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Foreword

This year has seen the launch of the new Manchester Strategy ‘Our Manchester’, which was developed through extensive consultation with local people, businesses and service providers. It sets out a vision of Manchester in 2025 as a world-class city that is economically thriving, full of talent, fair, buzzing with connections, and a great place to live. Our Manchester is a bold new approach that puts people at the centre of everything we do, focusing on strengths, listening to what matters to people, and developing enduring relationships to improve lives. Residents, public services, the voluntary sector and businesses will continue to work together to deliver Our Manchester, recognising that everyone has a role to play in making our city the best it can be.

Manchester has a history of innovation and international trade, from the international cotton trade of the 19th century, to the discovery of graphene in the 21st. Our economic and residential growth can be seen throughout the city, from better transport links and new opportunities for business to outstanding community facilities and new housing. The new Arcadia Library and Leisure Centre provides services in the heart of Levenshulme, while Brookdale Park in Newton Heath has been restored to complement its beautiful Edwardian character. Major projects such as St John’s, the Corridor, Piccadilly Station, including...
HS2/HS3 and the Northern Gateway, are crucial for our growth ambitions. Manchester Airport’s transformation programme will see £1 billion invested in improving commercial space, and the new Manchester to Beijing flight route provides more connections to global business centres.

We do still face considerable challenges, in particular the health and wellbeing of people in Manchester. Through further devolution of powers to Greater Manchester, the City Region controls the £6 billion health and social care budget, which will provide a platform for Greater Manchester to fundamentally transform how care is delivered. In Manchester, our emerging locality plan will see the creation of a single hospital service for the city, an integrated health, primary and social care service in the community, and one integrated commissioning service for health and social care. Together these radical changes will ensure that residents receive the right high-quality care, at the right time, in the right place, wherever they live.

Manchester is one of Europe’s most linguistically diverse cities and is proud of the contributions many different people have made to make it the city it is today: a place where people respect each other’s culture, faith and way of life. Although the result of the EU Referendum announced in Manchester Town Hall wasn’t the result Manchester voted for and poses considerable uncertainty, what is certain is that Manchester will continue to be a city that looks outward to the cultural and economic opportunities that relationships with other cities across the world can bring.

This Annual Report describes fully the work we have been doing during 2015/16 to achieve our priorities. It also includes a summary of our accounts, setting out where our funding comes from and how it has been spent in meeting our objectives. We hope you enjoy reading this report and that you will be part of our city’s continuing transformation this year and beyond.

Sir Richard Leese, Leader of the Council

Sir Howard Bernstein, Chief Executive
Introduction

This Annual Report summarises what we spent in 2015/16, how we spent it, and what we have achieved as we work towards our goals of happier, healthier and wealthier lives for Manchester people.

We have also included a summary of our Annual Accounts. By law, we must produce a Statement of Accounts every year. This is approved by our Audit Committee and is audited by our external auditors, Grant Thornton. Although the Annual Report and Summary of Accounts are not statutory requirements, we produce them to inform residents about how and where we spend money.

As last year, we have included a summary of our Annual Governance Statement. This section describes our standards for how we will conduct ourselves and sets out the key governance challenges we will address to ensure we continue to operate in an open, accessible and transparent way.
About Manchester

The Mancunian qualities of innovation, hard work and enterprise made Manchester the first modern city and placed it at the heart of the industrial world. However, during the 20th century, the decline in industry led people to leave in search of work elsewhere. Nonetheless, the originality and creative heart and soul of Manchester have inspired a successful reinvention over the past 20 years.

We are entering a new phase of the city’s evolution, building on our track record of regeneration and growth with the opportunity to create a distinctive and sustainable future. The city needs to continue to play its part in the economic growth of Greater Manchester.

Our current and future success is strongly linked to that of other northern cities, such as Leeds, Liverpool, Sheffield and Newcastle. Manchester is at the forefront of work with these cities to create the Northern Powerhouse and generate growth and opportunities across the North of England.

Manchester’s economy is large and diverse, and there are over 390,000 jobs in the city. Our broad economic base helped us weather the recession, and with new high-value sectors emerging it continues to diversify. In 2015, Manchester’s economy grew at a faster rate than London.

Meanwhile, Manchester’s population also continues to grow and change. Between 2001 and 2011 our population grew by 19%, making us the fastest-growing city in the UK outside London. Manchester City Council’s forecasting model (MCCFM) enhances ONS data by combining it with more frequent data releases (e.g. The Schools Census and Electoral Register). According to this forecasting model, it is estimated that the city was home to 539,512 people as at June 2015 and it is forecast that the population will increase to 594,956 by 2020. Manchester is becoming younger and more diverse as people are attracted by jobs, the balance between income and housing costs, and the quality of life.

Despite having a resilient and thriving economy, a great challenge remains to ensure Manchester people can access the benefits of this. Manchester’s physical health is among the worst in the country and poor mental health affects too many people. Low levels of physical health and mental wellbeing are serious concerns for the city. Life expectancy and healthy life expectancy, while improving, are still poor compared with national averages.

While the number of people claiming out-of-work benefits is reducing with fewer people on benefits in the city than a decade ago, there remain significant areas of deprivation where outcomes for people are poor and life is a struggle. This needs sustained action by many different agencies and the communities themselves to help lift people out of poverty and improve the areas in which they live.
Over the past year, a number of exciting developments have highlighted the pace of change across the city, and these will bring continued economic growth and new opportunities for Manchester citizens:

→ Manchester Airport transformation programme
   In June 2015, a ten-year investment programme in Manchester Airport was announced, which will see over £1 billion spent on improving its facilities for the millions of passengers who visit the airport each year. This will be the single biggest construction programme in Greater Manchester’s history.

→ Manchester to Beijing route and the ‘China Cluster’
   During the state visit of the Chinese President Xi Jinping to Manchester in October 2015, a new direct-flight route between Manchester Airport and Beijing was unveiled. This connection is the first direct link between the two cities and will allow 100,000 passengers to travel each year. Following this state visit, a £130 million ‘China Cluster’ at Airport City was also announced. This will provide 500,000 sq ft of commercial space for Chinese businesses arriving in the UK, acting as a hub for Chinese businesses to invest in the North of England. The new flight route will bring over £250 million of economic benefits to the UK economy over the next decade, with two-thirds being felt directly in the northern economy in terms of increased jobs, economic activity and tourism.

→ Arcadia Library and Leisure Centre
   Arcadia Library and Leisure Centre opened its doors on Saturday 20 February 2016, with hundreds of local residents turning out to welcome the new facility. The library has attracted many new users, and benefits from its co-location with the Leisure Centre at the heart of Levenshulme.

→ Brookdale Park
   Two ‘clean city’ grants funded the transformation of this beautiful Edwardian park in Newton Heath. The project focused on the creation of flower meadows in a tree-lined open space and the restoration of the Rhododendron Dell. This transformation has increased the aesthetic appeal of the park and had a positive impact on the local environment.

→ Manchester International Festival 2015
   This biennial festival continues to grow its reputation and is now firmly established on the international stage. Considerable national and international media coverage raised the reputation of Manchester as a leading cultural city. The festival engaged a wide cross-section of local residents, and attracted visitors from outside the north-west region.
Introduction
Manchester International Festival

Manchester International Festival (MIF) is the world’s first festival of original new work and special events, spanning the spectrum of performing arts, visual arts and popular culture, created by a wide range of international artists. It takes place biennially at venues across Manchester city centre and is supported by Manchester City Council.

Continuing to grow its international reputation while engaging a wide cross-section of local residents is at the heart of MIF’s ambitions.

MIF is now firmly established on the international stage and MIF15 in 2015 was the fifth MIF festival. By working with adventurous combinations of artists across many art forms and venues, the Festival has built a reputation for innovation and invention, and in 2015 presented 22 original commissions and special events through 230 performances over 18 days.

MIF15 not only consolidated its position as the leading festival of original new work, but it also brought together the best of the region’s talent, with a roll call of names from around the world including Arvo Pärt, Björk, Jamie xx and Paris Opera Ballet.

MIF15 featured new commissions, including:

- ‘FlexN Manchester’ brought dancers from Manchester and New York together to dance an unforgettable show
- ‘Soundtrack 7’ saw FKA twigs and team create seven new pieces of live choreography
- Ed Atkins’ ‘Performance Capture’ turned Manchester Art Gallery into a hive of digital production activity.

Relationships with regional cultural organisations grew in strength, including co-production partnerships with Manchester Art Gallery, Whitworth Art Gallery, Manchester Museum, the Royal Exchange Theatre and HOME. The Festival Square site at Albert Square offered a strong mix of live entertainment, street food, bars and corporate entertainment facilities, which acted as the vibrant hub of the Festival.

Attendance at the 2015 Festival grew by 5.2% compared to 2013, with a total of 259,648 attending. Almost 20% of people booking tickets came from outside the north-west region, including international visitors. Locally, the proportion of bookers from Greater Manchester increased to 65%, reflecting the success of a targeted, reduced-price ticketing campaign aimed at those on a lower wage.

MIF15 continued to deliver a high-quality audience experience (with 92% rating the quality of events as either ‘excellent’ or ‘good’), alongside a diverse programme of cultural engagement, volunteering opportunities and the development of local talent through support for emerging artists and cultural leaders. Artists from across the world worked directly with communities in schools, colleges, universities, community centres and faith networks to engage Manchester’s residents in the Festival’s commissioning and performance processes.

MIF15 was larger and delivered a greater economic impact than ever before: £38.8million compared to £38million in 2013.

Manchester International Festival goes a long way towards generating both economic and social impact in the city. This in turn raises the reputation of Manchester as a leading cultural city able to deliver successful creative festivals and generates considerable national and international media coverage.
About Greater Manchester

In April 2011, the ten authorities in Greater Manchester became the first in the country to develop a statutory Combined Authority to co-ordinate economic development, regeneration and transport functions. Since then the role of the Greater Manchester Combined Authority (GMCA) has grown to encompass strategies for reforming public services and supporting people into independence.

The strategy for Greater Manchester, Stronger Together, was updated in 2013. It sets out a vision that by 2020 the Manchester city region will have pioneered a new model for sustainable economic growth based around a more connected, talented and greener city region, where all our residents are able to contribute to and benefit from sustained prosperity and a good quality of life. It fuses together strong plans for reforming public services with a continued drive for growth and prosperity. The key objective is to sustain progress while eliminating the gap between taxes raised and resources spent on public services. This is being done by delivering services differently, more efficiently, and by reducing the level of demand for those services by bringing more people into higher-quality work.
Greater Manchester is leading the national devolution debate, having negotiated pioneering transfers of powers with government that mean more decisions that affect the people of Greater Manchester are taken here. Devolution is the transfer of certain powers and responsibilities from national government to a particular region.

An idea at the heart of devolution is that decisions made locally can better meet the needs and aspirations of the people who live and work in the area. In November 2014, the Chancellor of the Exchequer and the leaders of GMCA signed a groundbreaking devolution agreement. The agreement gave the Greater Manchester region additional powers, responsibilities and greater accountability through a mayor who will be elected in 2017. The interim Mayor, Tony Lloyd, currently chairs the GMCA and has responsibility – along with the ten council leaders – for overseeing the GMCA’s strategic aims and objectives. The deal in 2014 opened up new opportunities for increasing economic growth and improving the quality of life of Greater Manchester residents by replacing an overcentralised national model with greater local control over certain budgets and powers.

The region built upon this innovative agreement with further devolution in the Summer Budget 2015, along with additional powers in the November 2015 Spending Review and Autumn Statement. A fourth devolution agreement was then agreed in the March 2016 Budget.

Following these announcements, Greater Manchester now controls long-term health and social care spending, with full devolution of a budget of around £6 billion in 2016/17. With a focus on preventing ill health and promoting healthy lifestyles, the region can now better respond to local people’s needs by consulting with them to influence spending. As a result, the gap can close between those with the best health and those with the worst, both within our region and between Greater Manchester and the rest of the UK. The ambition is that the people of Manchester will be able to enjoy some of the best health in the country, rather than having some of the worst. ‘Taking Charge of our Health and Social Care in Greater Manchester’ is a comprehensive plan for the sector, which was co-produced by the 37 NHS organisations and local authorities in Greater Manchester as part of the devolution agreement. This collective ambition for Greater Manchester was endorsed by the Health and Social Care Strategic Partnership Board in December 2015.

In March 2016, the GMCA approved the Greater Manchester Transport Strategy 2040 for public consultation in the summer of 2016. The vision is for Greater Manchester to have world-class connections that support long-term sustainable economic growth and access to opportunity for all. Key priorities include transformational investment in High Speed Two (HS2), fast east–west rail connections, and establishing Greater Manchester as a modern, pedestrian and cycle-friendly city region. The strategy will deliver a safer, more reliable road network and build on the success of Metrolink by delivering new and enhanced rapid transport links and a transformed local bus network.
Manchester Strategy sets a long-term vision for Manchester’s future and describes how we will achieve it. It provides a framework for action by our partners working across Manchester, public sector organisations, businesses, the voluntary sector and our communities. It is not a strategy for Manchester City Council, but for Manchester. We all have a role to play in making our city the best it can be.

