

## ANNEX 1

# Medium Term Financial Plan 2009/10 to 2011/12 And Revenue Budget 2009/10

### Purpose of Report

To seek members approval to the Medium Term Financial Plan for 2009/10 to 2011/12 including the approved revenue budget for 2009/10 and indicative revenue budgets for 2010/11 and 2011/12. To inform members of the responses received to the budget consultation process, and to report for approval of members the Prudential Indicators for 2009/10 to 2011/12.

### Recommendations

The Executive is recommended to:

1. Note the results of the final RSG settlement for Manchester for 2009/10, the likely settlement figure for 2010/11 and the current planning assumption for 2011/12.
2. Note the outcome of the budget consultation process (summary of responses shown in appendix 6 – a copy of the full responses will be available at the meeting).
3. Approve the three year Medium Term Financial Plan as described in the report and summarised in the table in paragraph 7.4 of the report, having regard to the Treasurer's view on the robustness of the estimates and the adequacy of reserves.
4. As part of the Medium Term Financial Plan approve the proposed budget for 2009/10 as final and the budgets for 2010/11 and 2011/12 as indicative subject to review on an annual basis as part of future business planning processes.
5. As part of the Medium Term Financial Plan, specifically approve the following:
  - a. the contingency sum of £9.914m in 2009/10, with indicative sums of £10.449m in 2010/11 and £11.338m in 2011/12 (para. 4.17)
  - b. Departmental Cash Limit Budgets totaling £443.377m for 2009/10 and indicative departmental budgets of £445.199m and £447.426m for 2010/11 and 2011/12 (including growth and efficiencies – appendix 1).
  - c. Corporate Budget requirements to cover the cost of levies and Capital Financing Costs of £92.214m for 2009/10 with indicative sums of £97.904m in 2010/11 and £106.056m for 2011/12 (as outlined in section 4 of this report subject to final notification of Levies from other bodies)
  - d. The utilisation of the Service Improvement Fund (SIF) in 2009/10 to fund part of the costs of the Manchester Improvement team (£2.416m), and the use of SIF resources over the next three years to fund the CRM

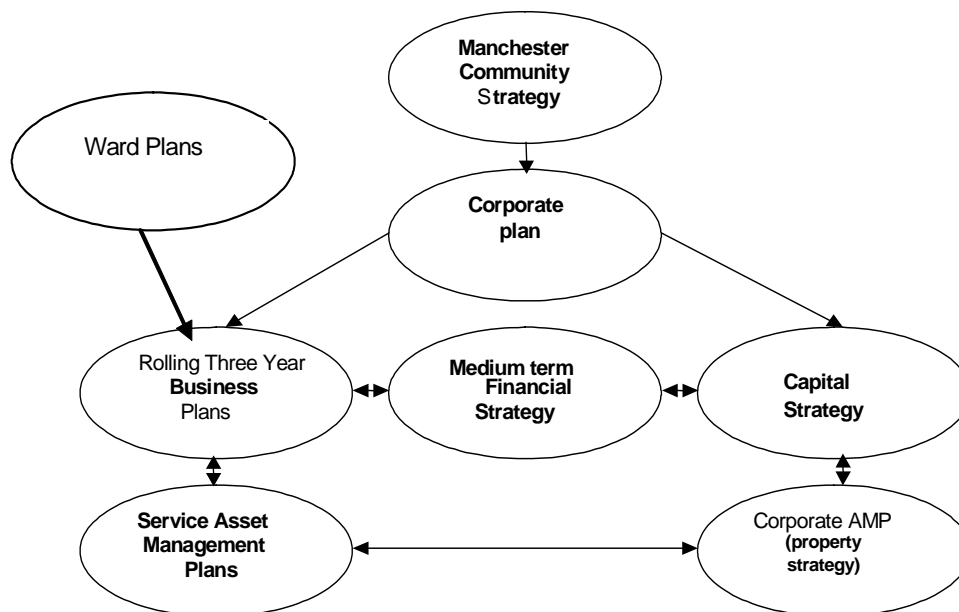
development and rollout (£3.989m) and the Customer Strategy (£1.107m) and Information Strategy (£0.745m) as proposed in paragraph 10.9 to 10.10.

6. Approve the proposed utilisation in 2009/10 of £2.095m (as per paragraph 3.19) of the surplus from the on street parking reserve and Bus Lane enforcement reserve after determining that any surplus from these reserves is not required to provide additional off street parking in the authority.
7. Note the position on reserves as identified in the report and in Appendix 5 subject to the final call on reserves after any changes are required to account for final levies etc.
8. Approve delegated authority to the City Treasurer to amend departmental cash limit budgets to take account of savings arising from corporate procurement activity and housekeeping savings before 1 April 2009 and throughout 2009/10 and the allocation from contingency of reductions to pay and inflation assumptions.
9. Approve the list of growth proposals as detailed in section 6 of the report subject to corporate assessment of value for money and impact on corporate priorities through the Revenue Gateway Process.
10. Approve that delegated authority be given to the City Treasurer and Chief Executive, in consultation with the Executive Member for Finance and Human Resources and the Leader of the Council to draft the recommended budget resolution for budget setting council in accordance with the legal requirements outlined in the report from the City Solicitor elsewhere on the agenda and taking into account the decisions of Executive and any final changes to account for final announcements on levies and other small technical adjustments.
11. Approve the target trading surpluses and deficits for the trading services in 2009/10 as outlined in section 13 of the report
12. Approve the Prudential Indicators for 2009/10 to 2011/12 as presented in Appendix 4 subject to any final adjustments that may be made arising from recommendations above.
13. Approval of the Medium Term Financial Plan for the next three years as outlined in the report and the indicative budget figures included in the recommendations above is subject to the need to reassess budgets for 2010/11 and 2011/12 on an annual basis as part of a three year rolling budget programme to take account of potential changes to needs and / or resources.

## 1. Introduction

- 1.1 This document updates the previous version of the Medium Term Financial Plan and shows how the revenue resources of the Council are prioritised to support the strategic objectives of the Manchester Community Strategy and the corporate objectives of the City Council. The Plan is supported by the rolling three year Business Plans and is closely linked to the Capital Strategy and Budget.

*The process can be illustrated in the following way:*



### **Manchester Today**

- 1.2 Manchester is the fastest growing city in the UK after London. Recent years have seen significant improvements in quality of life, with employment in the city increasing, levels of crime falling, and improvements in education and to the environment.
- 1.3 Manchester's economic success is reflected through its population growth and change. The city is becoming more diverse, with an increase in ethnic minority communities, the very young (under five) and the very old (over 80). This diversity enriches the city and also brings new challenges for the delivery and focus of public services, for community cohesion and the wellbeing of all residents and workers. The city still faces many challenges resulting from high levels of deprivation in our communities. Manchester remains the fourth most deprived district in the country. Sixty per cent of our neighbourhoods are included in the ten per cent most deprived in the country.
- 1.4 These challenges will, over the next few years, be made more difficult due to the general world economic downturn and the impact that this will have on the

citizens we serve, the resources available to the Council and the level of government support we are likely to receive.

### The Community Strategy

- 1.5 The Manchester Partnership (Manchester's Local Strategic Partnership) is actively tackling the issues that residents say affects their lives. In doing so, the Partnership is delivering Manchester's Community Strategy and the vision for a world class city by 2015, when Manchester people will live longer, be wealthier and happier.



- 1.6 The vision will be delivered through the three spines (arrows) illustrated in the diagram above. The spines connect the economic success of the city to improved quality of life for its residents.
- 1.7 These priorities are reflected in the new Local Area Agreement for Manchester, and the City Council's Corporate Plan.

### The Corporate Plan

- 1.8 The Council's Corporate Plan sets out the priorities for Manchester City Council for the period 2007 – 2010. It gives a summary of the actions the Council in taking to improve services to residents, and in doing so, deliver the Community Strategy and the Local Area Agreement. The Corporate Plan Contains 10 Strategy Priorities for the Council:-

Priority 1: Promoting economic development  
Priority 2: Reaching full potential in education and employment  
Priority 3: Promoting individual and collective self-esteem – mutual respect  
Priority 4: Creating Neighbourhoods of Choice  
Priority 5: Improving Council and community leadership

- Priority 6: Delivering the Manchester Improvement Programme
- Priority 7: Continuously improving the value for money of our services
- Priority 8: Developing our workforce to deliver high-quality services
- Priority 9: Ensuring customer and neighbourhood focus, and equality of opportunity in employment and service provision
- Priority 10: Managing our performance and risks to ensure we deliver our objectives

### **The Purpose of the Medium Term Financial Strategy**

- 1.9 The vision in the Community Strategy and priorities outlined in the Local Area Agreement and the Council's Corporate Plan are very ambitious. The Council must therefore ensure that it has the capacity to deliver its ambition and invests its resources in the right areas. This Medium Term Financial Strategy outlines how the Council will invest its financial resources in the coming years to deliver its priorities for service improvement and a better quality of life for Manchester residents.

### **External Funding Strategy**

- 1.10 External Funding is generally subject to approval through the Business Planning process or (in the case of partnership ABG funding) through the arrangements in place with the Manchester Partnership. The Medium Term Financial Plan as presented below takes account of known external funding. If during the period covered by the MTFP any additional external funding becomes available, or if Heads of Service wish to bid for additional external funding, then details of the proposal will have to be presented to the Revenue Gateway Group through the Revenue Gateway Process for assessment to ensure the proposal is a good strategic fit to the Council's objectives and that it represents Value for Money for the Council.

