities staff into Locality Team to make efficiency savings.		65	65
Contract savings from negotiations with providers.		750	750
Funding has been identified to retain Domestic Violence Services and include these services in a redesign of all public services tackling domestic violence following the outcome of the Delivering Differently Programme.		186	186
Children and Families Subtotal	2,124	3,770	5,894
Growth and Neighbourhoods			
Neighbourhood Focus Integration of Neighbourhood Functions across the Directorate (CCS, NDT, NRT).	1,220	838	2,058
Community Funding Maximising access to Community Funding (Cash Grants)	640	0	640
Leisure Removal of free swimming provision	70	0	70
Libraries Reduced funding for libraries materials	100	0	100
Galleries & Cultural Grants Undertake a service redesign in Galleries	50	0	50
Explore Closure of Gallery of Costume (Platt Hall)	88	0	88
Growth and Neighbourhoods Subtotal	2,168	838	3,006
Corporate Core			

	2015 / 16 £'000	2016 / 17 £'000	Total £'000
Performance, Research & Intelligence Tier 2 - further reduction in staffing would mean the focus would be on statutory requirements with limited analysis to enable and support informed decision making, a reduction in the capacity to support the evaluation and demographic modelling work.	460	0	460
HUMAN RESOURCES Tier 2 - Service redesign, increasing the number of posts to be reduced.	215	0	215
Legal Services Change to legal processes around taxi licensing & Debt Recovery.	37	0	37
Reduced staff costs by holding election counts the following day after voting		30	30
Financial Management Tier 2 - further reduction in staffing will mean a focus on high risk areas only, less capacity to provide strategic finance support and a much greater reliance on manager self serve for access to monitoring information. Formal budget monitoring reporting will be bi-monthly.	376	0	376
Revenue and Benefits Withdraw provision of freepost envelopes for return of benefit claims.	18	0	18
Reduce discretionary Council Tax support by £150k rather than £200k	50		50
Business Units To develop a city wide residents parking policy during 2015/16	50	0	50
Corporate Core Subtotal	1,206	30	1,236
TOTAL All DIRECTORATES	5,498	4,638	10,136