The development of this strategy has been overseen by the Manchester Leaders Forum. This is a group drawn from stakeholders across the city, established in June 2014 with the express intention of shaping the long-term strategy for Manchester and monitoring its implementation. There has been an extensive consultation process with residents, businesses and partner organisations, which have – in large numbers – offered their views about the city’s future and our collective aspirations.
The Council’s aims and objectives
In January 2016, the new Manchester Strategy was adopted as part of the Council’s formal policy framework. The Manchester Leaders’ Forum brings together leaders from across the city with experience and expertise in many different fields. This forum led the development of the new strategy and will drive forward delivery of the city’s priorities. The new strategy was subject to wide consultation with residents and partners, and there was an unprecedented level of engagement, with over 2,300 people and organisations contributing their views via online and offline methods.

The Manchester Strategy sets out the city’s priorities for the next decade. It provides a shared vision for Manchester and a framework for action to deliver the city’s goals. Implementation of the strategy will be overseen by the Leader’s Forum, with progress being monitored via annual State of the City Reports.

Manchester has changed economically and socially over the past ten years, and there have been extensive changes to the resources and legal powers its public services have available to them. The new Manchester Strategy takes account of these changes. At its heart, the strategy is for the city to both invest in growth and reduce dependency through public services working together and supporting families to address problems early before they develop into crises.

The strategy has a vision of Manchester as a world-class city. It proposes that in 2025 Manchester would be in the top flight of world-class cities. It will be a well-connected city with a competitive sustainable economy. It will have highly skilled, enterprising and industrious people from all backgrounds who feel safe, aspire, succeed and live well in neighbourhoods that are green, clean, attractive, and culturally rich.

There are five themes that are central to the strategy. These are:

- **A thriving and sustainable city**
  The city needs to support a diverse and distinctive economy that creates jobs and opportunities. A highly skilled city
  World-class and home-grown talent are needed to sustain the city’s economic success. We need to ensure that all Mancunians are connected to the city’s opportunities.

- **A highly skilled city**
  World-class and home-grown talent are needed to sustain the city’s economic success. We need to ensure that all Mancunians are connected to the city’s opportunities.

- **A progressive and equitable city**
  We need to reduce the disparities between different areas of the city so that everyone has the same potential to lead safe, healthy, happy and fulfilled lives. To be a successful city we must unlock the potential of all our communities.

- **A liveable and low-carbon city**
  We want Manchester to be a destination of choice to live, visit, and work. Focusing on creating a city with a high quality of life will attract greater numbers of talented people to be part of Manchester’s future and in turn will attract more investment and jobs. All Manchester’s residents will benefit from this and it will make us a truly sustainable city.

- **A connected city**
  Manchester needs a world-class transport system to drive its growth ambitions and support its growing population. People need to get into and around the city easily, cheaply and sustainably.
Our values
Our values will help us achieve the Council's aims and objectives and underpin everything we do, including how we work with partners and serve our local communities.

Our values are People, Pride, Place.

People
Every day our employees will go further to make a difference to the lives of Manchester people. Our employees will treat colleagues, partners and service users with the respect they deserve, and believe only their best is good enough.

Pride
Our employees are proud of the role they play in making Manchester a success. Our employees accept the responsibility invested in them and rise to meet the challenges they need to overcome.

Place
Our employees celebrate all things Manchester and strive to make Manchester’s streets and neighbourhoods even greater places to live, work and visit.
How the Council works

Manchester City Council is made up of 96 councillors elected to the position by the residents of Manchester across the city’s 32 wards. As elected representatives, together they have the authority to make a range of decisions affecting the city and the public services delivered across it. The Council employs officers to deliver services on its behalf and to carry out our decisions.

We appoint a Leader at our annual Council meeting in May, who in turn appoints eight other elected members to form an Executive. They take a range of decisions to implement our strategies and policies. A wide range of decisions are defined by law as ‘Non-Executive Decisions’ and these are taken by all 96 councillors meeting together in the Council meeting or by one of its committees. Only the most significant decisions are taken at the Council meeting, such as agreeing the budget. We have set up a number of committees involving smaller groups of councillors to make decisions in particular areas, such as granting or refusing planning permission, or considering applications for taxi licences.

The Council has responsibility for a wide range of functions, and we make hundreds of decisions every day. It would not be practical to bring councillors together in a committee to take each and every decision, so many of the decisions are delegated to senior officers of the Council to take on our behalf.

Decisions are taken in an open and transparent way, and ‘key’ decisions (those decisions involving expenditure or saving of £500,000 or more) and the reasons for them are recorded and made available to the public. The decisions of the Executive and the way in which our services or other public services are delivered are also subject to scrutiny. We have set up six scrutiny committees to do this, and in these meetings councillors hold decision-makers to account and consider how public services are meeting the needs of local residents.

We maintain a Constitution, which sets out which officers or committees have responsibility for exercising the authority’s different functions. Our Code of Corporate Governance, included in the Constitution, sets out the standards of good governance we will meet.
The Council consists of three directorates:

**Children and Families**
The Children and Families directorate is responsible for social care services for children and families, public health, education, skills and youth services. The directorate helps people who have to rely on our services to make the changes that will enable them to become more independent. Connecting people to the economic growth of Manchester by helping them overcome barriers to training and jobs is key to this. Underpinning these priorities is our commitment to continue to robustly safeguard vulnerable children and adults.

**Growth and Neighbourhoods**
This directorate provides the leadership and focus for the sustainable growth and transformation of the city to retain our international competitiveness. This means identifying and promoting opportunities to develop the city’s fabric, infrastructure, business and skills base, and connecting local communities to the employment opportunities. It also recognises the importance of getting the basics right, working with our partners and in neighbourhoods so that the city is clean, safe and green and communities take pride in and have ownership of their area and lives.

**Corporate Core**
The Core directorate provides the leadership, governance and support that enable the organisation to achieve Manchester’s ambition to be a world-class city, with sustained economic growth and better lives and opportunities for residents. It includes many services that provide support for our other directorates, such as Human Resources, Finance, Legal, Information and Communications Technology, and the Customer Service Centre.
Our standards and how we are governed

We are committed to ensuring good governance of our affairs. Our Code of Corporate Governance (the 'Code') sets out the standards we will meet to ensure we are doing the right things in the right way for the right people in an inclusive, open, honest and accountable manner.

These commitments can be summarised as follows:

→ Clearly set out our objectives and what we're trying to achieve.
→ Measure how effective our services are and take action to improve them. It will publish information showing progression towards our objectives.
→ Work with other public services, such as the police and NHS, to improve services for Manchester residents.
→ Ensure we make the best use of taxpayers' money by making prudent financial decisions and measuring the level of value for money achieved.
→ Set out in our Constitution who can make decisions.
→ Behave in ways that reflect our values and high standards of conduct.
→ Ensure our decision-makers have access to accurate information to help them make decisions in the best interests of Manchester people.
→ Record and publish the decisions we make and the reasons for them. Wherever possible, the most important decisions will be made in public.
→ Carry out effective scrutiny of our services to make sure they meet Manchester residents’ needs.
→ Be sensitive about how information about Manchester citizens is collected and recorded, and safeguard it from misuse.

Every year we produce an Annual Governance Statement (AGS), which explains:

→ What processes are in place to make sure the commitments set out in the Code are being met.
→ How the governance arrangements are reviewed, to ensure that they are as effective as they can be, and that improvements are always being made.
→ What we have done to identify and respond effectively to governance challenges, and what new challenges have been identified on which we will need to focus our efforts in the coming year.

An example of how we have met our governance commitments was our major public consultation to inform the development of ‘Our Manchester’ – the new Manchester Strategy 2016–2025. There were unprecedented levels of engagement from residents and partners, contributing to making the strategy a shared vision for Manchester, which sets out what actions need to be taken to achieve the city’s goals.
We publicise our objectives, how well we are doing in delivering them, and what we are spending money on and why, in clear and easily accessible ways. Alongside Our Manchester, there is a wealth of other information on our website, such as news broadcasts, business plans and this Annual Report. A leaflet is also sent to all residents with their council tax bill, which provides a concise and helpful overview of our services, how to access them, where our funding comes from, and what it is spent on.

Some of the key processes we have in place to make sure we efficiently monitor and improve our governance arrangements are as follows:

→ **Internal and External Audit**
  Our Internal Audit Service reviews the effectiveness of our internal systems of control. Any challenges that are identified are highlighted in the AGS, and plans are put in place to make sure any required improvements to systems are made. In turn, our external auditors, Grant Thornton, assess the Internal Audit function to make sure it forms an effective part of our control environment. The external auditor also assesses other areas, such as how effectively we ensure value for money in our use of resources.

→ **Risk management**
  We have a robust process of identifying risks to the delivery of our objectives, so that they can then be managed and potential negative impacts can be avoided or kept to a minimum. Officers are supported with a broad range of advice and guidance, to ensure that a consistent and effective approach is taken across the organisation.

→ **Register of Significant Partnerships**
  Partnership working continues to be an increasingly important way to enable us to adapt and innovate, ensuring that we continue to achieve our objectives and deliver effective services for residents with reduced resources. We have a Partnership Governance Framework, which standardises the approach to managing partnerships to strengthen accountability and financial security. A Register of Significant Partnerships is produced to assess the risk partnerships’ governance arrangements pose to our reputation, objectives and financial position.

→ **Performance management framework**
  We have a comprehensive system of performance reporting that provides accurate and timely information about service delivery. This supports decision-making that is effective, and is focused around services that meet communities’ needs. Where there are any barriers to good performance, managers have the information they need to intervene and address them.

→ **Scrutiny committees**
  We have six scrutiny committees made up of elected members, which play a key role in ensuring that public services are delivered in the way residents want. They have a number of roles, including holding the Executive to account by reviewing their decisions, and investigating when councillors have any concerns about the way services are being delivered. To promote transparency and wider engagement with our decisions, all meeting papers and minutes are available on our website, and the meetings can be watched as webcasts.
Part of the AGS looks at what governance challenges we have experienced, and what has been done to strengthen processes where necessary. It also looks forward to the main areas on which we will need to focus our efforts in the coming year. This takes into account, for example, challenges from the current year where there is still further work to be done, and major reform programmes that will lead to significant governance developments.

We have identified a number of challenges to be addressed in 2016/17. These include:

→ Making sure there is effective governance of newly integrated health and social care teams, following the devolution of the budget for these services to the Greater Manchester region in April 2016

→ Continuing work to improve Children’s Services, and preparing for the next Ofsted inspection

→ Preparing for changes to the local government finance system, and continuing to meet our objectives while making further significant savings.
Reforming public services

During the year 2015/16, we began to make changes to achieve the £59million of savings required by the 2015/16 financial settlement. Combined with the increased cost of the levies for waste disposal and transport, the financial challenges faced by Manchester City Council have led to a 35% reduction in available resources for our services since the 2010/11 financial year. Our public and voluntary sector partners are also facing similar challenges through funding reductions that require collaboration and strong leadership to address, while making progress towards the vision for the city.

Public service reform is a key element of how we and our partners will adapt in light of continued financial reductions and demographic changes, while seizing the opportunities of economic growth and devolution. Public service reform involves key partners joining together services, jointly investing and tracking the impact of their work to achieve improved outcomes.

Public service reform in Manchester is based on a set of seven principles. These have been adapted since last year to take a strengths-based focus to how we design our reform programmes. The principles are aligned to Our Manchester and the place-based approach being taken to reform at a Greater Manchester level. The Our Manchester approach is a new relationship and way of working between stakeholders across the city (residents, businesses, voluntary and community sector, public sector) to deliver the city’s vision, which is reflected in these revised principles.

The approach is built on gaining a deeper understanding of local communities: listening to people, understanding what matters to local communities, understanding what is going on in people’s lives, and not making assumptions about what people need or cannot do. This is about truly working together to improve outcomes, with a strong focus on enabling and empowering communities and staff to think and act differently, and be creative.

The revised principles for public service reform in Manchester are:

- A new relationship between public services, residents, communities and businesses that facilitates shared decision-making, accountability and voice, genuine co-production, and joint delivery of services. Do with, not to.
- An asset-based approach that recognises and builds on the strengths of individuals, families and our communities, rather than focusing on the deficits.
- Behaviour change in our communities that builds independence and enables residents to be in control.
- A place-based approach that is integrated and sequenced, which redefines services and places individuals, families and communities at its heart.
- A stronger prioritisation of wellbeing, prevention and early intervention.
- An evidence-led understanding of risk and impact to ensure the right intervention at the right time, with a commitment to evaluation, tracking and monitoring of the impact on outcomes and spend.
- An approach that supports the development of new investment and resourcing models, enabling collaboration with a wide range of organisations and supporting new contract arrangements that drive providers to help reduce demand.
**Confident and Achieving Manchester**

Confident and Achieving Manchester is a programme that provides oversight for the co-ordination and integration of areas of public service reform. It will join together areas of public service reform relating to complex needs that public services in the city strive to meet. The focus of the programme has expanded from Manchester’s response to the national Troubled Families programme and the Early Help strategy, to encompass a much broader suite of programmes of reform across themes of both people and place. The main principle of the programme continues to be an organised, whole-family approach to supporting families with complex needs towards independence, working with the entire family and the full range of issues they face in a co-ordinated way.