## **2. Background to formulation of the Medium Term Financial Plan**

- 2.1 The budgets put forward within the Medium Term Financial Plan as presented have been formulated as an integral part of the established Business Planning process whereby each Head of Service has produced a detailed three year business plan. These business plans have been developed against a set of cash limit targets set centrally which take as a starting point the 2009/10 and 2010/11 indicative budgets agreed as part of last years business planning and budgeting cycle.
- 2.2 In order to achieve some headroom within the estimated resources available to meet corporate priorities, Heads of Service were each given an efficiency savings target to achieve. The next section of this report identifies How the total resource envelope has been calculated, how the target efficiency savings have been allocated and the outcome of the business planning process.
- 2.3 The Budget for 2009/10 and financial plan for the subsequent years has been formulated against the background of economic difficulties. This has been reflected in the proposed budget in a number of ways:

- reduced income from planning fees, land charges, property rents,
- a reduced Council Tax base – evidence of a slow down in the Council Tax base growth over recent months has led to an assumption of a static base over the coming two years,
- reduced inflation – there has been a rapid shift in inflationary assumptions which have fed through into assumed levels of pay and price inflation. Fuel costs have seen particularly high levels of increase over the last calendar year but these have shown evidence of slackening over recent months,
- increased pressure on services – evidence of increased calls for Council services includes Manchester Advice, Housing and Council Tax benefits, with other areas anticipating seeing greater pressures in coming months
- construction prices – some evidence of price reductions but an expectation that these will increase over the coming years
- cash flows / financing strategy – twelve month ago short term interest rates were higher than long term rates, whereas now they are expected to move to nearer 0% in the coming months. The Council's Treasury management Strategy has captured the benefit of this as having no substantial cash investments and actually being in a position to be borrowing temporary funding on a day to day basis at very low costs. This cash position has equally protected the City Council from exposure to bank failures, which has affected a significant number of Council's across the Country.

### 3. **Resources available based on final settlement**

#### **Government Resources 2009/10 to 2011/12**

##### ***General Grant (RSG)***

- 3.1 The settlement for 2008/9 was the first three year settlement issued by the Government and although the amounts included within the settlement for 2009/10 and 2010/11 were still indicative it was made clear at the time of the settlement announcement that the Government intended not to make changes to these figures.
- 3.2 When the final settlement for 2009/10 was announced on 21 January, it confirmed that our grant for 2009/10 would remain as previously published and confirmed the indicative 2010/11 figure as the same as the indicative figure issued last year. The figures confirmed were:
- |         |              |
|---------|--------------|
| 2009/10 | £336,051,000 |
| 2010/11 | £342,438,000 |
- 3.3 No information has yet been issued on the likely level of grant resources for 2011/12 which will be subject to the next Comprehensive Spending Review This will indicate the settlement figures for 2011/12 and provide indicative figures for the next 2 years. Local Government is expected to make the same

3% annual efficiency improvements as the rest of the public sector and it has been assumed this requirement will continue into 2011/12.

- 3.4 Due to lack of certainty in advance of the next CSR, an assumption has had to be made on the likely level of resources that will be made available in 2011/12. Based on current assessment of the economic climate going forward, the current recession may not have run its course by the start of 2011/12 and given the level of national borrowing the Exchequers position will be constrained. It is a reasonable assumption that the overall level of resources available to fund local government through the next CSR round will be constrained. The current settlement for Manchester, however, is underestimating the growth in Manchester's population and over stating the assumed Council Tax base and although representations on these issues have been made to the DCLG, no changes can be expected before the next three year round starting in 2011/12 at which point the data should be updated and the Council might receive some uplift compared to the settlement generally.
- 3.5 On this basis, the City Treasurer feels that a 2% growth in grant received is not unrealistic and this is what has been assumed within the MTFP. Our developing strategy going forward demands a responsive and flexible approach to significant changes being made to Local Government settlements for 2011/12 and beyond.

#### ***Housing Market Renewal Grant***

- 3.6 The City Council accesses Housing Market Renewal (HMR) funding via the Manchester Salford Pathfinder. The Pathfinder has an indicative allocation of £140m of HMR for financial years 2008/09 - 2010/11 (confirmation of actual amounts for 2009/10 and 2010/11 will be received from government in February / March 2009 and 2010 respectively). Whilst predominantly a capital grant that is used to acquire and demolish obsolete stock, improve retained stock and undertake public realm and environmental improvements in targeted neighbourhoods, HMR does also support a limited amount of revenue expenditure. In recent years revenue activity has focused on funding the Private Rented Sector and Anti Social Behaviour / Mediation Teams within the Housing Department. HMR Grant rules also allow that staff costs relating to the delivery and management of the HMR capital works can be capitalised and funded through the grant. There is no guarantee that the HMR programme will continue beyond 2010/11 and any decisions on its future will be made by Government as part of the next Comprehensive Spending Review. At best, the level of HMR grant made available is likely to significantly diminish in size and it may cease altogether. As a result some of the currently funded activity will need to be picked up on revenue. Provision has been made in the budgets identified later in this report for additional mainstream support to cover some of the on-going activity currently funded through the HMR.

### ***Dedicated Schools Grant***

- 3.7 The Dedicated Schools Grant (DSG), introduced in 2006/07, pays for much of the costs of schools and pupil based education services. The grant received in 2008/09 was £281.132m. Based on the October 2008 pupil and school census data, adjusted for anticipated January intake, it is estimated that the DSG will total £289.4m in 2009/10. However, this is only an estimate and the January 2009 census data, on which the final allocation is based, will provide a more accurate picture of likely funding for the coming year. The final DSG grant payable to the Authority will not be confirmed by the Department for Children, Schools and Families (DCSF) until May/June 2009 when the data has been cleansed nationally and pupil duplications removed.

### ***Area based Grants (including Working Neighbourhoods Fund)***

- 3.8 Many of the specific grants that the Council used to receive have now been rolled into one grant, The Area Based Grant (ABG). This includes the Working Neighbourhoods Fund (WNF) which replaced the Neighbourhood Renewal Fund (NRF). The ABG is a non-ringfenced grant and it is at the discretion of the City Council how the grant is spent. A significant proportion of the grant (mainly but not exclusively the WNF) however, is spent in conjunction with the Manchester Partnership.
- 3.9 Under the accounting rules for the ABG the grant has to be accounted for in a similar way to RSG, i.e. expenditure met from the grant should be accounted for gross and the grant should not be netted off service expenditure as is the case with specific grants. This has meant that where ABG funds mainstream activity, the cost of that activity is added to service's cash limit budgets. Like RSG the level of ABG the Council will receive has been announced for 2009/10 (£96.118m) and 2010/11 (£94.506m). Year 3 grant has not been announced but for planning purposes it has been assumed that the grant will be at the same cash level as in 2010/11.
- 3.10 Of the grant receivable in 2009/10 (£96.118m) some £62.271m relates to mainstream expenditure and this amount has been allocated to appropriate services to meet on-going commitments. The balance of £33.847 supports partnership activities to support delivery of the LAA. More detail on the allocation and utilisation of the ABG is included later in this report (paragraphs 4.9 to 4.12).

### **Other Resources**

#### ***Council Tax:***

- 3.11 The budget for 2008/9 included budgeted Council Tax receipts of £132.384m from a tax base of 118,844 band D equivalent properties (assuming a 98% collection rate). The Council has been experiencing steady growth in the tax base and the current tax base exceeds that used in the 2008/9 budget. It is therefore expected that the tax base for 2009/10 will be 121,127 which is 1.9%

above the 2008/9 figure. Based on trends for the last few months, a prudent view of nil growth in the tax base has, however, been taken for 2010/11 and 2011/12. The Collection Fund is expected to be in surplus at the end of 2008/9 and this is built into the resource projection for 2009/10.

3.12 The level of inflation is now starting to drop significantly and is expected not to pick up again for some years and the Government has issued warnings that it expects Councils to keep increases over the next few years to low single figures. For the purposes of planning it has been assumed that the Council Tax for Manchester will increase by 3% in 2009/10 and 2% in 2010/11 and 2011/12. These increases are for Manchester's Council Tax and do not include any provision for growth in the Police and Fire precepts which are levied separately.

3.13 On these planning assumptions, the Council Tax available to the Council to fund services over the next three years will be:

2009/10	£138.875m
2010/11	£140.612m
2011/12	£143.405m

3.14 The level of Council Tax set for 2009/10 will be determined by Council in March and the Council Tax increases for 2010/11 and 2011/12 will be subject to review in future budget rounds. For information, each plus or minus 1% change in the Council Tax (based on the assumed tax base of 121,127 band D properties) would change the amount of Council Tax collected by plus or minus £1.3m

***Dividends:***

3.15 The City Council receives dividends from the airport and the parking joint venture company. Airport dividends, when received, are placed in a reserve and then a proportion of the reserve is released in the following year to support the revenue budget. This is considered to be a prudent mechanism which gives the Council some protection if anticipated dividend levels are not achieved. The estimated figures to be utilised in support of the budget are:

	2009/10 £'000	2010/11 £'000	2011/12 £'000
Airport	3,870	4,040	4,210
Parking Joint Venture	1,500	1,500	1,500
<b>Total</b>	<b>5,370</b>	<b>5,540</b>	<b>5,710</b>

Airport dividends not required to support the Revenue Budget are transferred into the Capital Fund.

***Trading Reserves:***

- 3.16 The targets set for the trading services in 2008/9 were to make an overall loss due mainly to the interim affects of the transfer of City Works to Manchester Working leaving a short term trading pressure pending the eventual wind down. Targets have been revised in year to show a small overall surplus year (due to the impact on these services of some of the corporate procurement savings). With the final transfer of City Works business through the Housing Options Programme being planned to complete in March 09 , it is anticipated that the remaining trading businesses within Neighbourhood Services of Manchester Contracts , Street Scene Services and Furniture Stores/Tenants Decorating will all make small surpluses to offset the loss from Catering which is impacted by reduced meal days, MEDC is also assumed to be able to make a small surplus. There is a risk however that residual city works costs will continue to impact on the plan and cause a business loss. Further details of the trading services are contained in section 13 of the report. Despite there being an expectation that surpluses will be achieved this year and next year, the Treasurer considers that there is too high a risk factor to the surpluses being achieved to confidently assume any contribution to the revenue budget from this source.

