

**Manchester City Council
Report for Resolution**

Report to: Resources and Governance Overview and Scrutiny Committee –
28 February 2011

Subject: Details of Amended Budget Proposals Submitted by the
Opposition Group

Summary

Two amendments to the Executive's budget proposals have been submitted in accordance with Paragraph 18.3 of the Council Procedure Rules. They are included in this report

Information

Amendment to the Council Tax Resolution in the report of the City Treasurer and Chief Executive to Council entitled 'COUNCIL TAX RESOLUTION FOR 2011/12'

Proposed by Councillor Simon Wheale and seconded by Councillor Simon Ashley

Delete resolution 1 to the report of the City Treasurer and Chief Executive and substitute:

That the City Council be recommended to adopt the following resolution:

"Manchester is a great city. Manchester Liberal Democrats are proud of and strongly support the positive achievements and ambitions of Manchester people across many spheres of activity. We are determined to contribute as much as possible to making Manchester an even better city to live in for our residents.

In particular, in recent years, Manchester's Liberal Democrat City Council Group have been forward-looking and constructive in arguing for and backing key developments in our city such as the creation of the Metrolink tram system, the construction of the Bridgewater Hall, the staging of the Commonwealth Games and the establishment and staging of two Manchester International Festivals so far with a third International Festival due this year.

Manchester's Liberal Democrat City Council Group are very pleased that one of our members, Councillor Paul Shannon, is providing political leadership for fire and rescue work in our area as the Chair of the Greater Manchester Fire and Rescue Authority. The Greater Manchester Fire and Rescue Service has achieved great success in winning a top sustainability award for 'Influencing Behavioural Change' by improving the energy efficiency of the Service and encouraging staff to come to work by bike. This work has been strongly encouraged by the Authority's Champion for the Environment and Manchester Liberal Democrat Councillor Paul Ankers.

We are also pleased, as a Group, that another of our members, Councillor Keith Whitmore, is Vice Chair of the Greater Manchester Integrated Transport Authority. The Authority is currently delivering a major expansion of the Metrolink tram system to East, North and South Manchester - an expansion that will see new tram lines open to Whalley Range and Chorlton and to Central Park in Newton Heath in the Spring of this year.

We have called for and welcome proposals for new investments in City Council services in 2011/12 such as:-

- further expanding our waste and recycling systems in particular to bring food waste and garden waste recycling to doorsteps across the city on a weekly basis
- the expansion of the successful Reablement service for supporting vulnerable Manchester residents coming out of hospital
- sustaining the increase in our capacity to cope with extreme winter weather conditions

We are pleased that concerted work, by the Chief Constable and his team, is at last delivering more Police Officers to the front line as Neighbourhood Teams grow. We are also pleased that funding for our PCSOs has been secured by the Coalition Government for the next two years.

The level of Government Grant support to Manchester City Council this year is significantly affected by the need for all public spending to be reduced to deal with the huge deficit left to the country by the last Labour Government. Debt interest payments alone will cost the taxpayer a quarter of a trillion pounds over the course of this Parliament and Government borrowing is well over £100Billion for 2010/11 and will remain over £100Billion for 2011/12.

The City Council's awareness of the need for whichever Government was in power from May 2010 to reduce the deficit, meant that the Council agreed a plan in March 2010 to make £96Million of savings from it's own spending and to reduce the Council workforce by 1,000 posts over the three financial years to 2012/13.

Further savings required from the Council, to help reduce the national deficit in the next two years, have led to the City Council bringing forward existing transformation plans to review the future of the Manchester Advice service and the School Improvement service, and to consider the withdrawal of the Council from being a volume provider of universal subsidised day care and from being a provider of youth services.

If Manchester is to continue it's longer term economic momentum it is vital that the City Council's Budget-setting process reflects the fact that every penny counts for the personal budgets of many Manchester people.

This Resolution therefore proposes to freeze the Council Tax and to take advantage of Coalition Government funding to support such a freeze.

The decision to freeze Council Tax, first proposed by Liberal Democrats in earlier Budget Amendments, does everything possible to help Manchester residents with stretched budgets and to help to keep the city's economy moving.

In order to make every penny count when difficult decisions have to be made, we propose to scale back recommendations for further spending on City Council bureaucracy in the forthcoming year by not supporting, at present, funding for:-

- a Council contribution to Manchester Day (£220,000)
- £1Million of the expected spending on consultants in the forthcoming year
- £1Million of the expected spending on Corporate Communications
- the cost of covering for sickness levels which are well above the national average (£750,000)
- the Nuclear Free Zone Unit (£15,000)
- a chauffeur driven car facility for the Leader of the Council and the Chief Executive (£4,000) - the car facility to be replaced by a travel budget for the Leader and Chief Executive
- all of the Trade Union representation costs - moving to a shared 50:50 basis (£235,000)
- one of the Council's Deputy Leader positions and the Deputy Executive Member roles (£90,000)
- provision of Council lunch (£4,000)

We are very confident that existing staffing teams will be able to deliver excellent work across these headings within these constraints.