We aim to significantly reduce demand on public services, supporting more residents to become independent and helping them obtain the job opportunities resulting from economic growth. We are focused on reducing levels of unemployment, particularly long-term unemployment; tackling low skills; improving health outcomes, educational attainment and attendance; addressing offending, drug and alcohol misuse, and domestic abuse; and reducing the need for social care. At the same time, we need to work with communities to help them become more active participants in providing support for these residents, focusing on the strengths that already exist within communities and neighbourhoods as a key asset and a driver for change.

This involves a clear focus on employment and progression at work as a way of helping our communities to gain greater independence. For some people, entering employment will seem a distant goal, but a joined-up approach to tackling the barriers to work, with services provided in the right order and at the right time, will help many to overcome broader issues in their lives. The Confident and Achieving Manchester programme includes early intervention from a range of partners with groups at risk of having complex problems in future. This will reduce future demand by dealing with the early signs of issues before they escalate.

Working Well builds on the experience of Troubled Families and provides intensive and holistic support for claimants. The programme involves organisations working together based on the needs of the individual. The Working Well pilot supported Employment and Support Allowance (ESA) claimants who had left the work programme without moving into sustained employment. The pilot programme has now stopped taking new referrals, with clients remaining on the programme for up to two years before moving into work. The Working Well expansion began in April 2016 and supports a wider range of benefit claimants, including some pre-work programme clients; it also benefits from a dedicated Talking Therapies service for clients who have mental-health support needs. In addition, Manchester is one of four local authorities to pilot a GP referral route into Working Well whereby specific GP surgeries can refer patients with mental-health issues who would benefit from support into employment.

The Manchester Fit for Work project and HEALTHY Manchester are telephone-based support services that aim to get people into work if their health has prevented them from working in the past. GPs in Manchester can better meet their patients’ needs by referring them into these support services (delivered by Pathways Community Interest Company).
This collaborative approach can also increase the capacity of GPs in terms of treating other patients whose issues are solely clinical.

The Manchester Fit for Work service supports Manchester residents who have had to take time off work due to issues such as mental health, bullying, harassment, and financial problems. The service aims to proactively engage with patients with low-level support needs, before conditions are allowed to deteriorate, and to ensure that people in work are able to sustain employment despite having a health condition. The service provides a bespoke package of support, which may involve helping people to make changes to their lifestyle, liaising with employers, and working to remove any work-related anxieties so the individual feels ready to return to work.

HEALTHY Manchester focuses on unemployed residents who are struggling to manage a health condition and finding it difficult to get work as a result. The service specifically supports residents with wider issues that impact on their health, which medical treatment from their GP alone would not solve (e.g., social and psychological factors). The Tailored-care package provides aims to move patients into employment or a positive activity (such as volunteering) and may include condition management, behavioural change management, musculoskeletal support, and mild to moderate mental-health support.

The Transforming Justice and Rehabilitation programme is led at a Greater Manchester level and overseen by the interim Mayor of Greater Manchester to deliver more coordinated support for offenders at the points of the criminal justice system where they are arrested, sentenced and released. It focuses on prolific young offenders, as intelligence shows the peak age of offending is 19. The programme also focuses on women offenders, as there are often significant impacts and costs to families and society when women are given custodial sentences when an alternative community sentence may be appropriate.

Over the past year, the National Probation Service and Community Rehabilitation company have become integral parts of the Multi-Agency Safeguarding Hub, crime and safety has become integrated as part of the Early Help Assessment, and the Community Safety Partnership has been involved in the development of Early Help hubs.

Our Delivering Differently Programme focuses on domestic violence and abuse (DV&A). The programme aims to improve the lives of those affected by DV&A through better working across different organisations so that the service provided is sensitive and efficient. It focuses on the early identification of the signs of DV&A, and reaches out to communities that have infrequent contact with public services by finding new ways to address this important issue. The programme has involved an extensive study of data, research, and consultations with service users. This journey of analysis and remodelling has been undertaken jointly with many partners, including voluntary organisations, public-sector partners, academic institutions and victim groups. We have worked closely with a broad range of service users to understand their views, and with specialist service providers to design a new campaign and strategy, encouraging partnership bids, and simplifying our commissioning processes.

Delivery of the Early Years new delivery model began in April 2015; this will ensure that children aged 0–4 across Manchester have regular interactions with health visitors and that they are able to access the support they and their parents need. Children can be referred to
services such as speech and language therapy, or referred for immunisations, while parents can access parenting classes or support to develop skills and access work. Stronger links with the Early Help strategy have been developed over 2015/16, and the number of health visitors has increased, providing more support for families across the city. Work continues at a Greater Manchester level to improve school readiness outcomes through the Start Well strategy.

Integrated health and social care

Despite Greater Manchester’s thriving economy, Manchester still faces a number of difficult challenges. Life expectancy in Manchester is lower than it is in many other parts of England. Many people are treated in hospital when their needs could be better met elsewhere. Care could be better integrated between different agencies, and its quality could be more consistent. Manchester has higher-than-average levels of some of the key factors that contribute to poor health, such as poverty, loneliness, stress, debt, smoking, drinking, poor air quality, unhealthy eating and physical inactivity.

As people are living longer with complex health conditions, an anticipated deficit of approximately £134million by 2020/21 is projected across Manchester’s health and social care system, so there is a need for significant investment in the transformation of this sector.

The Devolution Agreement for Health and Social Care has given Greater Manchester control over the £6billion health and social care resources for the region as of 1 April 2016. This gives us the opportunity to fundamentally transform how health and social care is delivered in the region. To do this, we have developed a Locality Plan, which is the foremost strategy on the transformation of the health and care system in the city. The plan outlines three mutually interdependent pillars that underpin the transformational change required. These are:

→ A single commissioning system ensuring the efficient commissioning of health and care services on a citywide basis, with a single line of accountability for the delivery of services.

→ A single hospital service delivering cost efficiencies and strengthened clinical services, with consistent and complementary arrangements for the delivery of acute services.

→ One team delivering integrated and accessible out-of-hospital services through community-based health, and primary and social care services within neighbourhoods.

The Manchester approach, outlined in the Locality Plan, will ensure a clear focus on place and the needs of residents. It provides a stronger service offer that addresses health and social care needs earlier, while supporting residents to take responsibility for their own wellbeing. It will ensure that the city continues to be at the forefront of clinical excellence and continues to attract and employ world-leading clinicians who are professionally fulfilled in the demanding roles they undertake.

Importantly, the commissioners and providers of health and social care will come together in an effort to ensure that duplication and fragmentation of service provision is removed, that money is spent more efficiently, and that our clinical leaders shape the delivery model most suited to meet the needs of residents in Manchester. This model will ensure that Manchester people get the right care, at the right time, in the right place.
A healthier Manchester.

Our vision, your health
The Early Help strategy
Manchester’s new Early Help strategy aims to improve outcomes by providing help and support for children and families sooner. Early Help involves identifying needs within families early, and providing preventative support and intervention before problems become complex and deep-rooted. It involves offering support to very young children early in life, and to children and families early after the emergence of particular need. Early Help allows for support to be put in place at the right time to meet a family’s needs prior to issues reaching crisis point. The Council recognises that effective Early Help is essential to improve the life chances of children, and Manchester’s new Early Help strategy provides a consistent multi-agency approach to early intervention. It sets out how all partners will work together to reform, strategically plan, jointly commission and deliver provision to support children, young people and their families at the earliest opportunity.

The plan adopts a whole-family approach to support children, young people and their families. It seeks to connect families to their communities so they can build networks of friendship and support to increase their emotional resilience, mental health and wellbeing – at their local children’s centre, their school, their GP’s practice, or other community groups. These connections and the networks make it easier to identify those families that need extra help and support at an early stage. Through effective partnership working it is then easier to ensure that effective local support is put in place to meet this need. Children, young people and their families can then receive the right intervention as early as possible to tackle problems and prevent issues escalating.

A new Early Help Assessment has been devised as part of the new plan to help with early identification of need. To ensure a consistent approach it will be used by all professionals working with or coming into contact with children, such as school staff, health workers, social workers, the police, the fire service, and others. The new assessment is based around five levels of need, from the lowest level where a child or family has needs but they’re being met, to the highest where a child or young person is at risk of or is suffering significant harm, or whose needs require acute services or care away from their home. Crucially, building on the successful approach taken so far in working with troubled families, the assessment also looks at the strengths of the young person or family and their capacity to make their own changes to help themselves. The Early Help Assessment (a ‘Signs of Strength’ record) is a holistic, strengths-based approach that draws upon families’ own skills and promotes self-reliance. It is about having a good-quality conversation with a child, young person or family about different aspects of life, such as home, work, school or college, community or social life, and health and wellbeing, where the focus is on what’s working well and what can be done if things need to improve.

Central to the Early Help strategy are three Early Help hubs, which opened in September 2015 in the north, south and central parts of the city. The hubs provide easy access to support and advice for families. They bring together a wide range of front-line professionals from a number of organisations to provide preventative support at the earliest stage, and help to reduce the number of cases that require social care support.

These community-based hubs are the focal point for the delivery of local services, as well as being the access point for more intensive interventions.
Since the launch, the Early Help offer to children and their families has continued to be strengthened as more partners have joined the hubs. There are a range of partners from a variety of services linked with each of the hubs. Whether co-located in the hubs or virtually linked, each plays a vital role in delivering the Early Help offer across the city. An increasing number of partners include housing providers, ASB Officers, Probation, the Targeted Youth Support Service, the Work and Skills Team, Education Welfare Officers, the Specialist Resource Team, and education caseworkers.

Triage meetings are held daily in each hub, where cases are discussed in detail and information is shared as appropriate by Greater Manchester Police (GMP) and the Council’s Housing Connect. Specialist Safeguarding Nurses and Attendance Officers also support the triage process. Cases are explored holistically and decisions are made about the most appropriate offer required to support the family. Weekly allocation meetings chaired by the hub are attended by a wider range of partners who agree the most appropriate service that should offer targeted and specialist support for a family. The robust triage process and the allocations meeting ensure that families receive the right response at the right time.

The hubs continue to support partners in embedding the use of the Early Help Assessment (a ‘Signs of Strength’ record) in their work with families.
Our neighbourhoods

We want people who live in our neighbourhoods to be able to benefit from everything the city has to offer, from its employment opportunities, to its green spaces and diverse cultural attractions. During 2015/16 we have focused on making good-quality residential developments available for sale and rent, refurbishing the city’s leisure centres, delivering new library facilities, and working with residents and community groups to make our neighbourhoods clean and attractive places.

Adopted in March 2016, Manchester’s Residential Growth Strategy (2016–2025) sets out the city’s plans to deliver a minimum of 25,000 new homes over the next decade and provide the right housing mix for a growing population. To achieve this, Manchester will continue to prioritise high-density development on exceptionally well-connected sites in the conurbation core, as well as provide a range of homes for owner-occupation across the rest of the city.

During the past year, the city has seen real progress in delivering the quantity and variety of residential development required to drive the city’s continuing economic growth, with in excess of 1,500 new homes completed across the city’s existing residential growth sites (a 13% increase on 2014/15) and a further 24 new schemes starting on site, which are set to deliver an additional 2,800 units.

The Residential Growth Strategy sets out six priorities to support the city’s sustained growth and ensure there is affordable housing for sale and rent to underpin this. These are:

- Increase housing building on existing and new sites
- Improve the quality and sustainability of the city’s housing
- Increase opportunities for home ownership
- Expand the family housing offer
- Professionalise the private-rented sector
- Provide appropriate housing options for retirement living.

In order to ensure effective delivery of the Residential Growth Strategy, an Action Plan (2016/17) has been developed setting out the key actions that need to be addressed over the next 12 months. The Action Plan will be reviewed and updated on an annual basis to both monitor and refresh the actions necessary to secure the outcome of a minimum of 25,000 homes over the next ten years in the city.

Delivery will be enhanced and supported by new investment mechanisms, including the allocation of a £300 million Housing Investment Fund to the Combined Authority.

In 2013, the city’s investment in Manchester Airport provided a one-off cash boost of £14 million, which we decided to use to make our neighbourhoods cleaner and greener. We launched the ‘Clean City’ programme, which has included 45 projects across the city that continue to be delivered, led by people who want to make a sustained improvement to their local area. Through the project we have seen 635 new recycling bins installed, the treatment of weeds – including Japanese knotweed – over more than 100,000 sq m, more than 17,000 volunteers contributing to the programme, and much more. The programme has included transforming an area the size of six football pitches into flower meadows in Brookdale Park, and expanding the community orchard. £600,000 from the programme was allocated to improving children’s play areas in parks.
In last year’s budget consultation we asked Manchester people if they agreed we should improve our road and pavement repairs, street cleaning and fly-tipping, even if it meant an increase in council tax of 1.99%, and 62% of respondents said they did. This year we will put this money towards making further improvements to the look of our neighbourhoods and make our roads and pavements safer.

We have just announced a £16 million upgrade to the Moss Side and Abraham Moss Leisure Centres, which will complete a comprehensive leisure centre refurbishment across the city. This builds on the improvements at Hough End Leisure Centre, including extended opening hours, a 25-metre six-lane swimming pool and learner pool, a well-equipped gym, squash courts, and a community dance studio.