***Parking Reserve and Bus Lane Enforcement Reserve:***

- 3.17 In 2008/9 it is estimated that a sum of £1.869m will be paid into the Parking reserve from the surplus from on street parking. In accordance with statute, this sum has to fall into the parking reserve and subject to there being no requirement to fund any further off street parking, this reserve is available to fund certain types of expenditure. Some £2.437m will be utilised from the reserve in 2008/9 to fund environmental improvements and transport related projects in line with the budget approval for 2008/9. This means that the balance on the reserve at 31 March 2009 is expected to be £1.897m.
- 3.18 For the last few years, the level of income going into the reserve has been less than the amounts taken from the reserve to support environmental improvements. This was done to run down the level of the reserve to a reasonable level. Going forward, income into the reserve may be adversely affected by the impact of the current downturn in the economy and as such the calls on the reserve for the next three years have been reduced to a level more consistent with anticipated income.
- 3.19 Income receivable through Bus Lane Enforcement action is transferred into a reserve similar to the Parking Reserve. The reserve will have an estimated balance at 31 March 2009 of £583,000 and income in 2009/10 is expected to be around £200,000 leaving a balance at the 31 March 2010 of £783,000. There are currently no proposals to utilise this reserve. There are restrictions also similar to the parking reserve on what these monies can be used for.
- 3.20 Officers advise that, as there is no foreseen requirement in the next three years to provide additional off street parking, and no requirement for financial

support to existing off street parking, the following items be funded from the reserve:

	2009/10	2010/11	2011/12
- support for Metro shuttle	345	353	361
- highway and environmental improvements	1,750	1,500	1,500
Total calls on reserve	2,095	1,853	1,861

- 3.21 The Executive is asked to agree to this proposal, subject to annual review as part of the budget process to ensure that the surplus income from parking is sufficient to sustain this level of expenditure. Based on existing estimates there will be sufficient in the reserve to meet these costs over the next three years.

### **Other Resources**

- 3.22 Manchester Working make a contribution each year to cover potential additional pension liabilities arising from the staff transferred from the City. This is not required to supplement the existing pension reserve and so can be utilised to support the budget generally. The amounts receivable over the next three years are estimated as:

2009/10	£450,000
2010/11	£400,000
2011/12	£350,000

### **Total all Resources:**

- 3.23 Based on all the above, the level of resources available to support the Council's revenue budget over the next three years compared to 2007/8 can be summarised as:

	2009/10 £'000	2010/11 £'000	2011/12 £'000
Government Support	336,051	342,438	349,286
Council Tax receipts	138,875	140,612	143,405
Area Based Grant	96,118	94,506	94,506
Dividends	5,370	5,540	5,710
Parking Reserves	2,095	1,853	1,861
Other Resources	450	400	350
Total Resources	578,959	585,349	595,118

- 3.24 The Council Tax receipts figures shown above assume a 3% increase in the Council Tax for Manchester in 2009/10 and a further 2% in the next two years.

#### 4. **Calls against Resources**

##### **Departmental Requirements:**

- 4.1 For this years budget process the budget has been prepared using the following principles:
- Business Plans are Improvement Plans – they should show how all of our functions are being improved to deliver the Community Strategy
  - Business plans show how improvement will be implemented - should show how people, performance, finance and risk will be managed in an integrated way over the next three years to implement the agreed improvements
  - We move resources to corporate priorities - The budget and business planning process should move resources to our priorities not simply allow spending to be pushed by seemingly unavoidable cost pressures.
  - We also move resources to neighbourhood priorities through the Neighbourhood Funding strategy
  - To invest in corporate and neighbourhood priorities we have to identify efficiencies to release the resources needed
  - We find efficiencies without impacting on the quality of service received by residents and customers, that is, we look to do the same for less resource or doing more with the same resource.
  - The budget balances over the three year period
  - We have an integrated process – it integrates mainstream funding with additional funding through ABG and SIF
- 4.2 Heads of Service have reviewed their Business Plans and rolled them forward for a further year to cover the three years 2009/10 to 2011/12 using the above principles.
- 4.3 The cash limit budget targets were based on the following assumptions:
- That pay awards for all staff will be 2.5% a year
  - National Insurance rates will remain unchanged (although provision has been made in contingency for the announced increase in 2011/12)
  - No increase in Pension Rates (but see item in contingency in paragraph 3.4 below)
  - General (non pay) inflation figure of 2% a year
  - Any growth approved last year as part of the MTFP would be made available.
- 4.4 Since these targets were issued, the economic downturn has significantly impacted on inflation rates and the City Treasurer has revised the assumptions as follows:
- Pay inflation will be 2% a year
  - The allowance for general non pay inflation can be reduced by £1m.

Negative amounts to cover these reductions are being held in contingency and will be allocated to Cash Limit Budgets for services based upon indices of inflation in major areas of spend.

4.5 In addition, departments were set targets to achieve further efficiency savings. These targets were calculated on the following basis:

- Any efficiency savings identified in last years MTFP for 2009/10 and 2010/11, plus:
  - For services that were subject to priority MIP SIP's the savings identified as achievable as assessed by MIP and agreed with project sponsors, or
  - For services not subject to priority MIP SIP's an allocation of the balance of MIP savings not allocated to individual services as above.
- For 2011/12 an efficiency target of 3% of net cash limit was set for all services

4.6 In addition to the savings identified by Heads of Service, it is also anticipated that corporate procurement will achieve savings across services of £1.5m each year and that further savings will be achieved from the purchase card discounts and the implementation of the new printing arrangements. A group of senior officers have also been tasked with identifying a range of housekeeping efficiencies which it is anticipated will save around £0.5m in 2009/10 rising to over a £1m in subsequent years.

4.7 Achieving savings at this level will enable investment in key council services and priorities. In the main Heads of Service have identified savings in line with the targets set. Further details of proposed savings are attached as Appendix B.

4.8 After taking into account the all the above, including the efficiency savings identified, the net call on resources arising from business plans is:

2009/10	£427.474m
2010/11	£422.092m
2011/12	£418.253m

#### **Partnership Funding (ABG Grant):**

4.9 Those five elements of ABG used in conjunction with partnerships (Deprived Area Fund, Safer Stronger Communities Fund, Teenage Pregnancy, Preventing Violent Extremism and Working Neighbourhoods Fund) will remain within the governance / delivery structure of the Manchester Partnership. The grant totals £33.389m for 2009/10, which includes growth of £1.922m. Their use will be specifically targeted at the Thematic targets within the Local Area Agreement (LAA). Until there is a stronger process in place for aligning resources between partners, these funds are a critical aspect of driving forward service improvement and delivery of LAA targets across the public sector.

- 4.10 Grant allocations to partnerships in 2008/09 included one-off funding of £2m from the Council to take the thematic partnerships through the transitional year. This funding has now ended and Partnerships will deliver efficiencies of 7.2% to align their spend accordingly.
- 4.11 The Manchester Partnership Resources and Performance Sub Group will be making recommendations on how the £1.922m increase in funding should be allocated to promote public service innovation. One-off outcome based work to help reduce the gap between average resident wage and average workplace wage compared to core cities will be prioritised.
- 4.12 Partnership funding for 2010/11 will reduce to £31.363m as the overall level of ABG grant reduces. No announcement has yet been made on ABG funding that will be available in 2011/12. For now an assumption of a cash freeze on partnership funding has been made in line with the assumption made on ABG resource generally.

**Levies:**

- 4.13 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 Passenger Transport Authority. Estimates have been included for levies as follows:

	2009/10 £'000	2010/11 £'000	2011/12 £'000
GM Passenger Transport	29,452	31,072	32,781
GM Waste Disposal Levy	19,585	21,020	24,279
Environment Agency	187	194	202
Probation	30	30	30
Magistrates Court	21	21	21
Port Health Authority	72	74	76
<b>Total</b>	<b>49,347</b>	<b>52,411</b>	<b>57,389</b>

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

- 4.14 The PTA levy is distributed across the districts based on population. The above figures allow for the impact of Manchester's population growing as well as the proposed increase in the total levy to the PTA.
- 4.15 The WDA Levy takes into account the impact on the levy of a move towards a distribution based purely on the level of waste disposed of and the anticipated

impact of the new waste disposal PFI which is nearing implementation. The PFI is expected to have a significant impact on the levy in year 3

- 4.16 Final levies for 2009/10 are not yet known but are not expected to differ significantly from the current estimates.

**Contingency:**

- 4.17 The contingency is used to hold monies to meet unforeseen costs that may arise during the year, to hold budgets for known issues that have not yet been allocated to departmental budgets or to hold budgets for known issues where the final cost of the council is not yet clear. The required contingency amounts for the next three are currently estimated as:

2009/10	£9.914m
2010/11	£10.449m
2011/12	£11.338m

- 4.18 Contained within the above figures are the proposed reductions to inflation allowances as described in paragraph 4.4 above pending allocation by the City Treasurer. These are negative amounts of £2.150m in 2009/10, £3.331m in 2010/11 and £4.458m in 2011/12.

**Capital Financing Costs:**

- 4.19 Capital financing costs have been calculated based on the assumptions on unsupported borrowing included within the Capital Programme (contained as Annex 2 to this report). Any agreed changes to the Capital Programme as presented that affect the proposed level of unsupported borrowing could have an impact on the estimated Capital Financing Costs requirement. The figures for Capital Financing costs included in the MTFP include the estimated costs arising from the proposed refurbishment of the Town Hall complex which is covered in a detailed report elsewhere on this agenda. The figures below show the total budget required assuming the Town Hall project goes ahead (the amounts relating to the Town Hall project are shown in brackets:

2009/10	£42.867m	(£311,000)
2010/11	£45.493m	(£1,219,000)
2011/12	£48.667m	(£2,516,000)

- 4.20 The prudential code allows unsupported borrowing provided the authority can demonstrate through the Prudential Indicators that it can afford such borrowing from within projected revenue streams. Proposed Prudential Indicators based on the current budget reports are attached as appendix 4.