We are also confident that closer working and sharing services between Greater Manchester Councils and Authorities, following the creation of the Combined Authority for Greater Manchester, can yield savings of £1.5M in 2011/12 and £1.75M in 2012/13 if existing work on sharing services is progressed more rapidly - looking particularly at legal, payroll, HR, training and Chief Officers' functions.

We also propose to add to schedules further income in the following areas:-

- the New Homes Bonus, recently announced by the Coalition Government, to support facilities and infrastructure in areas of new house building (£2.6Million)
- an extra £700,000 in Council Tax collected by not dropping the proposed collection rate by 0.5% in 2011/12, given that the Council Tax is being frozen
- to cover additional costs in Private Sector Housing by setting an income target of £500,000 to be generated from an extension of additional landlord licensing schemes across the city. Licensing of all landlords of Houses in Multiple Occupation has recently been agreed by Oxford City Council which may serve as a model for our approach
- to ensure that the target for recharging utilities for graffiti removal is £50,000 to better reflect the actual cost to the City Council of carrying out this work
- from the expansion of the Council's art loan/hire scheme an additional £243,000 in 2012/13 bringing to view more of the Council's extensive art collection

The proposals above bring in new resources and help to free up monies that can be spent directly in supporting and retaining front line facilities and services as follows:-

- by adding an extra £5Million over the next two years into the funding available for Sure Start Children's Centres and Early Years work
- by making available £2.5Million of increased funding for good voluntary sector youth provision over the next two years
- by adding £1Million each year for the next two years to spending on Individual Care Budgets through Adult Services
- by increasing the funding by £2.7Million over two years for Supporting People work

a total of £12.2Million put in to add to vital Council work supporting adults, children and young people in Manchester over and above the Council's existing Budget proposals.

The Liberal Democrat Group will prioritise tackling child poverty and supporting vulnerable adults in Manchester ahead of the spending on parades, chauffeur driven car facilities, advertising and Council lunches proposed in Manchester Labour's plans.

Freeing up resources for front line facilities will also allow us to:-

- reverse the Labour Administration's aim to close Levenshulme Baths
- guarantee the future of the Ten Acres Leisure Centre, the Ardwick Leisure Centre, the Arcadia Leisure Centre, the Debdale Sailing Centre and the Abraham Moss Leisure Centre
- reverse plans to close Clayton Library, East City Library, Rackhouse Library, Barlow Moor Library and Hulme Library
- reverse plans to close all but one of the public conveniences in Manchester

until long term plans are put in place for these facilities or replacement facilities are agreed.

Our emphasis on making every penny count at the front line will also ensure that the City Council:-

- does not have to introduce Sunday parking charges
- does not reduce street washing below current levels
- does not remove weekly black bin collections across the city, but instead, pilots fortnightly black bin collections in areas where recycling is already high

We strongly believe that the City Council achieves the greatest value from the use of it's resources when it works closely with Manchester residents to identify local priorities and targets those resources on the identified local priorities.

We are therefore proposing that we give a major, multi-million pound boost to local decision making - shifting over £20Million through Ward Co-ordination to determine local priorities by:-

- the transfer of the Street Environment/Cleansing Budgets to Ward Committees to decide priorities through Ward Co-ordination

- the transfer of the Pavement Improvement and Pavement Repair and Maintenance Budgets to Ward Committees to decide priorities through Ward Co-ordination
- the earmarking of £6Million from the Capital Fund Revenue Reserve to a 'Local Works Fund' for community bids for community facilities that need capital spend

Also in particular from the Climate Innovation Fund we would:-

- allocate £100,000 to Carbon Reduction 'quick wins' such as rolling out to all libraries the Smart Meter loan scheme following the successful pilot at Chorlton Library.
- use a Participatory Budgeting approach to develop proposals for the remaining funding through existing Manchester Community Groups

These steps, we believe as Liberal Democrats, would really engage local residents in significant local decision making and give them the tools to make a major difference to their area.

It is our view, as Liberal Democrats, that the City Council has the financial capacity to undertake prudential borrowing to continue work on the Town Hall Complex project. We strongly believe that the £180Million proposed spend over a number of years will provide significant momentum for the local economy and support the project in principle for that reason.

We support up to an additional £10Million being committed to the Capital Budget specifically to ensure that the Library Theatre Company can move to a new home with the Cornerhouse Cinema complex. The Library Theatre Company has a glorious past and must retain it's accessibility and intimacy into the future as a distinctive part of Manchester's theatre culture working with the excellent Cornerhouse.

Our proposals will see a new Local Works Capital Fund established, with an initial £6Million from the Capital Fund Revenue Reserve, for community supported bids for local projects such as a new Swimming Pool for Miles Platting, Levenshulme Baths Roof works, former NFS traffic schemes such as Reddish Lane and Cromwell Grove zebra crossings and to add to Government funding for Decent Homes work in Collyhurst.

In supporting our schools this year, we will give every possible back-up to schemes which use surplus school balances to develop best practice on pupil attendance and behaviour and which involve their local communities.

A Liberal Democrat Council with the Budget outlined above would offer immediate, prudent support, through a Council Tax freeze, to Manchester residents.