In February 2016 we also opened Arcadia Library and Leisure Centre, which has proved hugely successful, with an average weekly footfall of over 5,000.

In 2015/16, volunteers contributed 14,625 hours in the city’s parks, providing help and support, and organising activities such as clean-up days, community planting and fun days to bring communities together. The help on offer ranges from developing skills and knowledge with our horticultural experts, to helping to access funding for equipment and resources. Parsonage Gardens in Didsbury is just one example where volunteers have been supported over a number of years and they are now able to take on Council assets and open them up to the local community.

We have worked with committed volunteers in Fallowfield who have made their community partnership library a great success: just over 1,800 service users are registered at the library. A range of volunteers help to run clubs and help individuals use the service, while the Council continues to provide staff time, stock, IT and self-service units. Volunteers also play a crucial role serving as trustees on the board of the Community Interest Company, which manages the building and was formed with the help of the local housing provider, One Manchester – a key partner in the success. We now have free wi-fi available in all libraries across the city, and in 2015/16 we recorded 290,000 sessions demonstrating its popularity.

A citywide learning and outreach programme has helped people to learn about and enjoy Central Library’s archives and special collections. In 2015/16, 53 events were delivered at neighbourhood libraries and venues such as parks, schools and community centres. These events were attended by more than 3,100 adults and children and included treasure roads where rare books were taken out to local communities and schools.

Manchester’s neighbourhood libraries are valuable local cultural venues, and library staff are increasing access to creative experiences through partnering and hosting projects with arts and cultural organisations, providing training and volunteering opportunities. During a fortnight in April a lively programme of drop-in art activities for local children and families took place in Beswick Library. The programme introduced over 250 people to some of the city’s major cultural organisations, including Company Chameleon (dance), Z-Arts (multi-arts) and Brighter Sound (music). Company Chameleon held dance-taster sessions at East Manchester Leisure Centre, accompanied by a staffed, pop-up library information stand.
Arcadia Library and Leisure Centre

Arcadia Library and Leisure Centre opened its doors on Saturday 20 February 2016. The centre is prominently located on Stockport Road, and is the third joint library and leisure development in Manchester. Since opening, the centre has been a great success with local residents. Although the opening day was grey and wet, Levenshulme residents braved the elements in their hundreds to be welcomed into their new facility. A six-week public consultation in summer 2016 will ensure that the programme of activity at the centre meets the needs of the local community.

The library provides access to a wide range of library services, including a suite of PCs, free wi-fi, an attractive children’s library, comfortable seating areas, and study spaces with a wide range of books for all ages. As part of its continued engagement with the local community and schools, Arcadia Library held 16 events and activities in the opening weeks. The opening activities were a success, and were well attended by 2,345 service users. As part of the opening activities, residents had the opportunity to handle some of Central Library’s most precious stock, including Codex Justinianus (13th century), Shakespeare’s 2nd Folio (1632) and the Nuremberg Chronicle (1493). One resident commented: “It’s fantastic to see such rarities in Levenshulme.”

Given the great demand of the community, there has been a regular need to bring in more books, especially for children. Many service users have commented how much they love the look and feel of the new space, and have mentioned the good quality of the books on offer. The library is currently attracting some 500 service users a day, who borrow books, use computers and access unlimited free wi-fi, socialise or study. Families with young children are coming in to meet other families, letting their young ones crawl around the specially designed children’s space, and nurturing their growing love of books.

The library is open 90 hours per week with seven-day opening supported through the use of self-service technology, with core hours supported by library staff. The library is supervised by leisure staff outside core hours, which means that service users who were previously unable to visit the library can now use it. The library has attracted many new service users, and benefits from its co-location with the Leisure Centre and its partnership with the leisure provider Greenwich Leisure Limited (GLL). Compared to 2014/15, figures for 2015/16 show a 146% increase in new library members, an 80% increase in visits, and a 29% increase in book-lending (with a significant increase in the lending of children’s books).

The Leisure Centre has two swimming pools, a stylish 60-station gym, a flexible community studio, a sauna, and a steam room. In the opening week there were over 1,000 members of the Leisure Centre, and more than 27,000 visits were made within the two months since opening.

Many service users are using both the library and the Leisure Centre, so it is enabling both active minds and active lives. The centre’s location at the heart of Levenshulme has allowed greater access for the local community.

On the opening day a service user said: “Amazing centre in a much better location. Will be easy for my children to access two key services in one building.”
Improving the city’s green spaces – Brookdale Park

We understand the importance of investment in the city’s ‘green and blue spaces’ – the waterways, parks, green spaces and more, which are sometimes called ‘green infrastructure’. These spaces are crucial to each resident’s quality of life and health, to attracting and keeping new residents, and to making Manchester a world-class city for business and tourism.

The successful transformation of this Edwardian park in Newton Heath, which opened to the public in 1904, highlights our commitment to this priority. The project was to improve the condition of two areas of Brookdale Park not meeting the expectations of the park’s users: an area of tree-lined open space, and one of the park’s dells.

The users of the park supported the application for two Clean City grants: the creation of flower meadows (£75,000), and the restoration of the rhododendron dell (£235,500).

These projects have received support from Brookdale Park User Group and local members, not only from their inception, but also while onsite. The schemes have been in partnership with and had assistance from Brookdale Park Users Group (BUG), the National Trust, and the National Wildflower Centre.

Local schools, Manchester University and the commercial property company Bruntwood have also assisted with planting, seeding, and maintenance events. These schemes will not only assist in the reduction of ongoing maintenance but will increase biodiversity and aesthetic appeal, restoring a historic element to the park.

The flower meadows received a Level 4 Britain in Bloom Award from the Royal Horticultural Society, presented to Brookdale Park User Group at the RHS Award Ceremony in Southport.

A large expanse of grass was transformed to wild flower meadows. The space is now a haven for bees, butterflies and other wildlife that have a positive impact on the local environment.

The network of winding paths through the dell has been reinstated and lined with new flower-beds and shrubs, providing a place of beauty and variety that appeals to local people and visitors alike.
Manchester Art Gallery
Located in the heart of the city centre is one of Manchester’s most iconic buildings: the Grade I-listed Manchester Art Gallery, built between 1824 and 1835. Established to showcase the best art and ideas from across the world, today the gallery is renowned for an outstanding, 45,000-strong collection of art, design, craft, photography and fashion that spans six centuries. Over half a million people visited the gallery last year, attracted by both its collection and a diverse programme ranging from displays of Pre-Raphaelite paintings, to English language workshops for some of the city’s newest residents.

The gallery brings people to Manchester, and it raises the city’s cultural profile. Tourists regularly cite it as a key reason for their visit (with a 95% satisfaction rating on Trip Advisor), while exhibitions in 2015/16 continued to put the city on the international cultural map. Highlights from last year – all created and delivered by Manchester Art Gallery – included Performance Capture, a digital commission by British artist Ed Atkins and the gallery’s biennial collaboration with Manchester International Festival; the international group exhibition The Imitation Game, part of Manchester’s City of Science; and Modern Japanese Design, which showcased the gallery’s collection of 1970s Japanese fashion, crafts and furniture. Other shows included Cotton Couture, a series of 1950s designer dresses from the gallery’s costume collection (originally commissioned by the Manchester Cotton Board), and a solo show by the Manchester-based artist, Pat Flynn. This international programme helped the gallery generate over £12million in Gross Value Added income – representing a sixfold return on the city’s investment.

Yet for all its global ambition, Manchester Art Gallery remains rooted in Manchester. In 2015/16, over two-thirds of its visitors were Mancunian. Half of these were repeat visitors: the local families, young people, workers, retirees and residents who came to the gallery time and again to enjoy free access to art and events; for example, 26,000 people took part in free family workshops, clubs and drop-in activities. The gallery also worked with a diverse set of volunteers, providing support for those who were otherwise excluded from city life. Its Open Doors project saw it open early to deliver activities for autistic children and their families from all over Manchester – a project that was a UK first. Elsewhere, working with Refugee Action, English Corner enabled people from across Manchester to practise English, while it worked with almost 20,000 primary and secondary school pupils across Greater Manchester, helping one school gain an Artsmark gold award and 137 pupils gain an Arts Award Discover award. Free daily talks, tours and events reached a further 16,000 residents, while wellbeing sessions were delivered at the gallery and in residential care homes, thus supporting the city’s Age-Friendly agenda.

Although Manchester Art Gallery has particularly strong historic collections – of 19th-century paintings, for example – and work by modern British artists, it also has an eye on the future. Last year, the gallery was a partner in events such as the city’s feminist festival, Wonder Women, and it continues to take an active environmental stance, staging debates on green issues, reducing its own energy use (by 42% over the past five years), and installing beehives on the roof and a garden on Mosley Street, the latter in partnership with the National Trust. In 2015/16, Manchester Art Gallery continued to sit at the heart of cultural and political life in the city – just as it has done since it opened in 1835.
Promoting equality and diversity and tackling inequality

Our Equality Objectives 2016–2020
We think setting equality objectives is an important way for us to show our commitment to equality and diversity. Our equality objectives help us describe the things we will do to support Manchester’s vision to be progressive and equitable, and enable Manchester people to hold us to account for delivering them.

We’ve set three equality objectives for 2016–2020, each with a set of aims that describe the areas and activities we’ll focus on for the coming year. We’ll be working closely with our partner organisations to deliver these aims over the coming year and refresh them as and when activities are delivered.

Objective 1 – Knowing Manchester Better
We will work together with Manchester’s citizens and our partners in the public and voluntary sectors to increase the quality of the information, knowledge and understanding we have about Manchester’s diverse communities, and the value we gain from this. This will allow us to work with each other to support ‘community cohesion’ – people from different backgrounds getting on well together in the local area and treating each other with respect and consideration – and make sure we develop policies, and provide and commission services that meet everyone’s needs.

Objective 2 – Improving Life Chances
We want everyone living in Manchester to have a good quality of life and equal chances. We know that for some groups in Manchester this is not the case. We will work with our partners to take a positive approach to removing inequalities.

Objective 3 – Celebrating Our Diversity
Manchester’s great strength is its diversity; we’ve achieved a lot for our different communities. We will maintain and build on what we’ve achieved so far, going even further to celebrate Manchester’s diversity, and telling people how this makes the city better for everyone.

For more information about our equality objectives and underpinning aims, visit our website.

Equality in the Business and Budget-Planning Process
In 2015 we committed to strengthening how equality considerations form part of our budget and business-planning process. Our revised approach ensures that each of the Council’s directorates considers how its actions and proposals support our equality objectives, setting out where proposed changes may have an impact on equality and the approach planned to undertake to assess this impact. These considerations are all captured in an Equality Delivery Plan, which is reviewed by a cross-organisational group of Equality Champions who represent each part of the Council as well as elected members through the communities.
How we performed in 2015/16

Economic growth
Manchester continues to show growth, in terms of jobs and gross value added (GVA). The total number of jobs recorded in Manchester has continued to grow. In the five-year period between 2009 and 2014 income-based gross value added has increased at a higher rate than was experienced in Greater Manchester and the north west.

This growth is being driven by core and emerging sectors, the increasing number of international visitors, an expanding business base, retention of highly skilled residents, and a buoyant city-centre commercial market.

Manchester is recognised as a major international centre for cultural, creative and digital industries, as evidenced by the success of the refurbished Whitworth Art Gallery as Art Fund Museum of the Year 2015, and the new HOME cultural hub at First Street. The city continues to attract growing numbers of domestic and international visitors who boost the economy and come to take advantage of the city’s multiple cultural, sporting and retail assets. Over the past two years, Manchester has shown consistently higher rates of office space take-up and office space availability than the other Core Cities in England.

Manchester’s economy has shown great resilience throughout the recession and subsequent recovery, demonstrating that the economic foundations of the city are much stronger than in the past, with no overreliance on any single employment sector. Investor confidence has been high and this has been evidenced by a second successive excellent year for office take-up and a return of speculative commercial development. 1,318,285 square feet of office space was acquired for occupation in 2015. This was 74% higher than the five-year average and 31% higher than the ten-year average.

In 2014, Manchester’s economy, combined with that of the four other Greater Manchester South districts (Salford, Stockport, Tameside and Trafford), generated an economic output of £38.6 billion – over a quarter of the north west region’s output. Manchester itself contributed 28% of the economic output for Greater Manchester.

In 2014, Gross Value Added for Manchester increased by 3.18% from the level reported in 2013. This was marginally higher than the increase seen for thenorth west over the same period (3.15%).

Manchester continues to outperform national and regional comparators. Manchester outperforms the national average in terms of GVA per head of the resident population. The GVA for Manchester was £30,963 in 2014, compared to £24,958 nationally. Manchester is the region’s major employment centre, and there continues to be significant growth in the number of people in employment, which in 2014 was 336,500 – an increase of 1.7% since the previous year. In the five years between 2009 and 2014 there was an 8.76% increase in the number of full and part-time jobs in Manchester.