**5. Summary of initial budget position**

- 5.1 The current estimated budget position of the Council over the next three years taking into account all of the above can be summarised as:

	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Resources :</b>			
Government Support	336,051	342,438	349,286
Council Tax receipts	138,875	140,612	143,405
Area Based Grant	96,118	94,506	94,506
Dividends	5,370	5,540	5,710
Parking Reserves	2,095	1,853	1,861
Other Resources	450	400	350
<b>Total Resources</b>	<b>578,959</b>	<b>585,349</b>	<b>595,118</b>
<b>Calls on resources :</b>			
Departmental Requirements	427,474	422,092	418,253
Corporate Requirements:			
Levies	49,347	52,411	57,389
Capital Financing Costs	42,867	45,493	48,667
Contingency	9,914	10,449	11,338
Partnership Funding	33,839	31,363	31,363
<b>Total Call on resources</b>	<b>563,441</b>	<b>561,808</b>	<b>567,010</b>
<b>Surplus of Resources</b>	<b>15,518</b>	<b>23,541</b>	<b>28,108</b>

5.2 Within the above, the figures used for levies in 2009/10 are still subject to final approval and announcement. All the figures contained above for 2010/11 and 2011/12 are based on the best available information at this time and should be treated as indicative only to aid medium term financial planning. All could be subject to change.

5.3 It can be seen from the above that efficiency savings in business plans and corporately has enabled the Council to direct its resources into priority areas. Priorities for the MTFP which directly support the delivery of the Community Strategy as Corporate Priorities are as follows:

Major corporate priorities

Waste and Recycling

Reflecting and managing the impact of the economic downturn

Children's and Youth Services

Climate change /sustainability

Other corporate priorities

- Street Scene
- Events
- Libraries
- Neighbourhood Funding Strategy
- Infrastructure to Improve Services
- Town Hall

(Specific provision for Climate Change / sustainability and Events was made in last years budget)

## 6. **Proposals for Additional Investment**

Proposals for investment in corporate priorities have been identified as follows:

### **Waste and Recycling**

- 6.1 Budget provision has been made for the Waste Strategy approved by members following the extensive public consultation in 2008. Briefly the service will be enhanced to increase the recycling rate to over 36% by 10/11 from its current level of around 22%. This will be achieved by introducing kerbside collection services for paper, cardboard, drinks cartons, glass, plastic bottles, cans, food, clothing, textiles and shoes for all residents. In addition the green recycling garden service will be extended to include all resident with gardens. Members will recall that £1m was provided in last years Medium Term Review and a further ongoing revenue budget of £3.4m by 10/11 has been provided to fund this service in this years plan . Financially this level of investment is justified in order to avoid Landfill Allowance Trading Scheme penalties that could be as high as £5.5m by 10/11 and increase significantly in future years.

### **Impact of the Economic Downturn**

- 6.2 the economic downturn is having a significant impact on a number of income streams of the council, most notably, Land Charge Income budgets in legal, Development Control income budgets in Transport and Engineering and Planning Application and Building Control income budgets in Planning. It is estimated that these budgets could currently be overstated by almost £1.5m in total.

### **Children's and Youth Services:**

#### ***Fostering and Family Placement***

- 6.3 For a number of years, funding for Manchester's Fostering Service has not been sufficient to meet the rising demand for placements. High caseloads for staff had led to a risk of not meeting statutory requirements. An initial investment of £300k has already been made in order to ensure the Council achieved a judgement of satisfactory in its recent OfSTED inspection. Further improvements are now required but cannot be made without significant investment. A baseline investment of £1m is required to support service improvement to ensure that greater support is provided to the current number of carers and deliver improvements and efficiencies across the service. This will contribute to the safeguarding of Manchester children.

#### ***Transforming Social Work***

- 6.4 In accordance with the three year Business Plan (2009-12) it is projected that the number of social workers required will peak during the course of the first

and second years. Up front investment in additional social worker capacity is anticipated to have a positive effect over a period of time.

- 6.5 With additional social work and management capacity it is envisaged that related targets can be exceeded, therefore reducing the number of looked after children, which in turn would mean a further reduction in the number of social workers needed in future years. The additional investment proposed will fundamentally change the nature of the work of district based social workers, building capacity, improving efficiency and ultimately making a significant contribution to ensuring the most vulnerable of our children reach their full potential and can contribute and benefit from the future success of the city.

### ***Extended schools***

- 6.6 Funding is required for the continuation of the Extended Schools programme, funding through ABG as a result of re-routing resources previously included in the Early Years and Childcare Grant 2002-2008. Funding is provided to support schools, by providing access to a core set of extended services, in raising standards of pupil motivation, aspiration, achievement and behaviour and contributing to a wide range of other activities including childcare, community cohesion, neighbourhood renewal, adult learning, combating child poverty, health inequalities and crime reduction.

### ***Funding for Academies programme***

- 6.7 It is a requirement of the DCSF funding for the academies programme that the City Council underwrites a sum of £40,000 per annum, per Academy. Two Academies will open in September 2009, and four in September 2010.

### ***Extended Positive Activities for Young People***

- 6.8 In *Aiming High for Young People: a Ten Year Strategy for Positive Activities*, the Government announced significant further investment between 2008-2011, expanding the availability of year-round highly personalised provision for the most disengaged young people. The further investment in positive activities will enable the Council to support the increased provision during school holidays for more vulnerable teenagers, including those at the highest risk of social exclusion, and also extend the supply of tailored packages of activities across the year, including term time.

### ***Services for 14-19s***

- 6.9 The 14-19 service has been reviewed in order to assess the structure which is required to meet the increasing demands for young people, which include diplomas, apprenticeships, work related learning, sixth form provision and training opportunities. Investment of £200k is proposed to improve capacity within the service and for it to be prepared for assuming additional powers in 2010 following transfer of Learning and Skills Council functions to the Council.

### ***Joint Commissioning Officer***

- 6.10 Manchester Health have indicated their commitment to fund 50% of a Joint Commissioning Officer post. Without match funding from Children's Services, the appointment may not be feasible. The appointment would provide an excellent opportunity for joint commissioning arrangements between the Council and children's trust partners, particularly NHS Manchester.

### ***Home to school transport***

- 6.11 There is a statutory requirement to extend free transport to school reducing the threshold from 3 miles to 2 miles. This will support children from deprived areas, so that children from low income families travelling longer distance to and from school can do so at no extra cost.

### **Other Corporate Priorities:**

#### ***Neighbourhood Funding Strategy***

- 6.12 The Neighbourhood Funding Strategy enables Ward Councillors to identify proposals for how council resources can be used more effectively to meet the priorities for neighbourhoods in the wards they represent. The objectives are to:
- To support the ward representative role of councillors to influence the whole of budgets through ward co-ordination
  - To enable neighbourhood priorities to be reflected in mainstream budgets and business planning
- 6.13 This is not simply about individual proposals from ward councillors being funded but for Heads of Service to use this feedback from neighbourhood level to inform their strategic planning and assist in leveraging funding from partners to meet key priorities. It forms one part of the analysis that drives the overall improvement strategy for the service, assists with leveraging funding from partners to meet key priorities and is set out in the business plan.
- 6.14 The proposals put forward by Ward Councillors have focused primarily on Environmental Services, Leisure, Highways and Engineering and Youth provision. Most proposals are being dealt with within existing resources during the current year or have been included within draft business plans to be implemented over the coming three year period, again from within existing resources.
- 6.15 There are some proposals, particularly relating to environmental services and engineering and highways services, which will require additional funding to be implemented. £1m of additional revenue and £3m of capital funding has been allocated to support the development of neighbourhood priorities. Use of this funding will be approved through the Council's Gateway processes.

### ***Culture and Events***

- 6.16 Cultural activity is recognised through the Cultural Strategy as a key aspect of developing the engagement and participation of residents in regeneration activity, both in terms of development of Neighbourhoods of Choice and in maximising the willingness and ability of residents to engage in City Centre opportunities. The establishment of an additional Cultural Regeneration Officer for the City South would ensure that there is support for the delivery of cultural activity across the whole city. Additional funding is also proposed for the Halle Orchestra and to support the 2009 Manchester International Festival.

### ***Visual Environment Improvements***

- 6.17 Service Improvement Funding has provided additional resources over the last few years to provide dedicated staff to the areas of dedicated fly-posting, graffiti, dog fouling and street washing / gum removal services, delivering a faster service response than if left to mainstream services. These are seen as key services and replacement mainstream funding of £575,000 is to be made available.

### ***Improvements to Library Services***

- 6.18 Significant progress has been made over the last four years to obtain investment to refurbish and relocate the library building portfolio. Customers increasingly expect modern, vibrant and attractive buildings, located at the heart of community hubs, which deliver considerably more than the 'traditional' library offer. Libraries are access points for a range of council services, they are learning centres and information points and ICT provision is expected as a fundamental part of the service.
- 6.19 Capital funding has been secured for a number of library improvement schemes, including New Miles Platting, Brookway and Beswick Academies and High Blackley libraries. However, additional investment is required for staffing these new facilities and to support extended and Sunday opening across all districts. The introduction of self issue technology (RFID) will meet the growing customer demand for easier and more convenient access to services provided by the Library service, releasing staff resources enabling us to provide a more customer centred service and additional staff training and development leading to more concrete and community based information service provision.

### **Other Key priorities:**

#### ***Realignment of Regeneration Budgets***

- 6.20 A review of Regeneration Division budgets has identified a reliance on external funding sources to deliver regeneration service, and a shortfall in mainstream provision related to staffing costs in respect of a number of key posts. Additional mainstream funding is now required to ensure that the resources are in place to strategically manage and oversee the work core

work of the division, to drive, facilitate and enable the continued growth of the City, and to continue to stimulate the regeneration of the city's neighbourhoods.