This Budget would shift significant resources to make every penny count for front line services and would save many, currently threatened, facilities for the future by prioritising important efficiencies on administrative costs ahead of closing vital local baths, leisure centres, libraries and public conveniences used by younger and older Manchester residents.

This Budget resolution will also generate a sea change in the way that local priorities are decided - truly involving Manchester residents in making Manchester greater.

The detailed financial costings are set out below as is a revised schedule of reserves (Appendix F) showing the impact of the proposals.

Impact of Opposition Budget Proposals

	2011/12 £'000	2012/13 £'000
Increased Income:		
New Homes Bonus (per DCLG)	(2,600)	(2,600)
Council Tax Collection rate to be set at 98% in each year	(700)	0
Private Sector Housing - additional licensing income	(500)	(500)
Graffiti recharge to Utility companies	(50)	(50)
Art Collection – increased income from an expanded loan / hire scheme for the collection		(243)
Total Increased Income	(3,850)	(3,393)
Further Efficiencies:		
AGMA - rapid progress to share more services across Greater Manchester Councils on legal, payroll, HR and training	(1,500)	(1,750)
Manchester Day - to be run at scale of private sponsorship	(220)	(220)
Reduction of spend on consultants	(1,000)	(1,000)
Further reduction in corporate communications budget - request power to advertise statutory notices on the Council website and in libraries	(1,000)	(1,000)
Further reduction in sickness cover costs in line with new policy to move towards 'best practice' levels - joint working with GM Fire Service	(750)	(750)
Removal of Nuclear Free Zone Unit expenditure	(15)	(15)
Replacement of Chauffeur driven car facility for the Leader of the Council and Chief Executive with a travel budget	(4)	(4)
Trade Union representation costs to be equally shared with Trade Unions (50:50 of total budget of £470,000)	(235)	(235)
Removal of Deputy Executive Members Allowances and removal of a Deputy Leader post and Allowances	(90)	(90)
Removal of provision of Council lunch	(4)	(4)
Total Further efficiencies	(4,818)	(5,068)
Savings items put back into the Budget:		
Leisure - reverse closure of Levenshulme pool	73	294
Leisure - explore and implement revised management arrangements for a range of leisure facilities - reverse savings (Ten Acres Leisure Centre, Ardwick Leisure Centre, Arcadia Leisure Centre, Debdale Sailing Centre, Abraham Moss Leisure Centre)	173	981
Libraries - reverse closure and savings from libraries - Clayton, East City, Rackhouse, Barlow Moor and Hulme	99	394

Public conveniences - reverse closure of all units	120	295
Retain but scale down Manchester Advice to support the new CAB contract	600	600
Not introduce Sunday parking charges	400	400
Not remove one black bin collection round - but allow areas to pilot fortnightly collections where recycling levels are already high	150	150
Not reduce street washing	100	100
Increased funding for Sure Start and Early Years provision	2,500	2,500
Increased funding for voluntary sector youth provision	1,500	1,000
Increased funding for individual budgets - Adults	1,000	1,000
Increased funding for Supporting People	1,500	1,200
Total Savings added back	8,215	8,914
Balance of proposals – (to) / from GF reserve	(453)	453

Memo - Other proposals not affecting the net budget requirement

Set up a new Local Works Capital Fund with £6Million from the Capital Fund Revenue Reserve for community supported bids for local projects such as a new Swimming Pool for Miles Platting, Levenshulme Baths Roof works, former NFS traffic schemes such as Reddish Lane and Cromwell Grove zebra crossings and to add to Government funding for Decent Homes work in Collyhurst

Move decision making on the £17Million Street Environment/Cleansing and Pavement Improvement Budgets to Ward Coordination Committees

Allocate £100,000 from the Climate Innovation Fund Budget for rolling out the energy SMART meter loan scheme to all libraries following the successful pilot at Chorlton Library

This Council notes the huge community campaign to Save Levenshulme Baths, including, at the time of this amendment being tabled, a petition containing over 1500 names.

It is also asked to resolve that Levenshulme baths be kept open and that the costs of keeping the baths open be met from reducing the scale of the Manchester Day celebrations to the level of the sponsorship received. The impact of this proposal on the proposed budget is shown in the table below:

Impact of Opposition Budget Proposals

	2011/12 £'000	2012/13 £'000
Further Efficiencies		
Manchester day- to be run at scale of sponsorship	(220)	(220)
Savings put back in the budget		
Leisure: Reverse the closure of Levenshulme Baths	£73	£294
Balance if proposals (to)/from GF reserve	<u>(147)</u>	<u>74</u>

Other proposals not affecting the net budget

Set up a new Local Works Capital Fund with £6Million from the Capital Fund Revenue Reserve for community supported bids for local projects such as a new Swimming Pool for Miles Platting, Levenshulme Baths Roof works, former NFS traffic schemes such as Reddish Lane and Cromwell Grove zebra crossings and to add to Government funding for Decent Homes work in Collyhurst

Proposed: Cllr John Commons

Seconded: Councillor Charles Glover