The Manchester Employer Suite is one of a number of initiatives that ensure residents benefit from employment growth across the city. It is a partnership between the Council and Jobcentre Plus that provides Manchester businesses with a central point of interviewing facilities, where pre-screened, job-ready candidates can be matched to vacancies. It has enabled us to support employers, whatever their size, sector and needs, to find local people to meet their
recruitment needs through a single, quality-driven service. The suite is now based within the Town Hall Extension, which has allowed for better integration with business support services, including the business library. It also offers the opportunity to promote the service to residents and employers visiting the Town Hall Extension. Prestigious employers such as Marks & Spencer, TNT post and Tesco have all used the suite and praised the location and facilities. The latest statistics indicate that 4,500 individuals use the Employer Suite every year, and that approximately 60% of all service users to date have secured employment; 70% of those who secured employment were Manchester residents.

Manchester has notably higher proportions of people working in education; administration and support services; and financial, professional and scientific sectors. This is due to the cluster of large universities and research businesses along the Oxford Road Corridor and the high number of service-sector jobs within the city centre.

Manchester’s economy, in keeping with many other cities, has developed an hourglass shape characterised by a larger number of higher-paid and lower-paid jobs, with a reduction or hollowing out of the intermediate paid roles in between. This structure is unlikely to change in the short term, meaning that there are always likely to be lower-paid entry-level temporary or part-time vacancies to be filled. The gap between Manchester’s weekly workplace wages of full-time staff (the wages of those who work in the city but may live elsewhere) and its weekly resident wages of full-time staff (those who live in the city but may work elsewhere) has narrowed from £59 in 2014 to £49 in 2015. Manchester’s median workplace wage of full-time staff of £533 is the second highest of all the Core Cities and is higher than that for Greater Manchester and England; however, Manchester’s resident wage of full-time staff of £484 is the third lowest of the Core Cities below Sheffield, Newcastle upon Tyne, Bristol, Birmingham and Leeds.

The causes of this gap are complex and long term. The recent recession and subsequent economic recovery have led to an imbalance between inflation and wage increases. As the cost of living has increased, many workers have seen their real take-home pay reduce, although over the past two years there has been some indication that this trend is reversing as the
How we performed in 2015/16

The rate of increased median weekly pay starts to exceed the rate of inflation. Since 2015 this trend has applied to full and part-time workers alike, suggesting an improvement across the range of workplace sectors.

The rise in flexible working practices, such as part-time work and zero-hour contracts, has led to an increase in the number of people finding themselves in in-work poverty and an increase in the amount of Working Tax Credit and Housing Benefit being paid to working households.

Measures to address it include improving the skill levels of Manchester residents and ensuring that Manchester comprises attractive neighbourhoods where higher earners working in the city want to live. Raising the wages of the lowest-paid workers also remains a local priority for the Council. We have now increased the Manchester Minimum Wage to £7.85 an hour, which remains above the new national minimum/living wage of £7.20 per hour for those over 25. Rates for those of younger age bandings are lower.

The city is strategically placed at the centre of the Northern Powerhouse, a counterweight to the dominance of London and the south east.

The agreement of substantial devolution of central power and budgets offers Manchester, as part of the Greater Manchester Combined Authority (GMCA), the opportunity to realise its full economic potential.

People

We and our partners continue to expand the delivery of services in a radically different way under a programme named Public Service Reform. This has changed the focus of public services from helping people, to helping people to be able to help themselves. The programmes have many shared aims, such as encouraging people to have greater aspiration, resilience and independence, and reducing demand on high-cost public services. Some of the main aims are:

- Improving outcomes for Troubled Families
  Manchester continues to make good progress in the delivery of the national Troubled Families Programme. Since September 2014, when Manchester became one of a number of local authorities to
begin Phase 2 of the national programme early, 2,566 families have been or are currently being worked with. This is out of an initial allocation of just over 8,000 families that Manchester can draw down some funding for over the five years of the programme (contributing towards working with 27,000 families across Greater Manchester). Through services that are predominantly focused on providing Early Help for families with a range of complex issues, the programme has already helped many to make real changes to their lives.

→ Supporting people into employment
In November 2011, a total of 63,620 Manchester residents were claiming an out-of-work benefit, representing 17.8% of the working-age population. By November 2015, this had fallen to 45,650 (including Universal Credit ‘not in employment’ claimants), which represented 13.4% of the working-age population.

The Greater Manchester Working Well Pilot Programme has helped claimants of Employment and Support Allowance (ESA) who have struggled to find work. 1,227 individuals were referred into the programme in total, and as of the end of March 2016, 53 job starts had been achieved. While there will be no further referrals, individuals may remain on the programme for a further two years before moving into work. The pilot aims to deliver a job start for one in every five individuals who joins the programme. The success of the pilot led to the Working Well Expansion in April 2016, which will support a wider range of benefit claimants.

→ Helping young people gain the right skills
Supporting young people into apprenticeships is a key part of addressing youth unemployment in the city. In 2014/15, 4,805 Manchester residents started apprenticeships, which was 512 more than the number of starts in 2013/14 (4,293).

→ Getting more young children (0–5s) off to the best start
Achieving a good level of development in the Early Years Foundation Stage (EYFS) is vital for children so they are ready for school, and they are also more likely to be independent and less reliant on public services in the future. In 2015, 60.9% of Manchester children achieved a good level of development, which was a substantial improvement on the figure for 2014 (52.8%).
and is over 14 percentage points higher than the level in 2013. The gap between Manchester’s result and the average for England was 5.4% in 2015, falling by 2.2 percentage points from 7.6% in 2014. It is a key strategic ambition for the city to improve this score to ensure that children get off to a good start in life.

→ **Reducing absence from school**

Schools are the custodians of the next generation of Manchester’s workforce, such as its scientists, nurses, teachers and engineers. Schools also play a wider role in instilling confidence, aspiration, social literacy and a culture of respect. There is a strong link between good school attendance and achieving good results for children. Good school attendance also shows future employers that a young person is reliable, more likely to achieve well and play a positive role in their community. Young people who frequently miss school may fall behind in their work, and this may affect their future prospects. They are also more likely to become involved in or be a victim of crime and antisocial behaviour. The Council wants to enable every child to reach their full potential, and to achieve this it is important that all children have the best possible attendance at school.

Absence of pupils from primary school has generally been in line with the national average over the past few years. In 2014/15, 4% of ‘sessions’ (a half-day period) were missed in Manchester schools, with the same level of absence being seen across England.

Absence of pupils from secondary schools in Manchester has improved substantially, from 9.3% of sessions in 2009/10, to 5.2% in 2014/15. After drawing level with England’s average level of absence in 2013/14, the absence rate in Manchester is now 0.1% lower that the national average.

60.9% of Manchester children achieved a good level of development.
Improving attainment at school

Good school results are an essential part of ensuring that residents have the right skills to access the opportunities offered by the city’s economy.

The main measure of attainment at the end of Key Stage 2 is the percentage of pupils achieving Level 4 or above in all the core subjects of Reading, Writing and Maths. The results of Manchester pupils have improved over the past three years and have been the same as the national average each year. In 2015, 80% of pupils attained Level 4, up from 79% in 2014.

The main measure of attainment at the end of Key Stage 4 is the percentage of pupils achieving five or more A*–C GCSEs including English and Maths. In 2015, 47.5% of Manchester pupils reached this level of attainment, which was lower than 2014 levels (51.4%) and the 2015 national average (53.8%).

Manchester has committed to a number of high-level aims in the Manchester Strategy against which success will be measured over the next ten years. One of these aims is to improve school results so that they are significantly better than the UK average.

Reducing reoffending

Reducing reoffending is an important part of achieving the city’s ambitions of improving resilience, supporting independence, and reducing spending on high-cost services.

The latest Ministry of Justice figures show that 26.1% of adults and 38.6% of juveniles who committed offences in the 12 months from July 2013 to June 2014 were recorded as committing a proven reoffence within a year after their first offence. This is an improvement of 1.1 and 4.4 percentage points respectively on the reoffending rate for individuals who offended in the 12 months from July 2012 to June 2013 (27.2% and 43% respectively).

The overall reoffending rate (for adults and juveniles) has decreased by 1.4 percentage points from that of individuals who committed offences from July 2012 to June 2013 (28.7%), to that of individuals who committed offences from July 2013 to June 2014 (27.3%). This latest reoffending rate (27.3%) is 1.3% higher than the overall average rate for England and Wales (25.96%) over the same period. This 1.3% gap between the national average and Manchester’s rate has reduced from the 2.45% gap seen for individuals who offended in the previous year (from July 2012 to June 2013).
→ Supporting people to improve their health

We have a role in educating, informing and involving the community in the improvement of their health and wellbeing. Preventable deaths are those that could potentially be avoided by public health interventions in the broadest sense.

In the three years from 2012 to 2014, there were a total of 2,820 preventable deaths recorded for people living in Manchester (an average of 940 deaths each year). This gave a mortality rate of 317.5 preventable deaths per 100,000 of the population. While this remained higher than the rate for England as a whole over the same period (182.7), it did represent a reduction from Manchester’s rate over the three-year period from 2011 to 2013 (322.1).

In line with the national picture, the latest preventable death rate for Manchester was higher for men (401.4 per 100,000) than for women (238.6 per 100,000).

Both Manchester and England have been experiencing a downward trend over the past ten years. The preventable death rate for Manchester (for the period 2012 to 2014) represents a percentage decrease of 20.35% from the rate for the period 2001 to 2003, and this compares to a 26.93% percentage decrease at a national level over the same time frame.

A key aim of the Health and Wellbeing Strategy for Manchester is to address the range of factors that underpin the wide gap in health outcomes existing between Manchester and the rest of England as a whole.

→ Improving children’s social care

Manchester currently has high levels of demand for children’s social care and is reforming services to reduce the number of children who require significant care and support. These reforms have a strong focus on early evidence-based intervention and prevention.

A total of 944 Manchester children per 10,000 of the child population were referred to safeguarding services throughout 2015/16. While this is higher than the national average for 2014/15 (548), it is a significant reduction from the rate for Manchester in 2014/15 (1,148).

There is no higher priority for the Council than protecting vulnerable children and ensuring that children and their families receive good help and, when required, good care. The Children’s Services Improvement Plan aims to improve the consistency and quality of social work practice and significantly reduce the number of looked-after children (LAC).

In March 2016, 108 Manchester children per 10,000 of the child population were recorded as LAC, which is a reduction from the previous year’s figure (113); however, this is higher than the national average for March 2015 (60). 73.8 Manchester children per 10,000 of the child population were on a Child Protection Plan in March 2016, which is lower than in March 2015 (78.7) and higher than the national average for March 2015 (43).

In addition to improving the consistency and quality of social work practice, an efficient adoption service that promptly finds Manchester children safe homes with the right families is required, and this will also help reduce the number of LAC.
Over the period April 2013 to March 2016, the Council took an average of 569 days to house a child with an adoptive family (from when a child became looked after), which is above the Department for Education’s target (426 days). However, 569 days is significantly quicker than the average of the previous three-year period (643 days) and is better than the national average of 593 days over this period (April 2012 to March 2015).

All the latest figures for Manchester detailed above are provisional, pending submission to and publication by the Department for Education.

→ **Improving Adult Social Care**

Manchester continues to have high demand for adult social care support. To manage this demand we are reforming how care and support in Manchester is provided. Through a more integrated approach with a focus on early intervention and prevention, the Council aims to reduce the number of adults who require long-term services by supporting our residents to remain healthier and independent for longer. We are working more closely with our partners in health and the community to ensure that the right care is provided earlier in the right place – closer to home in our communities.

In 2015/16, we received more than 23,000 new requests for support from residents aged 18 and over. Of these requests 35% were signposted to support available to them within their communities, 23.5% were supported with items of equipment, and 5.2% received a short period of reablement (the Council’s approach to supporting adults back to independence after a period of illness or the onset of a disability). 8.35% of the requests needed support on a long-term basis (such as residential care, nursing care, home care, and supported accommodation).

During 2015/16, 1,904 reablement packages were delivered (with 54.7% of recipients not requiring further care following this), 25,317 items of equipment were installed in homes to help people live independently (with 99.4% being installed within seven days), and 3,388 carers received support from Manchester’s Carers’ Services to care for 3,510 people in their own communities.

The continuing development of services to better meet people’s needs in the community has resulted in a falling number of adults and
older people choosing to go into residential or nursing care. Figures for March 2016 show there were 6,589 adults receiving long-term support, 4,838 of whom had been receiving support for more than 12 months. This is a significant reduction from the number in March 2015 (8,290 and 6,269 respectively). Overall, the provisional admission rate for older people (aged 65 and over) entering residential or nursing care throughout 2015/16 was 405.2 per 100,000, which is a reduction from the 2014/15 rate (455.1 per 100,000).

Safeguarding vulnerable adults in homes, communities, residential and nursing care, and hospitals remains the highest priority for adult services in Manchester. This involves the protection of adults who are at risk of emotional or financial abuse, neglect, or the withholding of proper care. Throughout 2015/16, the Council commenced safeguarding enquiries relating to 1,344 adults (a rate of 331 per 100,000 of Manchester’s adult population in 2014), which was a decrease from 1,519 adults in 2014/15 (375 per 100,000 of Manchester’s adult population in 2014). An enquiry means that the Council has undertaken an investigation, and it can range from a conversation with the person concerned to a more formal multi-agency plan or course of action. The Council brought 1,350 enquiries to a conclusion in 2015/16 (meaning all necessary information was collected and actions agreed), which was a decrease from 1,673 in 2014/15 (one person may be the subject of multiple enquiries).