### ***Housing***

- 6.21 The reduction in Housing Market Renewal Grant will lead to a reduction in support to the revenue budget and the ability to capitalise salaries across Private Sector Housing and Anti-Social Behaviour Action Team.

### ***Transport and Engineering Services***

- 6.22 Additional funding is required to cover an increased in the volume of work involved in responding to residents' and businesses' requests for traffic and engineering services. The Highways Service improvement project, which will introduce SAP / CRM customer services and a significantly revised staffing structure, will improve efficiency and productivity. Improved delivery of the service will make a significant contribution to the development of a well maintained and managed highway infrastructure which is essential to the economic growth of the City and development of local business opportunities.
- 6.23 Whilst actions taken in recent years have been successful in reducing the number of trip claims against the Council, where a trip claim is upheld the level of compensation awarded to claimants has increased significantly putting pressure on this budget.
- 6.24 There has been a significant increase in the energy demand of street lighting as new, brighter columns are installed through the PFI. This is leading to on-going pressure on the street lighting energy budget.

### ***Adult Services***

- 6.25 By 2011/12 it is anticipated that demographic pressures will have a significant impact on the volume and complexity of the needs of Adult Social Care clients. Demand for dementia services is expected to grow significantly due to an aging population, and the number of adults requiring mental health services will also rise. Increased expenditure in Adult Social care will enable the Council to fulfil the statutory duty of providing social care services for all those that are eligible. This will allow us to respond to increased demand for carers, equipment and adaptations, care home and supported accommodation, individual budgets as well as deliver improved mental health services.
- 6.26 Additional expenditure in Adult Social Care will also enable the service to adopt a locality working model, which will improve customer and neighbourhood focus.

### ***Bereavement Services re-erection of laid down memorial stones***

- 6.27 Funding is proposed to secure resource to re-erect over 4,000 privately owned memorial headstones in the Council's five cemeteries that were laid down a

number of years ago because they had become unstable and presented a health and safety risk to the public. This project will make a significant improvement of the visual appearance of the cities cemeteries and contribute to providing a cemetery infrastructure within local neighbourhoods that is safe, accessible and cared for.

### ***Environmental Campaigns***

- 6.28 A range of campaigns and projects are planned to stimulate and measure improvements in awareness and increased participation in environmental initiatives, improved environmental performance and rising levels of satisfaction in services provided. Funding is proposed for the 100 days campaign, based around community engagement, with collective and intergeneration activity bringing together diverse groups increasing community pride and mutual respect to replace the contribution previously made by the SIF.

### **Infrastructure to Improve Services**

#### ***Web development programme***

- 6.29 The web development programme is required in order to deliver key components of the Customer Services Strategy and associated business plans. The key deliverable is being able to provide the Council's customers with a comprehensive online self service – giving them the ability to log onto their own account to make enquires, requests and track progress of any existing requests as well as having access to forms and making transactions online.
- 6.30 To deliver this capability, the Council's website needs to interact and interface with a host of legacy Council IT systems and databases, and feed into a Customer relationship Management System. All future web developments will be aligned to the delivery of the Customer Services Strategy and information Strategy.

#### ***Customer and Information Strategies***

- 6.31 These two key strategies will be funded through SIF (see para. 10.10 below).

#### ***Energy costs***

- 6.32 The impact of significant increases in the cost of gas and electricity have been absorbed within the larger departments however these increases have a disproportionate impact on the smaller departments who are responsible for running buildings. Energy prices are starting to show signs of reduction and corporate procurement will be looking to make reductions in costs when current contracts are up for renewal. There will, however, be a need to increase the budgets for these costs for smaller departments where energy is a disproportionate share of their spend if the increased costs of fuel are not have an adverse impact on their budgets and lead to budget pressures that

cannot be contained within their overall budgets. It is anticipated that £300,000 will be required across the smaller services.

- 6.33 A summary of all recommended growth bids is attached as appendix 3.
- 6.34 The proposed growth bids represent a cross section of council priorities. There is a contribution to sustainable economic growth through increased budgets to improve the highways infrastructure; contributions to enabling people to reach their full potential through the investment in libraries and additional growth in both Children's and Adult services budgets; a contribution to creating neighbourhoods of choice through the Neighbourhood Funding Strategy; and a contribution to our green city agenda through the investments in recycling. There is also a general support to service budgets by meeting the identified impacts of the economic downturn which will help avoid budget pressures arising.
- 6.35 The list of growth bids has had an initial assessment through the revenue gateway process by the gateway board. Members are asked to endorse the principal that any new monies approved as part of the budget process are not released to service budgets until approval through the gateway process has been obtained.

## 7. **Summary of Final financial Position**

- 7.1 If all growth bids are approved, the cumulative call against the surplus resources identified would be:

2009/10	£15.903m
2010/11	£23.107m
2011/12	£29.173m

- 7.2 This would leave the following bottom line position:

2009/10	Shortfall of	£385,000
2010/11	Surplus of	£434,000
2011/12	Shortfall of	£1,065,000

- 7.3 It can be seen from the above that assuming all growth bids and proposed efficiency savings are approved, there is an overall shortfall of resources over the three years of the MTFP of £790,000 which if not for the shortfall in year 3 of the plan would be a small surplus of £185,000. It is therefore proposed that the General Fund reserve be used to balance the budget over the three years of the MTFP. The calls and anticipated balance on the General Fund is considered in more detail below.
- 7.4 The table below summarises the proposals for the Medium Term Financial Plan as discussed above:

	<b>2009/10</b> <b>£'000</b>	<b>2010/11</b> <b>£'000</b>	<b>2011/12</b> <b>£'000</b>
<b>Resources :</b>			
Government Support	336,051	342,438	349,286
Council Tax receipts	138,875	140,612	143,405
Area Based Grant	96,118	94,506	94,506
Dividends	5,370	5,540	5,710
Parking Reserves	2,095	1,853	1,861
Other Resources	450	400	350
<b>Total Resources</b>	<b>578,959</b>	<b>585,349</b>	<b>595,118</b>
<b>Calls on resources :</b>			
Departmental Requirements	443,377	445,199	447,426
Corporate Requirements:			
Levies	49,347	52,411	57,389
Capital Financing Costs	42,867	45,493	48,667
Contingency	9,914	10,449	11,338
Partnership Funding	33,839	31,363	31,363
<b>Total Call on resources</b>	<b>579,344</b>	<b>584,915</b>	<b>596,183</b>
 Net contribution from / (to) GF Reserve	 385	 (434)	 1,065

## 8. Local Authority Business Growth Incentive scheme (LABGI)

8.1 LABGI was originally introduced to cover a three year period covering 2005/6, 2006/7 and 2007/8. During that time Manchester has received a total of £31.2m. Some £100m of the amount originally earmarked for LABGI by the Government has been held back from distribution pending the outcome a judicial review. Recently the Government announced that it was about to release the majority of this amount, but details are still awaited.

8.2 In the last spending review it was announced that a new LABGI scheme would be put in place starting in 2009/10 but this would be substantially smaller with only £50m being set aside in 2009/10 and £100m in 2010/11 nationally. This compared to the £1,000m over the three years of the first LABGI scheme. The Government are still in the process of consulting on how the new scheme might work, based on the consultation we have estimated that Manchester could receive around £500,000 to £900,000 in 2009/10 and between £1m and £1.8m in 2010/11, however, these figures are purely estimates based on the consultation paper.

## 9. Robustness of the estimates

9.1 Under S25 of the Local Government Act 2003 the Treasurer has to report to the Council on the robustness of the estimates and the adequacy of reserves.

9.2 The City Treasurer has examined the major assumptions used within the budget calculations and considers that they are prudent based on the best information we have available. Each Service Head has carried out an individual risk assessment of their own budgets which have been reviewed by

the Corporate Support Team as part of the business planning process. In addition, the Treasurer has carried out a corporate budget risk assessment and will implement actions to mitigate risks identified. It is considered that the efficiency savings targets put forward by Heads of Service within their business plans represent a high risk and will require the full commitment of strategic directors, heads of service and other council staff to ensure that they are achieved. The achievement of these savings will be monitored by Strategic Management Team on a monthly basis throughout the coming year.

9.3 It is the opinion of the City Treasurer that any significant budget risks to the General Fund and the Housing Revenue Account reported elsewhere on the agenda have been identified and that suitable proposals have been put in place to mitigate against these risks where possible. The Council's Budget Monitoring procedures, are now well embedded and are designed to specifically monitor high level risks and volatile budgets.

9.4 The level of the contingency provision and General Fund Reserves held is considered sufficient to meet the costs of risks should they materialise.

## 10. **Financial Reserves**

10.1 The Council has a number of reserves which it holds for a variety of purposes but they fall into two main types:

**Specific reserves** – these are held for specific purposes and have limits on what the reserve can be used for and who can authorise additions to / use of them

**General Reserves** – These are reserves that are not held for specific purposes and can be utilised by the council for any legitimate purpose.

10.2 It is a requirement of the Local Government Act 2003 that, as part of the budget setting process, members receive details of the specific reserves held including the balances held, proposed additions or utilisation, and the purpose of the reserve. In addition the City Treasurer needs to give formal consideration to the adequacy of the Council's general reserves and report this to members.

10.3 Details of the reserves held by the Council have been included as Appendix 5 to this report. A review of specific reserves has been carried out and a number of small reserves previously set up are deemed to be non longer necessary. The balances held on these reserves have been transferred into the General Fund Reserve.

### **General Fund Reserve**

10.4 this reserve is held to meet exceptional, unplanned, unforeseen expenditure during the financial year and after the budget is set. The General Reserve has historically been maintained in recent years at a level of around £20m. The actual level of the reserve as at 31/3/08 was £27.6m and whilst this is high

compared to most Council's, the growing levels of efficiency savings assumed within budgets coupled with the levels of other financial risks within the Council's activities it is felt that this level more accurately reflects the level of reserve currently required. The transfer of the specific reserves no longer required (see paragraph above) will add £545k to this balance.