Place
It is crucial to create attractive neighbourhoods that offer a good quality of life so that people want to live and work in Manchester and make the most of the opportunities the city offers.

Focus is given to the fundamentals, such as clean streets, safe communities, and an efficient waste and recycling service.

Over recent years the respondents to Manchester’s residents’ surveys have expressed increased satisfaction with their local area as a place to live, and overall there has been a significant improvement in respondents’ satisfaction since 2000/01.

In this year’s survey, 81% of respondents were satisfied with their local area as a place to live – a slight increase on the previous year’s result (79%).
We are committed to increasing the amount of waste recycled by providing services that meet the needs of residents. Following the successful implementation of prioritised recycling collections in June and July 2011, the percentage of household waste recycled, composted or reused increased from 2011/12 (34%) to 2012/13 (36.79%). However, this recycling rate fell in 2013/14 (34.93%) and the provisional figure for 2014/15 is 33.26%. These decreases in the recycling rate were due to changes in processing of street cleansing waste in 2013/14 and an upturn in the economy in 2014/15. In 2015/16 kerbside refuse increased by 2.7%, and dry recycling tonnages increased by 3%, but contamination also increased. Organic recycling collected decreased by 1.1% and contamination decreased, but the overall organic tonnage recycled fell by 0.4%. The provisional recycling figure for 2015/16 is 32%.

It is anticipated that the new contract with Biffa will lead to improvements in recycling rates. Additionally, a new waste, recycling and street cleansing team has been established within the Council that will lead to more street cleansing inspections and the contract being monitored more closely.

A total of 54,735 victim-based crimes were reported across Manchester between April 2015 and March 2016. Victim-based crime is a broad category that includes offences of violence against the person (including homicide, violence with injury, and violence without injury), sexual offences (including rape and other sexual offences), robbery, theft (including theft from a person, domestic burglary and vehicle crime) and criminal damage. There was a 10.9% increase compared to the same period last year and most crime types saw an increase over this time. Reductions were seen in robbery (down by 4%), bicycle theft (down by 16%), burglary (down by 1%) and homicide (down by 33%).

Over the past ten years, victim-based crime recorded by Greater Manchester Police (GMP) has reduced by almost 15%, from 64,236 in 2006/07. The overall decreases in crime over the long term happened at a time when the population of Manchester increased more rapidly than the rest of Greater Manchester. Between mid-2006 and mid-2014, Manchester’s population rose by 12%, compared with a 4% increase in the rest of Greater Manchester.

As a rate per 1,000 head of population, victim-based crime reduced by 32% in Manchester, from 2006/07 to 2014/15, while across the rest of Greater Manchester it fell by 30%.

Over these past ten years, some types of crimes saw much higher reductions, including robbery (down by 58%), criminal damage and arson (down by 58%), burglary (down by 31%) and vehicle crime (down by 30%).

Many experts have linked the reductions in vehicle crime to improvements in security features, while reductions in burglary may be linked to the fact that home electronic equipment has become relatively less expensive.

Other offences, including sexual offences, less serious violence and thefts from the person, were at significantly higher levels in 2015/16 than they had been in 2006/07. Increases in sexual offences and violence without injury are relatively recent, and have been influenced by improvements in GMP’s crime-recording processes. In the case of sexual offences, revelations about crimes committed by high-profile public figures have also encouraged more victims to contact the police.
Higher levels of theft from the person have mainly been caused by an increase in the number of mobile phones being stolen. Technological advances may have helped to reduce some acquisitive offences, but in other areas they have opened up new criminal opportunities, with multifunctional, expensive and easily portable gadgets being a particularly attractive target.

The Manchester Strategy 2016–2025 published in March 2016 sets out an ambitious plan for Manchester’s low-carbon agenda and contains the commitment that ‘Manchester will play its full part in limiting the impacts of climate change... and by 2025 will be on the path to being a zero-carbon city by 2050.’ Manchester has 38 Sites of Biological Importance, with 58% in positive management – an improvement upon the year before. There are now 2,688 citizens in the city who have attained certification in the Carbon Literacy Programme – an increase of 60% since last year’s figure. There are now 161 state schools on the Eco Schools Programme, equating to 92% of state schools, an increase of eight schools from the year before, meaning more schools are joining in the programme and progressing through the scheme. The city’s progress against its Climate Change Action Plan target to reduce its carbon emissions by 41% by 2020 is measured using data from the Department of Energy and Climate Change (DECC). The latest local-authority-level data available from 2014 showed that Manchester had reduced its CO₂ emissions from 3.3 million tonnes in 2005 to 2.4 million tonnes in 2014, which is a reduction of 27%.
Value for money

The vision for Manchester is to be a world-class city: to grow and sustain the economy of the city, and to translate that growth into better lives for Manchester residents. Manchester has always been a city of innovation and change; however, achieving this vision in times of austerity requires even greater emphasis on improving the way we work to deliver better services and the best possible value for money. This means redesigning services to make better use of resources: in essence, ‘doing more with less’.

The Council has an established track record of achieving savings by developing and adopting more efficient ways of providing services while maintaining prudent levels of reserves.

Public Service Reform remains at the heart of Manchester’s commitment to secure the best possible outcomes from public spending. The Council has designed and rigorously tested new delivery models for public services designed to reduce dependency on high-cost public services and help Manchester people gain greater independence. This will realise savings for the Council, its local partners and the public purse more broadly.

Delivering public service reform in Manchester is based on a set of principles that were updated throughout 2015/16. Wellbeing, prevention and early intervention are more strongly prioritised in these principles. Also, an evidence-led understanding of risk and impact must be used to ensure that the right interventions are used at the right times and that outcomes and spend are tracked so value for money can be monitored.

A co-ordinated, whole-family approach to support families with multiple complex needs, involving multiple services and partners is at the heart of the Confident and Achieving Manchester Programme, which is driving public service reform. This approach delivers more value for money than different services dealing with each need in isolation.

The Early Help hubs aim to deliver preventative support and intervention before problems become complex, deep-rooted, and more costly and difficult to solve.

The Early Years new delivery model, which began in 2015, focuses on early intervention and ensures that children aged 0–4 across Manchester have regular interactions with health visitors and that they are able to access the support they and their parents need.

Manchester’s Locality Plan will transform and integrate the delivery of health and social care. A single citywide commissioning system, a single hospital service delivering acute services, and one team delivering out-of-hospital services in the community will all deliver efficiencies and better outcomes for Manchester people.
In addition, to obtain the best outcome from each pound spent, the Council:

→ Analysed benchmarking data in detail, showing how the Council’s spend differs from other similar local authorities to inform work to target the development of savings proposals and innovative service redesigns.

→ Reduced the operational estate from 398,000 sq m at June 2012 to 303,000 sq m by March 2016, reducing costs and emissions. Sharing premises and capital with partners has been an important factor in achieving this, supporting effective partnership working as well as reducing overheads.

→ Carried out more transactions online, enabling people to report issues, request services and make payments at times most convenient to them. This also saves money by reducing the number of more expensive interactions, such as face to face or on the telephone. The value of online financial transactions increased by 11% to almost £24million.

→ Started a new waste, recycling and street cleansing service contract with Biffa on 4 July 2015. Services are now more joined up than they were previously, which has led to an annual saving of £1.6million.

→ Improved the level of information it has regarding the evidence of success from the services delivered and commissioned, so it can get maximum use out of the services proven to work best and safely decommission those services that are not having the necessary outcomes and are no longer needed.

The value of online financial transactions has increased by 11% to almost £24million.
Putting our service users first

The Customer Service Organisation (CSO) comprises the Customer Service Centre (CSC) and Contact Manchester, our centralised Corporate Contact Centre.

The CSC handles enquiries from those residents who require face-to-face support and assistance. It is situated on the ground floor of the Town Hall Extension and interconnects with the Central Library. Key partner organisations, including Jobcentre Plus, Citizens Advice Bureau, Greater Manchester Police, Connexions and Avanta (a leading employment support and training services company) work alongside the Customer Service Centre, providing a one-stop shop for key support services for our residents.

Contact Manchester provides support for residents, businesses and partners wishing to access services by telephone. Services delivered through Contact Manchester include our main switchboard, council tax and benefits, Neighbourhood Services, Social Care, School Admissions, Elections, and a dedicated out-of-hours emergency service. In addition to telephone contacts, it handles online, email, SMS and social media enquiries across the majority of our key services.

During 2015/16, 93% of those surveyed stated they were either satisfied or very satisfied with the level of service provided by the CSO.

As a result of work being undertaken to implement our Digital and Channel Shift Strategy, there has been a continued increase in the number of service users transacting online through 2015/16. During 2015/16, 436,245 online transactions were made – an increase of 16% when compared to 2014/15, and a 36% increase when compared to 2013/14. Visits to our website also rose to 7.09 million during 2015/16 – an increase of 6% when compared to 2014/15. Consequently, this switch in behaviour and increase in self-service has resulted in a 4% reduction in calls made (38,434) to Contact Manchester during 2015/16 in comparison to the previous year.
The table and chart below show the impact of our Digital and Channel Shift Strategy, with demand reducing consistently across all channels except online services, where uptake continues to increase, with a 16% rise in transactions since last year.

<table>
<thead>
<tr>
<th></th>
<th>2014/15</th>
<th>2015/16</th>
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<tbody>
<tr>
<td>Telephone</td>
<td>1,045,517</td>
<td>1,007,083</td>
</tr>
<tr>
<td>Email</td>
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<td>29,163</td>
</tr>
<tr>
<td>Online</td>
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<td>436,245</td>
</tr>
<tr>
<td>Face to face</td>
<td>82,007</td>
<td>79,469</td>
</tr>
</tbody>
</table>
The pie chart below shows that 39% of calls received by Contact Manchester related to council tax and benefits, while calls related to Neighbourhood Services represented 22%. Within Neighbourhood Services, the highest number of enquiries consistently relates to waste and recycling.
The pie chart below shows that 58% of all enquiries handled in the CSC relate to revenue and benefits, with 32% relating to the drop-off and validation of documentation relating to council tax or a benefit claim. 26% of enquiries relate to more in-depth revenue and benefits enquiries (benefits enquiry, 11%; council tax enquiry, 15%).
Complaints to the Council
The Council handled 1,926 complaints in 2015/16, which was slightly less than the number handled in 2014/15 (1,958). We responded to 85% of those cases within ten working days.

When we receive a complaint, we investigate to find out what has happened. If we find that something has gone wrong, we let the complainant know their complaint has been upheld. In 2015/16, we upheld 677 complaints, which represented 37% of the 1,822 decisions made. In 2014/15, the percentage of the 1,825 decisions upheld was lower, at 34% (626 complaints upheld).

In addition, we handled 220 social care complaints; 70% were responded to within a 20-working-days statutory time limit. In 2014/15, we handled 314 social care complaints, 55% within the time limit.

Learning from complaints
The Council is keen to learn lessons from complaints, to improve our service delivery and to prevent a reoccurrence of things we have got wrong. In 2015/16, we recorded 616 learning actions as a result of complaints made to us, which led to a number of remedial actions. This is a decrease since 2014/15, when 659 learning actions were recorded.
Summary of the Annual Accounts 2015/16

Introduction
In line with the Council’s commitment to transparency and accountability to its stakeholders, we have produced a summary of the Council’s Annual Statement of Accounts for 2015/16. This has been produced in a simpler format than the full Annual Statement of Accounts, which is required to comply with accounting practice. The Summary Accounts are designed to provide more meaningful information and highlight key financial information relating to the Council. They therefore exclude technical accounting adjustments such as depreciation.
Where the money was spent in 2015/16

The Council spends money on a whole range of services to help support the people of Manchester to achieve and enjoy a better quality of life. This spending can be both revenue and capital. Revenue spending relates to the day-to-day running costs of the Council, such as staffing, purchasing services from third parties, utilities and minor equipment. Capital funds are spent to buy assets that are of benefit to Manchester and its residents over a longer period, such as land and buildings.

The Council’s budget runs for the financial year from 1 April to the following 31 March. We consult on our budget each year before deciding on the priorities and setting the budget in March.

Overall revenue spend was £1,481 million (gross). The chart on the following page shows where our revenue money was spent in 2015/16 analysed across standard service divisions, which are used by all local authorities.
Service division

→ Adult Social Care
Adult Social Care services, such as care for older people in their own homes or care homes, support for people with physical or learning disabilities or with mental health issues, and adult education services provided for adults living in Manchester

→ Education and Children’s Services
Children's Social Care services, early years services and education services (excluding schools) provided for children in Manchester

→ Schools
Nursery, primary, secondary and specialist education services provided for children in Manchester

→ Cultural and related services
Various Council services, including museums, galleries, recreation and sport, parks and library services

→ Environmental and Regulatory Services
Various Council activities, including environmental health, licensing, waste collection and the provision of cemeteries and crematoria

→ Planning Services
Various Council activities, including planning policy, economic development and building regulations

→ Highways and Transport Services
Maintenance and safety of Manchester’s roads and transport networks

→ Private and Public Housing Services (including the Housing Revenue Account)
Council and private housing services, including housing benefit payments

→ Public Health
The provision of public health services that were transferred to local government on 1 April 2013

→ Corporate Costs (central services to the public)
Activities that enable the Council to function as a whole. This also includes expenditure relating to the Coroners Office, registrars and Council members’ activities

→ Other expenditure
This relates to items of expenditure not included in the service divisions, such as levy payments for services provided at a Greater Manchester level and charged to districts, revenue funding of capital, loan repayments and interest payments made by the Council, as well as money set aside by the Council for future use (transfers to reserves)
Where the money came from in 2015/16

In 2015/16, most of our income (52%) came from the Government. The remainder of our funding came from business rates, council tax, fees and charges, and other income such as dividends and interest.