- 10.5 Within the current year it has been agreed that some £1.7m of the reserve will be required to meet costs associated with Manchester Care and the budget agreed for 2008/9 assumed that £6.772m would be used to support the budget. It is currently estimated that there will be around £3m of unused contingency in the current year that will fall into the reserve and we are expecting some £900,000 to fall into the reserve from a rebate on the WDA levy from further delays in implementing the PFI project. These items, along with a potential £500,000 underspend on departmental and corporate budgets falling into the reserve means that the balance on the reserve at 31/3/09 is currently estimated to be around £23m.
- 10.6 Apart from the proposed call on the reserve next year as identified by the MTFP of £385,000, there are no further planned calls on the reserve next year.
- 10.7 A risk based analysis of the level of reserves has been carried out which has identified that reserves at this level are sufficient to cover the inherent risks in the Council's activity and are considered by the Treasurer to be prudent at this time given the uncertainties over the level of funding that the Council will receive after 2010/11 and the on-going impact of the downturn in the economy.

### **Housing Revenue Account Reserves**

- 10.8 The HRA Reserve comprises three components. The general reserve reflects the cumulative effect of year on year differences between income and expenditure associated with providing the housing service. The earmarked general reserve holds compensation payments received in previous years in respect of the M60 and are being used to fund a number of specific projects. There is also a PFI reserve which is being built up to meet future commitments in respect of a number of PFI schemes both in existence and also in the planning stage. Further details of the sums held on these reserves are shown in Appendix 5.

### **Service Improvement Fund (SIF)**

- 10.9 The estimated opening balance of the Service Improvement Fund (SIF) as at the start of 2009/10 is £7.575m. This figure includes some £6.7m of Performance Reward Grant (PRG) receivable from the achievement of our LPSA2 stretch targets which will be accounted for in 2008/9. A further contribution from PRG of £2.6m is currently anticipated but this is subject to final audit of the relevant performance indicators. This means that the total SIF resources available for next year and beyond is estimated to be £10.221m.

10.10 In line with agreements last year, the on-going service projects funded from SIF have for the most part been included within mainstream service budgets it is recommended, however, that the following be funded from the SIF:

- CRM rollout (this is expected to cost £1.744m in 2009/10, £1.344m in 2010/11 and £0.901m in 2011/12. There will be no further resource required after 2011/12)
- MIP management costs – a proportion of the MIP management costs have traditionally been met from the SIF. It is proposed that this arrangement continue for a further year. The level of costs to be picked up by SIF is £2.416m
- Two projects to be managed by the MIP director, the Customer Strategy and the Information Strategy require funding of £1.107m and £745,000 respectively over the next three years. It is proposed that this be met from the SIF as they are both time limited and do not require funding after 2011/12
- There is still a balance of SIF held for the use of the Crime and Disorder Partnership of around £1.4m from the £1.97m PRG received relating to the achievement of the LPSA1 targets relating to crime and disorder. Of this, around £338,000 has been agreed for analytical capacity costs and the balance is available for new projects.

10.11 The final use of SIF to support these schemes will be subject detailed proposals for approval through the revenue gateway process and by the City Treasurer and Chief Executive in line with the original process for SIF approvals.

## 11. **Prudential Indicators**

11.1 Under the Prudential Regime, the Council need to agree a range of indicators (the Prudential Indicators) that relate to the prudence and affordability of its capital proposals. A report outlining a proposed capital programme is presented as Annex 2 to the budget report and in addition, elsewhere on the agenda is a report concerning proposals for the Town Hall complex. The prudential indicators for both the General Fund and the Housing Revenue Account are detailed in Appendix 4 to this report and indicate resources are sufficient to support the Capital Programme as proposed in Annex 2 and the proposals contained within the report on the Town Hall complex. Any changes members make to the programme, in particular any decision to increase the programme or utilise unsupported borrowing, may have an impact on these indicators.

11.2 The indicators shown for the incremental impact of capital investments on Council Tax and Housing Rents are the gross impact before taking into account revenue support received through the Revenue Support Grant and HRA subsidy.

## 12. **Budget Consultation and Scrutiny**

- 12.1 A document requesting comments on the Council's budget and performance similar in style to the one used last year was once again produced this year. The document was made widely available at Council public buildings including the Town Hall, Community Centres, Advice Centres, Libraries, Leisure Centres, Adult Education Centres and Citizen Advice Bureaus. Copies were also provided to the City Centre Management Company for circulation to businesses in Manchester. Voluntary Sector groups were e-mailed with details of the consultation exercise through the Community Network for Manchester. In addition, the document was posted onto the Council's web site with a link from the home page. An article giving details of the consultation was also published in the January edition of the Manchester People.
- 12.2 A total of 22 responses to the consultation have been received of which 6 were requests for further information. These responses are summarised in Appendix 6 to this report. A hard copy of the responses received will be made available for the Executive at the meeting.
- 12.3 Scrutiny Committees in January considered the business plans however there were no recommendations arising that would directly impact on the budget as reported. The budget proposals as recommended by Executive and any proposed Opposition amendments will be considered by the Resource and Governance Overview and Scrutiny Committee at a special meeting on 23 February before being put to Council on 4 March.

## 13. **Trading Organisation Targets for 2009/10**

- 13.1 Those services traditionally considered as trading under the old Compulsory Competitive Tendering Regime are set a profit / loss target similar to the cash limit budget targets set for General Fund services. The trading positions they face are outlined within the appropriate business plan rather than providing separate business plans as in previous years. A summary of the trading position facing these services as identified in business plans is shown below:
- 13.2 **Response Maintenance (City Works)** - City Works has been subject to a transfer of a large proportion of its work to Manchester Working, as a consequence City Works estimated that they would make a loss in 2008/9 of £530,000. As more housing stock is transferred and the remaining City Works function transfers to Manchester Working the projected loss will reduce and a surplus is expected in 2009/10 of £104,000.
- 13.3 **Manchester Contracts** - are predicting a profit of £225,000 in 2009/10, slightly higher than their target profit for 2008/9. Recommendations arising from the Highways SIP will inform the future direction and budgetary implications for Manchester Contracts. 2009/10 will be another challenging year for the service. To meet business plan targets it is essential that sufficient external business is secured. During the current economic downturn Manchester Contracts is competing with private contractors for a decreasing

market share. To remain competitive, a number of measures have been introduced to increase productivity and manage costs.

- 13.4 **Street Scene Services** – Prior to 2008/09, the budget allocated for these services had been significantly understated and out turn had been subsidised by surpluses from other trading services. The 2008/09 budget allocated for Street Scene Services (SSS) was increased by £800,000 to take account of this budget pressure. During 2008/09 significant progress has been made to achieve financial transparency, increase understanding and management accountability. An external review of Street Scene Services has been undertaken. Overall the review determined that there is a good quality service being provided by committed and engaged management teams. At November 2008, the review of Street Scene Services has moved into the project implementation phase. Potential savings arising from the review recommendations have yet to be fully quantified. The delivery of street cleansing and grounds maintenance continues to be of high focus and a priority for Members and residents. Whilst the service is improving, there is evidence of lowering public perception. This may mean that there is a need to drive any further savings back into the service. A business plan target is proposed of surplus of £88,000.
- 13.5 **Manchester Fayre** – For 2008-11 members agreed that the charge for a school meal should increase from September each year. In order to contain the required price increases, the requirement for Manchester Fayre to plan to achieve a surplus on catering was removed (i.e. catering would plan to break even over the three years of the 2008/9 to 2010/11 business plan). Due to the uneven occurrence of meal days year on year the business plan for 2008/9 to 2010/11 shows a surplus in 2008/9 of £234,000, a deficit in 2009/10 of £458,000 and a surplus in 2010/11 of £221,000.
- 13.6 These figure have since been adjusted to reflect efficiency savings of £62,000 associated with the transfer of procurement staff to Corporate Procurement. Price increases for primary school meals of 11p in 2008/9, 13p in 2009/10 and 15p in 2010/11 making primary school meal prices increase to £2.11 in 2010/11. (These figures assume that the Schools Forum would be willing to release to Manchester Fayre their share of the School Lunch Grant for all three years of the business plan). The Forum have currently only agreed to release the grant for 2008/9, £189,224 for primary meals and £52,389 for high school meals provided by Manchester Fayre. The projected outturn for 2008/09 is on track and it is assumed that Manchester Fayre will deliver the budgeted bottom line. Due to the on-going effect of procurement savings made in 2008/9, the services target for 2009/10 has come down from a projected loss of £458,000 to a projected loss of £398,000.
- 13.7 **MEDC** – has been set a target surplus for 2008/9 of £118,000 which it is expecting to achieve. It is proposed that for 2009/10 the service is set a target trading profit of £121,000.

Members are asked to approve the targets for the trading organisations in 2009/10 as discussed above and summarised in the table below:

Trading Organisation	Revised Target 08/9 (Surplus)/Loss £	Proposed Target 09/10 (Surplus)/Loss £
Manchester Fayre	(296)	398
Manchester Contracts	(215)	(220)
Response Maintenance (City Works)	530	(103)
Street Scene Services	(86)	(88)
MEDC	(118)	(121)
Total Loss / (Surplus)	<u>(182)</u>	<u>(134)</u>

### **Appendices**

1. Proposed Business Plan Cash Limits
2. List of Service Efficiency Savings
3. List of Service Growth Bids
4. List of Prudential Indicator's
5. List of specific reserves
6. Feedback from Budget Consultation exercise

**Business Plan Cash Limits**

**APPENDIX 1**

<b>Department</b>	<b>Business Plan Area</b>	<b>2009/10 Business plan Cash limit</b>	<b>2010/11 Business plan Cash Limit</b>	<b>2011/12 Business Plan Cash Limit</b>
		£000s	£000s	£000s
<b>Children's Services:</b>				
	Children and Young People	97,507	97,902	97,722
	Education Services	22,095	21,410	21,856
	Strategy Performance and Operations	25,185	25,703	26,260
<b>Total Children's Services</b>		<b>144,787</b>	<b>145,015</b>	<b>145,838</b>
<b>Chief Executive:</b>				
	Head of Executive Office	2,032	2,077	2,124
	Head of Legal Services	3,566	3,700	3,764
	Head of Statutory Services	2,310	2,363	2,398
	Assistant Chief Executive (Performance)	6,094	5,447	5,410
	Head of Crime and Disorder	1,506	1,466	1,455
	Director of Manchester Health Unit	9	9	9
	Assistant Chief Executive (Culture)	6,790	6,756	6,770
	Director of Manchester Galleries	3,838	3,742	3,684
	Head of Regeneration	3,516	3,760	3,806
	Head of Adult Education	397	402	399
	Head of Planning	2,280	2,220	2,343
	MEDC	(121)	(124)	(127)
	Corporate Items (non Business Plan)	4,995	5,106	5,220
	Transport & Engineering:			
	<i>Head of Engineering Services</i>	13,025	13,232	12,943
	<i>Head of Transport</i>	2,316	2,345	2,219
	Subtotal Transport & Engineering	15,341	15,577	15,162
<b>Total Chief Executive</b>		<b>52,553</b>	<b>52,501</b>	<b>52,417</b>
<b>Housing:</b>				
	Housing (Excl Supp People Grant)	5,290	4,689	5,151
	Supporting People Grant	37,701	36,062	36,062
<b>Total Housing</b>		<b>42,991</b>	<b>40,751</b>	<b>41,213</b>

**Corporate Services:**

Capital Programme Director	825	795	778
Head of Financial Management	5,239	5,261	5,229
Head of Human Resources	1,549	1,558	1,546
Strategic Head of Council Tax and Benefits	3,793	3,836	3,807
Head of Valuation and Property	5,923	5,977	5,932
Corporate Procurement	931	949	942
Corporate Items (non Business Plan)	(13,116)	(12,560)	(12,503)
<b>Total Corporate Services</b>	<b>5,144</b>	<b>5,816</b>	<b>5,731</b>

**Neighbourhood Services:**

Adult Services	134,537	138,120	142,853
Head of Libraries and Information	12,533	13,520	12,407
Library Theatre Company	1,077	1,087	1,084
Head of Sports and Leisure	14,700	14,193	14,089
Head of Environmental and Contracting Services	31,089	31,179	31,253
Trading:			
<i>Head of Contracting Services</i>	(290)	(306)	(328)
<i>Manchester Contracts</i>	269	275	281
<i>Manchester Markets</i>	(1,307)	(1,369)	(1,433)
<i>Town Hall services</i>	3,123	3,142	3,074
<i>Manchester Fayre</i>	(303)	(310)	(317)
Subtotal Trading	1,492	1,432	1,277
<b>Total Neighbourhood Services</b>	<b>195,428</b>	<b>199,531</b>	<b>202,963</b>

**Manchester Improvement Programme**

MIP Team	1,572	4,069	4,151
Corporate Technology Unit	(939)	(1,064)	(1,147)
<b>Total Manchester Improvement Programme</b>	<b>633</b>	<b>3,005</b>	<b>3,004</b>

**Total of Business Plans**

	<b>441,536</b>	<b>446,619</b>	<b>451,166</b>
Corporate Growth not yet allocated	5,262	4,730	4,831
Procurement & Housekeeping efficiencies not yet allocated	(3,421)	(6,150)	(5,571)
	<b>443,377</b>	<b>445,199</b>	<b>447,426</b>

**APPENDIX 4**

**Note:** figures agreed last year shown in brackets

No.	PRUDENTIAL INDICATOR	2009/10	2010/11	2011/12
1	<b>Ratio of Financing Costs to Net Revenue Stream</b>			
	Non – HRA	9% (11%)	9% (11%)	9%
	HRA	21% (13%)	20% (12%)	21%
2	<b>Incremental impact of Capital Investments on :-</b>			
	Council Tax (Band D, per annum)	£5.98p	£28.42p	£64.26p
	Housing Rent per week (See note A below)	£0.00p	£0.00p	£0.39p
3	<b>Capital Expenditure</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
	Non - HRA	349 (301)	302 (274)	149
	HRA	37 (38)	28 (28)	15
	TOTAL (see note B below)	386 (339)	331 (302)	164
4	<b>Capital Financing Requirements (as at 31 March)</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
	Non - HRA	600 (600)	650 (650)	700
	HRA	400 (400)	450 (450)	450
	TOTAL	1,000 (1,000)	1,100 (1,100)	1,150
5	<b>Authorised Limits for External Debt -</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
	Borrowing	1,167 (1,304)	1,167 (1,304)	1,167
	Other Long Term Liabilities	0 0	0 0	0
	TOTAL (See note C below)	1,167 (1,304)	1,167 (1,304)	1,167
6	<b>Operational Boundaries for External Debt -</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
	Borrowing	1,028 (996)	1,060 (1,053)	1,108
	Other Long Term Liabilities	0 0	0 0	0
	TOTAL (see note C below)	1,028 (996)	1,060 (1,053)	1,108
7	<b>Authority has adopted CIPFA's Code of Practice for Treasury Management in the Public Services</b>		Yes (Yes)	
8	<b>Upper Limits on Fixed Interest Rate Exposures</b>			
	Net Borrowing at Fixed Rates as a percentage of Total Net Borrowing	73% (87%)	79% (93%)	80%
9	<b>Upper Limits on Variable Interest Rate Exposures</b>			
	Net Borrowing at Variable Rates as a percentage of Total Net Borrowing	71% (92%)	89% (94%)	93%

<b>10</b>	<b>Maturity Structure of borrowing (2009/10 only)</b>	Lower Limit	Upper Limit	
	under 12 months	0% (0%)	50% (50%)	
	12 months and within 24 months	0% (10%)	60% (60%)	
	24 months and within 5 years	20% (10%)	70% (60%)	
	5 years and within 10 years	0% (0%)	60% (60%)	
	10 years and above	10% (10%)	60% (60%)	
<b>12</b>	<b>Upper Limits for Principal Sums Invested for over 364 days</b>	<b>£</b> 0 (0)	<b>£</b> 0 (0)	<b>£</b> 0

Note A - The indicators shown for the incremental impact of capital investments on Council Tax and Housing Rents are the gross impact before taking into account revenue support received through the Revenue Support Grant settlement and HRA subsidy. To the extent that the capital programme is funded, the % net impact on council tax and housing rents is reduced by additional grant received.

Note B – Capital expenditure figures include proposed expenditure on Town Hall and additional proposals for reserved resources.

Note C – Adjustments re. PFI and similar arrangements coming back onto the City Council's Balance Sheet in 2009/10 and for operating leases being reclassified as finance leases in 2010/11 cannot, at this stage, be quantified. When the financial implications are fully known, adjustments will be made in accordance with International Financial reporting Standards (IFRS), which may require amendment of the Operational Boundary and the Authorised Limit during the year.

Key to responsibilities: 1 – appropriate Strategic Director, 2 – schools, 3 – Executive (and Council where appropriate), 4 – City Treasurer

	Opening Balance 01/04/09 £	Withdrawals £	Additions £	Closing Balance 31/03/10 £	Who Responsible for use (see key above)	Purpose
<b><u>EARMARKED RESERVES</u></b>						
<b><u>HOSPITALITY AND TRADING SERVICES</u></b>						
New Smithfield Market Initiative Fund	766,233		8,000	774,233	1	Legal requirement. Set up as a condition of grant aid to build market. To be used for minor renewals, repairs and to meet deficiencies on the revenue account. Any spend has to be agreed by Market Traders and Members
NSM – Car Boot	190,831		124,000	314,831	1	To fund initiatives that will benefit the development of New Smithfield wholesale market (can be drawn down by traders in settlement of service charge)
Investment from Surpluses	227,023		10,000	237,023	1/3	Repayable finance to schools for service improvement. Balance of additional surpluses over the Business Plan target from previous years agreed by members for investment within the catering service
<b><u>CHILDREN'S SERVICES</u></b>						
LMS Reserve	11,971,208	1,200,000		10,771,208	2	Schools reserves. These figures are subject to further confirmation by the City Treasurer

**Key to responsibilities: 1 – appropriate Strategic Director, 2 – schools, 3 – Executive (and Council where appropriate), 4 – City Treasurer**

	<b>Opening Balance 01/04/09 £</b>	<b>Withdrawals £</b>	<b>Additions £</b>	<b>Closing Balance 31/03/10 £</b>	<b>Who Responsible for use (see key above)</b>	<b>Purpose</b>
Temple Schools PFI	602,227	2,000		600,227	<b>4</b>	Established to fund the requirements re. PFI contract for the Temple school via our external contractors.
Wright Robinson PFI	549,416		208,597	758,013	<b>4</b>	Established to fund the requirements re. PFI contract for the Wright Robinson school via our external contractors.
Closed school balances	1,024,652	690,000		334,652	<b>4</b>	Closed schools balances
<b><u>CORPORATE SERVICES</u></b>						
St Johns Gardens Contingency	372,444	7,500	10,900	375,844	<b>1</b>	Contributions from St Johns Gardens tenants for maintenance works
<b><u>ENVIRONMENTAL SERVICES</u></b>						
Cemeteries Replacement	40,000		40,000	80,000	<b>3</b>	To provide additional grave spaces.
Great Northern Square Maintenance Fund	275,319		36,000	311,319	<b>1</b>	Set up in accordance with the agreement with the developers of the site. It will be used for upgrading of the square.
Street Lighting PFI	7,479,804	636,768	282,275	7,125,311	<b>4</b>	Established to fund the requirements over 25 years re. the PFI contract for Street Lighting service via our external contractors
Bus Lane Enforcement Reserve	583,101		200,000	783,101	<b>3</b>	Reserve set aside from income arising from bus lane enforcement powers, which is set aside to support expenditure on transport and environmental improvements