The chart below shows how we funded our spending of £1,481 million in 2015/16 analysed across the different types of income received during the year.
Funding
→ Council tax
   The total amount of council tax due to the Council in 2015/16

→ Fees and charges
   The total of the fees and charges generated by the Council. For example, residential and nursing home care, licences and planning application fees

→ Public Health grant
   Grant for the provision of Public Health services that were transferred to local government on 1 April 2013

→ Revenue Support grant
   Government grant received by the Council each year, which the Council uses to support its revenue expenditure

→ Business rates
   The Council’s share of business rates income due to the Council in 2015/16

→ Dedicated Schools grant
   Ring-fenced Government grant that the Council uses to fund the schools budget

→ Benefits disbursement
   Government grant to fund the Council’s payment of housing benefits

→ Other grants
   The total of all the other revenue grants received by the Council

→ Other income
   Items of income such as interest and investment income, trading service income, dividends received, and use of monies previously set aside (transfers from reserves)
Cost of Council services

The Income and Expenditure Account below shows the gross cost, income and net cost of running Council services between 1 April 2015 and 31 March 2016, and how this has been funded.

<table>
<thead>
<tr>
<th>General Fund services</th>
<th>Gross expenditure £000s</th>
<th>Gross income £000s</th>
<th>Net expenditure £000s</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adult Social Care</td>
<td>179,871</td>
<td>(55,616)</td>
<td>124,255</td>
</tr>
<tr>
<td>Central Services to the Public (cost of elections; registration of births, deaths and marriages; and council tax collection)</td>
<td>14,151</td>
<td>(12,029)</td>
<td>2,122</td>
</tr>
<tr>
<td>Children's and Education Services</td>
<td>537,100</td>
<td>(403,087)</td>
<td>134,013</td>
</tr>
<tr>
<td>Cultural Services</td>
<td>45,436</td>
<td>(11,595)</td>
<td>33,841</td>
</tr>
<tr>
<td>Environmental Services</td>
<td>44,600</td>
<td>(12,664)</td>
<td>31,936</td>
</tr>
<tr>
<td>Planning Services</td>
<td>41,446</td>
<td>(23,548)</td>
<td>17,898</td>
</tr>
<tr>
<td>Highways, Road and Transport Services</td>
<td>22,879</td>
<td>(21,212)</td>
<td>1,667</td>
</tr>
<tr>
<td>Housing Services, including benefits</td>
<td>321,556</td>
<td>(299,005)</td>
<td>22,551</td>
</tr>
<tr>
<td>Public Health</td>
<td>51,797</td>
<td>(50,685)</td>
<td>1,112</td>
</tr>
<tr>
<td><strong>Net cost of services</strong></td>
<td><strong>1,258,836</strong></td>
<td><strong>(889,441)</strong></td>
<td><strong>369,395</strong></td>
</tr>
<tr>
<td>Other operating expenditure, including levies</td>
<td>85,865</td>
<td>(397)</td>
<td>85,468</td>
</tr>
<tr>
<td>Financing and investment income and expenditure</td>
<td>84,943</td>
<td>(73,204)</td>
<td>11,739</td>
</tr>
<tr>
<td>Contributions to/(from) reserves</td>
<td>51,845</td>
<td>(79,457)</td>
<td>(27,612)</td>
</tr>
<tr>
<td><strong>Amount to be met from Government grants and local taxation</strong></td>
<td><strong>1,481,489</strong></td>
<td><strong>(1,024,499)</strong></td>
<td><strong>438,990</strong></td>
</tr>
</tbody>
</table>

**Financed by**

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Council tax</td>
<td>122,338</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Council share of business rates</td>
<td>163,907</td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Government grants and other income</td>
<td>152,745</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total general income</strong></td>
<td><strong>438,990</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Contributions to reserves include grants and contributions to be used over more than one year.
Financial position
The balance sheet below shows the Council's financial position at 31 March 2016, the last day of the financial year. It shows what the Council owns (its assets) and its debts (its liabilities) as well as the net worth of the Council (assets less liabilities).

<table>
<thead>
<tr>
<th>Assets</th>
<th>£000s</th>
<th>Liabilities</th>
<th>£000s</th>
</tr>
</thead>
<tbody>
<tr>
<td>Council dwellings</td>
<td>418,055</td>
<td>Borrowing</td>
<td>534,019</td>
</tr>
<tr>
<td>Other land and buildings</td>
<td>1,668,482</td>
<td>Provisions for future liabilities</td>
<td>224,674</td>
</tr>
<tr>
<td>Heritage assets</td>
<td>521,154</td>
<td>Liability for pension scheme</td>
<td>783,824</td>
</tr>
<tr>
<td>Investment properties</td>
<td>387,118</td>
<td>Capital grants received in advance</td>
<td>6,785</td>
</tr>
<tr>
<td>Other assets</td>
<td>104,668</td>
<td>Money owed by the Council</td>
<td>193,992</td>
</tr>
<tr>
<td>Investments</td>
<td>135,552</td>
<td>Money owed to the Council</td>
<td>284,499</td>
</tr>
<tr>
<td>Total</td>
<td>3,519,528</td>
<td>Total</td>
<td>1,743,294</td>
</tr>
</tbody>
</table>

Net worth of the Council | 1,776,234
Cost of Council housing services
The Housing Revenue Account (HRA) below shows the income and expenditure relating to the council houses owned by the Council between 1 April 2015 and 31 March 2016. It is a legal requirement that the Council accounts for this income and expenditure separately from that of other services it provides.

<table>
<thead>
<tr>
<th>Housing Revenue Account</th>
<th>£000s</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income</strong></td>
<td></td>
</tr>
<tr>
<td>Rents</td>
<td>60,766</td>
</tr>
<tr>
<td>Charges for services and facilities</td>
<td>1,755</td>
</tr>
<tr>
<td>Contributions towards expenditure on services provided by the Council</td>
<td>607</td>
</tr>
<tr>
<td>Other income</td>
<td>23,603</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>86,731</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenditure</th>
<th>£000s</th>
</tr>
</thead>
<tbody>
<tr>
<td>Repairs and maintenance</td>
<td>42,428</td>
</tr>
<tr>
<td>Supervision and management</td>
<td>16,217</td>
</tr>
<tr>
<td>Net interest paid</td>
<td>8,894</td>
</tr>
<tr>
<td>Other expenditure</td>
<td>19,868</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>87,407</td>
</tr>
</tbody>
</table>

Total deficit for the year (676)

Housing Revenue Account surplus at 31 March 2015 86,686

Housing Revenue Account surplus at 31 March 2016 86,010

The Housing Revenue Account surpluses are held in a reserve on the balance sheet to meet future liabilities in relation to public housing private finance initiative (PFI) schemes and to support future investment in the Council’s housing stock. The housing reserves are in the main earmarked for specific purposes or have been identified to support future planned investment in housing.

The Council owned the following properties at 31 March 2016:

<table>
<thead>
<tr>
<th>Property type</th>
<th>£000s</th>
</tr>
</thead>
<tbody>
<tr>
<td>Houses and bungalows</td>
<td>9,327</td>
</tr>
<tr>
<td>Flats</td>
<td>6,904</td>
</tr>
<tr>
<td>Others</td>
<td>77</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>16,308</td>
</tr>
</tbody>
</table>

Capital expenditure
Capital expenditure is spent on the purchase or improvement of assets that have a long-term value to the Council, such as land and buildings. This is different to revenue expenditure in that the Council and its residents receive the benefit from the capital expenditure over a longer period (over one year).

<table>
<thead>
<tr>
<th>Capital expenditure by asset type</th>
<th>£000s</th>
</tr>
</thead>
<tbody>
<tr>
<td>Council dwellings</td>
<td>25,004</td>
</tr>
<tr>
<td>Other land and buildings</td>
<td>49,401</td>
</tr>
<tr>
<td>Vehicles, plant and equipment</td>
<td>10,369</td>
</tr>
<tr>
<td>Infrastructure (eg. roads, street furniture)</td>
<td>22,933</td>
</tr>
<tr>
<td>Community assets</td>
<td>693</td>
</tr>
<tr>
<td>Assets under construction</td>
<td>6,122</td>
</tr>
<tr>
<td>Surplus assets</td>
<td>20,015</td>
</tr>
<tr>
<td>Capital expenditure not relating to Council assets</td>
<td>68,476</td>
</tr>
<tr>
<td>Investment properties</td>
<td>7,603</td>
</tr>
<tr>
<td>Assets held for sale</td>
<td>10,048</td>
</tr>
<tr>
<td>Long-term loans</td>
<td>25,897</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>246,561</td>
</tr>
</tbody>
</table>
This has been spent on the following capital programmes:

<table>
<thead>
<tr>
<th>Capital expenditure by capital programme</th>
<th>£000s</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hough End Leisure Centre</td>
<td>1,573</td>
</tr>
<tr>
<td>Levenshulme Leisure Centre</td>
<td>6,632</td>
</tr>
<tr>
<td>National Taekwondo Centre</td>
<td>2,539</td>
</tr>
<tr>
<td>Asset Management Programme Work – Libraries</td>
<td>1,659</td>
</tr>
<tr>
<td>Other leisure and libraries programmes</td>
<td>2,759</td>
</tr>
<tr>
<td>The Factory</td>
<td>1,762</td>
</tr>
<tr>
<td>Other cultural capital programmes</td>
<td>1,026</td>
</tr>
<tr>
<td>Highways Planned Maintenance Programme</td>
<td>4,251</td>
</tr>
<tr>
<td>Velocity Cycling Scheme</td>
<td>6,589</td>
</tr>
<tr>
<td>Bus Priority measures</td>
<td>9,113</td>
</tr>
<tr>
<td>Highways Capital Programme</td>
<td>7,659</td>
</tr>
<tr>
<td>Environmental Capital Programme</td>
<td>3,990</td>
</tr>
<tr>
<td>Adult Services Capital Programme</td>
<td>348</td>
</tr>
<tr>
<td>Building Schools for the Future</td>
<td>1,028</td>
</tr>
<tr>
<td>Schools Basic Needs Programme</td>
<td>60,193</td>
</tr>
<tr>
<td>Schools Capital maintenance</td>
<td>1,940</td>
</tr>
<tr>
<td>Schools Capital Programme</td>
<td>370</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Capital expenditure by capital programme</th>
<th>£000s</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic acquisitions</td>
<td>19,482</td>
</tr>
<tr>
<td>Asset Management Programme</td>
<td>4,129</td>
</tr>
<tr>
<td>New Smithfield Market</td>
<td>3,378</td>
</tr>
<tr>
<td>Corporate Services Capital Programme</td>
<td>448</td>
</tr>
<tr>
<td>Private Sector Housing Capital Programme</td>
<td>19,363</td>
</tr>
<tr>
<td>Public Sector Housing Capital Programme</td>
<td>25,382</td>
</tr>
<tr>
<td>Beswick Community Hub</td>
<td>13,211</td>
</tr>
<tr>
<td>ICT Capital Programme</td>
<td>9,074</td>
</tr>
<tr>
<td>Belle Vue Sports Village</td>
<td>10,299</td>
</tr>
<tr>
<td>NOMA Group Estate</td>
<td>6,610</td>
</tr>
<tr>
<td>Other development work</td>
<td>1,611</td>
</tr>
<tr>
<td>Housing Investment Programme</td>
<td>18,343</td>
</tr>
<tr>
<td>Greater Manchester Loans Fund</td>
<td>1,800</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>246,561</strong></td>
</tr>
</tbody>
</table>

The preceding pages provide a simplified summary of the information contained in the accounting statements that follow.
Annual Statement of Accounts
2015/16
Narrative Report to the Annual Accounts

The Narrative Report is the first section of the Annual Accounts and provides a financial summary and introduction to the Annual Accounts for 2015/16.

Financial Summary 2015/16
The Council had a net revenue budget of £527.011 million in 2015/16. This budget was net of savings of £59 million required in 2015/16 on top of £250 million of savings from 2011/12 to 2014/15 following the reduced financial settlements.

Most of the Council’s revenue budget is spent on the services the Council provides. However, some is used to repay money borrowed in previous years to fund capital projects and some is paid out by way of levies to other organisations, e.g. the Greater Manchester Waste Disposal Authority. An amount is also put aside each year to meet any unforeseen costs that may arise during the course of the year.

Spend against this budget is reported in the global monitoring reports to the Executive. In-year changes to the budget position, either due to the reallocation of spend between budgets, or a change in the level of budgeted resources, are also reported as part of the global monitoring reports. The final financial position against the revenue budget was reported to the Executive on 1 June 2016. This information is consolidated into the accounts within the Comprehensive Income and Expenditure Statement. This statement also includes items that do not form part of the Council’s revenue budget, such as depreciation. The Movement in Reserves Statement shows the removal of these items as they are an accounting entry and not a true cost to the Council. It also shows the change in the general fund reserve, which is an increase of £368,000. A reconciliation showing the outturn position and the change in general reserves is shown later in the narrative report.