Key to responsibilities: 1 – appropriate Strategic Director, 2 – schools, 3 – Executive (and Council where appropriate), 4 – City Treasurer

	Opening Balance 01/04/09 £	Withdrawals £	Additions £	Closing Balance 31/03/10 £	Who Responsible for use (see key above)	
<b><u>MANCHESTER PARKING</u></b>						
On Street Parking	1,798,726	2,095,000	1,780,000	1,483,726	3	Reserve set aside from On-Street Parking surplus's year on year, which is set aside to support expenditure on transport and environmental improvements
<b><u>REVENUE GRANTS</u></b>						
European Social Co-op	22,517			22,517	4	Committed to ESF Projects
<b><u>MANCHESTER CITY GALLERY</u></b>						
Art Fund	232,694	115,000	113,000	230,694	1	Purchase of Works of Art
<b><u>CHILDREN'S SERVICES AND ADULT SOCIAL CARE</u></b>						
Community Care Reserve	1,475,000			1,475,000	4	A fund created to deal with volatility of forecasting expenditure on Care Home Placements
Cleopatra Reserve	1,500,000			1,500,000	4	Reserve to meet potential compensation claims
<b><u>GENERAL FUND</u></b>						
Development Fund	3,771,638		221,064	3,902,702	3	To invest in schemes that will pay back investments from savings
LABGI reserve	3,374,338	1,623,163		1,751,175	4	Projects being met from LABGI monies
Unused Dividends Reserve	3,870,000	14,130,000	14,300,000	4,040,000	3	Balance of dividends received not yet used

**Key to responsibilities: 1 – appropriate Strategic Director, 2 – schools, 3 – Executive (and Council where appropriate), 4 – City Treasurer**

	<b>Opening Balance 01/04/09 £</b>	<b>Withdrawals £</b>	<b>Additions £</b>	<b>Closing Balance 31/03/10 £</b>	<b>Who Responsible for use (see key above)</b>	<b>Purpose</b>
Capital Fund Revenue Reserve	22,511,711	20,504,893	17,076,000	19,032,818	<b>3</b>	Council's contribution to major capital schemes
Service Improvement Fund	7,574,940	6,006,000	2,645,785	4,214,725	<b>4</b>	To fund improvements in Council Services
Pension Risk Fund	172,751			172,751	<b>4</b>	To meet future increases and any pensions liabilities at the end of the Joint Venture
General Fund Reserve	23,450,894	385,000		23,065,894	<b>3</b>	General Reserve
Housing Loans	5,977,253			5,977,253	<b>4</b>	To meet future interest costs
Insurance Fund	18,299,755	200,000	529,047	18,628,802	<b>4</b>	To meet future uninsured losses and self insured costs
Collection Fund	2,292,000	2,292,000		0	<b>4</b>	Surplus on collection fund
City Centre Initiatives Fund	53,619	53,619		0	<b>1</b>	Committed schemes to improve City Centre
<b><u>Total all General Fund Reserves</u></b>	<b>120,460,095</b>	<b>49,940,943</b>	<b>37,584,668</b>	<b>108,103,820</b>		

Key to responsibilities: 1 – appropriate Strategic Director, 2 – schools, 3 – Executive (and Council where appropriate), 4 – City Treasurer

	Opening Balance 01/04/09 £	Withdrawals £	Additions £	Closing Balance 31/03/10 £	Who Responsible for use (see key above)	Purpose
<b><u>HOUSING REVENUE</u></b>						
HRA General Reserve	3,950,000	1,188,000		2,762,000	4	General Reserve
PFI Reserves	34,454,327	20,020,509	21,637,614	36,071,432	4	Smoothing reserve to meet future PFI liabilities
Residual Liabilities Fund	1,530,000			1,530,000	4	To meet possible future claims for environmental contamination
<u>Total all Housing Reserves</u>	<u>39,934,327</u>	<u>21,208,509</u>	<u>21,637,614</u>	<u>40,363,432</u>		
<b><u>HOUSING CAPITAL</u></b>						
Major Repairs Allowance	6,250,008	15,347,000	9,436,151	339,159	4	Provides resources needed to maintain value of housing stock



## APPENDIX 6

### CONSULTATION FEEDBACK

The budget consultation process generated 22 responses (6 of these were information requests) – 4 via the budget consultation answer phone, 2 letters and 16 emails. The responses do not always state the capacity in which they are responding. However as far as such information was provided, the profile of the responders was as follows:

Residents	13
Staff	6
Associations	2
Not disclosed	1

The issues raised in the responses are summarised below:

#### **Culture**

A respondent commented on the council's investment in culture which she would like to see continue because it is effective at raising the city's national and international profile and attracting tourists.

Another respondent noted there appeared to be more spent on the Cultural Strategy team (£6.3M) than Art Galleries and Museums directly (£5.3m) and felt this was wasteful and profligate. He asks for a review into whether this is an appropriate use of revenue or to refer the issue to Overview and Scrutiny committee. He also asks for the Chief Executives budget to be reviewed with the objective of making significant savings.

#### **Housing**

A respondent accepted the council's aspiration to improve rates of owner occupation in Manchester but hoped this was not at the expense of increasing the provision of Social housing and feels an increase in social housing should have been included in the statement of priorities. Another respondent cited a lack of affordable housing as a major concern and another had concerns that good houses less than 12 years old were being knocked down in Beswick which was a waste of money.

#### **Green Issues/Environmental Services**

Some suggestions to make Manchester a Greener City included:

- The production of electricity from the City's waterways rivers, lakes etc (Like micro plant at Heaton park)
- The use of wood chips for heat etc produced from the sustainable forests/woodland and stand alone trees. Specially grown willow banks on polluted land.

- If the composter at the markets is not a digester could it be altered to produce methane to power/heat the area? It could take grass cuttings and supermarket waste and still make saleable garden compost.

Another respondent suggested more investment in making Manchester a greener city such as planting more trees and more maintenance of parks and open spaces.

It was also suggested more street cleaning is needed and streets and pavements are better maintained. Another resident felt that there is a need for intra organisational cooperation on regulation and enforcement.

One resident felt recycling in the city centre is poor and is unable to get recycling facilities in her apartment block. It was suggested the council should be more receptive to approaches from willing residents to work as partners in reducing waste and responsible disposal.

Another person felt there was an urgent need to make amenity sites pleasant to use and to have less and simpler services with more investigation as to how they may be helped if the public is to cooperate with recycling.

### **Council Tax/Efficiencies**

One resident would be happy to pay more council tax provided there are noticeable improvement. He believes there should be less focus on keeping costs down and more on value for money for the services provided.

Another resident suggested council tax levels could be cut by 30% by cutting spending to the basic level and charging for everything else so less is wasted and abused, 'go for pointing the way not pushing'.

He also suggested making council positions elected.

### **Library services**

One resident agreed with the priority to replace every community library within 5 years and refurbish central library as he felt this was a strong commitment to the 'greatest cultural asset in Manchester'. He hoped the focus would be on books rather than a technology focus, which could become redundant quickly.

Another resident suggested the strategy could be slowed and extended to 10 years although he did agree replacing a library increases usage.

### **Customer Experience**

A resident felt service access was fragmented and it was difficult to find the correct person. It was hoped the Customer strategy would provide a more streamlined service however the issue was often more with people than strategy and some council officers did not seem to view taxpayers as customers.

Another respondent felt there should be a move towards citizens as contributors and cooperators and that the website should be completely redesigned with a bigger emphasis on 'have your say' opportunities.

### **Children's Services**

A respondent felt the focus of the council was too social services orientated while schools are really the major partner. He suggested there should be a more streamlines approach to children, parents & carers and a major evaluation should take place into this issue by Ofsted and the audit commission.

### **Adult Social Care Advice Centre**

A respondent has concerns about possible cuts in the advice centre as there would be a detrimental effect on Manchester citizens if they were unable to access advice about rights and legal information.

### **Nutsford Vale – Green Area**

This was a specific response from the facilitator of Nutsford Vale voluntary group regarding the area becoming an official green area. They are requesting council support for a funding bid entered by Red Rose Forest to obtain external funding for maintenance of the area. It was noted this would support the councils green aims and provide a better environment for people living in Gorton South and Longsite.

### **Overall Priorities**

A resident agreed with the investment priorities identified but felt there were some performance issues which should give weight to the priorities. Another respondent felt “anti poverty’ action should be the councils major objective because poverty reduces peoples quality of life and their involvement in the community and makes Manchester less buoyant then it should be.

### **Others**

Other issues raised were as follows:

- B of the Bang is a waste of taxpayer money and should be disposed of.
- Council workers in the community underperforming
- Roadwork’s being put down and then taken back up because they were a danger to drivers – wasted money.
- In terms of Sports Development the emphasis should be on the community and a separate development for champions.
- Neighborhood funding should ensure any proposals have the support of the community and not just a small group.
- There should be a greater emphasis on Manchester’s equal opportunities policy
- There is too much expenditure on management , particularly in the housing department
- Issues around compulsory purchase orders due to road widening
- The budget consultation leaflet contained insufficient information thus made it difficult to engage in the consultation

### **Requests for Further Information**

The following separate requests for further information were received:

- 250 consultation leaflets for the Rochdale Road Residents Action Group
- A copy of the 2008/2009 Medium Term Financial plan was requested and sent out
- An officer contact name and address for Cultural Events was requested and sent out.
- Details of budgeted expenditure for road repairs.
- Details of 2007/2008 actual and 2008/2009 budget spend on Manchester Register office.
- Literature on the 2009/2010 plans for Libraries