The capital budget was approved as part of the suite of budget reports. Changes to the budget are reported to the Executive either as capital increase reports or as separate stand-alone reports. Capital spend is reported to the Executive in quarterly capital budget monitoring reports. This expenditure relates to the acquisition or enhancement of capital assets and is transferred to the balance sheet rather than being included with revenue expenditure in the Comprehensive Income and Expenditure Statement. Capital expenditure is mainly funded from capital resources, such as borrowing or capital grants, although it can also be funded from revenue resources. The sources of capital funding are approved when the capital budget is set.

Revenue expenditure
The table below shows the outturn position compared to the latest revenue budget, taking into account all the budget adjustments made during the financial year. At the end of the year the budget was underspent across all budgets by £1.991 million (before approved carry forward of underspends of £1.929 million) and after the establishment of an Adult Social Care Reserve.

There had been a planned transfer from general reserves of £1.623 million. The outturn is a transfer to general reserves of £368,000.

The General Fund Reserve is now at £27.477 million after the transfer to the Social Care Reserve.

The table below sets out the year-end position.
### Revised budget

<table>
<thead>
<tr>
<th></th>
<th>£,000</th>
<th>Outturn £,000</th>
<th>Overspend/ (underspend) £,000</th>
<th>Carry forward requests £,000</th>
<th>Overspend/ (underspend) after carry forwards £,000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total available resources</strong></td>
<td>(526,928)</td>
<td>(527,629)</td>
<td>(701)</td>
<td>0</td>
<td>(701)</td>
</tr>
<tr>
<td><strong>Planned use of resources</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total corporate budgets</td>
<td>108,934</td>
<td>105,745</td>
<td>(3,189)</td>
<td>139</td>
<td>(3,050)</td>
</tr>
<tr>
<td>Directorate budgets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>– Children and Families</td>
<td>261,118</td>
<td>266,012</td>
<td>4,894</td>
<td>104</td>
<td>4,998</td>
</tr>
<tr>
<td>– Corporate Core</td>
<td>48,916</td>
<td>44,093</td>
<td>(4,823)</td>
<td>121</td>
<td>(4,702)</td>
</tr>
<tr>
<td>– Growth and Neighbourhood</td>
<td>109,583</td>
<td>109,411</td>
<td>(172)</td>
<td>1,565</td>
<td>1,393</td>
</tr>
<tr>
<td>Total directorate budgets</td>
<td>419,617</td>
<td>419,516</td>
<td>(101)</td>
<td>1,790</td>
<td>1,689</td>
</tr>
<tr>
<td><strong>Total use of resources</strong></td>
<td>528,551</td>
<td>525,261</td>
<td>(3,290)</td>
<td>1,929</td>
<td>(1,361)</td>
</tr>
<tr>
<td>Transfer from/(to) General Fund Reserve</td>
<td>1,623</td>
<td>(2,368)</td>
<td>(3,991)</td>
<td>1,929</td>
<td>(2,062)</td>
</tr>
<tr>
<td>Establish Social Care Reserve</td>
<td>0</td>
<td>2,000</td>
<td>2,000</td>
<td>0</td>
<td>2,000</td>
</tr>
<tr>
<td><strong>Transfer from/(to) General Fund Reserve</strong></td>
<td>1,623</td>
<td>(368)</td>
<td>(1,991)</td>
<td>1,929</td>
<td>(62)</td>
</tr>
</tbody>
</table>

This table has been reported to the Executive as part of the Revenue Outturn Report in June. The information is provided in line with how the Council is structured rather than by standard Service Division.

The Children and Families directorate includes Adult Services, Children's Services and Schools. The Corporate Core directorate includes the Corporate Services (Procurement, Revenues and Benefits, Financial Management, Internal Audit and Risk, Shared Service Centre and Business Units) and Chief Executive's (Performance, Legal and Democratic Services) Departments.

The Growth and Neighbourhoods directorate includes Community and Cultural Services, Neighbourhood Delivery, Regeneration, City Policy, Planning and Building Control, Strategic Housing, Capital Projects and Technical Services, Corporate Property and Facilities Management.

The table shows the spend per directorate, which is different to the analysis that is required in the Comprehensive Income and Expenditure Statement. This is because it does not contain items that are at nil cost to the Council, for example depreciation and recharge of central costs such as the Town Hall Complex.
More detail on the Council’s budget and outturn position can be found on the Council’s website www.manchester.gov.uk

The table above shows that available resources are £0.701 million higher than budgeted mainly due to increased corporate grants and dividend income partly offset by reduced Public Health Grant income following an in-year reduction by the Government.

The underspend on the Corporate Items budgets totals £3.189 million. This partly relates to the release of unallocated contingency held until year end in case of any unforeseen pressures. There have also been underspends on a number of other corporately held budgets, including for inflation and historic pension liabilities.

The net position on controllable budgets for services is an underspend of £101,000. The main reasons are as follows:

→ The overall position for Children and Families is an overspend of £4.894 million. This relates to the costs of looked-after children’s placements, additional social work costs, and costs of care and support for people with learning difficulties.

   These are partly offset by underspends in commissioning services and the use of Better Care Fund monies to support social care.

→ The Corporate Core has an underspend of £4.823 million. The underspend is predominantly due to staff savings, increased Government grant relating to benefit payments, and an improved trading position in business units relating to school meals, contracts, bereavements, building cleaning, parking and bus lanes. There were some small overspends, including increased Coroners costs and higher than forecast electoral staffing costs.

→ The overall position for Growth and Neighbourhoods is an underspend of £172,000. Spend on waste disposal was higher than budget, which was offset by underspends in the other service areas, such as planning, building control and licensing. The higher than budgeted income from planning fees reflects the increase in activity in the city.

The activities of the Housing Revenue Account (HRA) have to be accounted for separately from the other services provided by the Council. A separate budget is also approved for the HRA, which is monitored and reported within the global monitoring report. While the HRA figures are included within the Comprehensive Income and Expenditure Statement, there is also a separate HRA Income and Expenditure Statement within the accounts.

The Housing Revenue Account contains the costs of owning and maintaining properties that are let to tenants, and income from renting council houses to tenants. This is shown separately from the general fund revenue budget position. The final outturn position for the HRA is an overall surplus of £1.466 million compared to the budget in 2015/16.
Capital expenditure
The Council spends money on capital projects within the definitions of capital expenditure contained in the Local Authorities (Capital Finance and Accounting) Regulations 2003.

Capital expenditure has to be financed from one of the following sources:

→ Borrowing
→ Grants or contributions from the Government or another third party
→ Use of the HRA Major Repairs Reserve
→ Proceeds from the sale of capital assets or the repayment of capital loans (capital receipts)
→ Contributions from revenue funding (revenue contributions).

The capital programme aims to deliver the optimum combination of projects and programmes that represent the key priorities of the Council: to provide excellent public services that provide true value for money while creating the conditions for economic growth, improved skills and productivity, and less deprivation and dependency.

The capital strategy embraces processes that:

→ Ensure the efficient use of resources
→ Achieve maximum value for money
→ Are efficient and deliver more for less.

The challenge for the future is to drive transformation, to define Manchester as an attractive place to live and further improve the quality of life for all residents; to increase residents’ overall social and economic prospects, and enable them to participate fully in the life of the city. It will be important to the delivery of the aspirations of the city to:

→ Support, promote and drive the role and continuing growth of the city centre as a major regional, national and international economic driver, as the main focus for employment growth through a strengthening and diversification of its economic base, and through the efficient use of land. This will be complemented by driving growth through, for example, Corridor Manchester, the Airport City Enterprise Zone, the Siemens Princess Road Campus, Central Park in north Manchester, and the Etihad Campus in east Manchester

→ Support investment in transport infrastructure. The city centre will see more than £1billion of investment in projects between now and 2017, which will lay the foundations for continuing success by ‘future proofing’ the city’s transport infrastructure, including the Second City Crossing, the Northern Hub, Cross-City, Bus Corridor and the redevelopment of Victoria Station

→ Provide an expanded, diverse, high-quality housing offer that is attractive to and helps retain economically active residents in the city, ensuring that the growth is in sustainable locations supported by local services and the public transport infrastructure. This will include maximising the opportunities through Manchester Place, Manchester Life and the Housing Investment Fund, and to be able to react flexibly to deliver an attractive housing offer for the city

→ Deliver a Schools Capital Programme to support new and expanded high-quality primary and secondary school facilities for a growing population
Support businesses and residents to create thriving district centres with an appropriate retail, amenities and public service offer.

Continue to promote investment to secure an internationally competitive cultural and sporting offer, and sustain core lifestyle assets such as parks, leisure facilities and libraries within the city.

The Council continues to invest in a varied capital programme, including:

- Highways
  - Highways Planned Maintenance Programme
  - Cycling Schemes
  - Bus Priority Programme
- Growth and Neighbourhoods
  - Waste and Recycling Programme
  - Street Lighting
  - Co-op Regeneration Project
  - Cultural facilities
  - Beswick Community Hub
  - Leisure and Sports facilities
  - Asset Management Programme
  - Strategic acquisitions
- Public Sector Housing Programme
- Private Housing Assistance Programme
- Children’s Services
  - Basic Need Programme (schools additional places)
  - Schools Maintenance Programme
  - Building Schools for the Future
- ICT Investment Programme
- Housing Investment Fund (on behalf of Greater Manchester).

The Council spent £246.6million on capital projects in 2015/16, which is summarised in the following table.

This was against a budget of £263.2million, equating to 94% delivery of planned capital schemes.

More details can be found in note 28 of the Core Financial Statements.
For the purposes of the accounts, capital expenditure is broken down between spend on Council assets, spend on non-Council properties, and long-term debtors, as shown in the table below.

<table>
<thead>
<tr>
<th>Description</th>
<th>2014/15 £m</th>
<th>2015/16 £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-current assets (property, plant and equipment, investment properties, assets held for sale and intangible assets)</td>
<td>146.8</td>
<td>152.2</td>
</tr>
<tr>
<td>Revenue expenditure funded from Capital under Statute (capital expenditure on non-Council properties, eg. academies and grants to organisations for capital expenditure on their properties)</td>
<td>44.0</td>
<td>68.5</td>
</tr>
<tr>
<td>Long-term debtors (loans given to external organisations related to the Council) including £20.2million granted to organisations on behalf of Greater Manchester</td>
<td>1.7</td>
<td>25.9</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>192.5</strong></td>
<td><strong>246.6</strong></td>
</tr>
</tbody>
</table>
A summary of capital spend against budget is shown in the following table. Further details are contained in the outturn report to the Executive on 1 June 2016.

<table>
<thead>
<tr>
<th>Manchester City Council programme</th>
<th>Outturn £m</th>
<th>Budget £m</th>
<th>Variation £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highways</td>
<td>27.7</td>
<td>27.4</td>
<td>0.3</td>
</tr>
<tr>
<td>Growth and Neighbourhoods</td>
<td>81.0</td>
<td>94.0</td>
<td>(13.0)</td>
</tr>
<tr>
<td>Housing – General Fund</td>
<td>19.3</td>
<td>16.6</td>
<td>2.7</td>
</tr>
<tr>
<td>Housing – HRA</td>
<td>25.4</td>
<td>27.0</td>
<td>(1.6)</td>
</tr>
<tr>
<td>Children’s Services</td>
<td>63.5</td>
<td>71.1</td>
<td>(7.6)</td>
</tr>
<tr>
<td>ICT</td>
<td>9.1</td>
<td>15.6</td>
<td>(6.5)</td>
</tr>
<tr>
<td>Corporate Services</td>
<td>0.4</td>
<td>0.6</td>
<td>(0.2)</td>
</tr>
<tr>
<td>Manchester City Council total</td>
<td>226.4</td>
<td>252.3</td>
<td>(25.9)</td>
</tr>
<tr>
<td>Projects carried out on behalf of Greater Manchester</td>
<td>20.2</td>
<td>10.9</td>
<td>9.3</td>
</tr>
<tr>
<td><strong>Total capital outturn</strong></td>
<td><strong>246.6</strong></td>
<td><strong>263.2</strong></td>
<td><strong>(16.6)</strong></td>
</tr>
</tbody>
</table>
The financing of this expenditure was by the following methods:

<table>
<thead>
<tr>
<th></th>
<th>2014/15 £m</th>
<th>2015/16 £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Borrowing</td>
<td>22.0</td>
<td>55.3</td>
</tr>
<tr>
<td>Government grants</td>
<td>62.3</td>
<td>80.4</td>
</tr>
<tr>
<td>External contributions</td>
<td>18.4</td>
<td>26.2</td>
</tr>
<tr>
<td>Capital receipts</td>
<td>24.7</td>
<td>33.6</td>
</tr>
<tr>
<td>HRA Major Repairs reserve</td>
<td>24.2</td>
<td>25.2</td>
</tr>
<tr>
<td>Revenue contributions</td>
<td>40.9</td>
<td>25.9</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>192.5</strong></td>
<td><strong>246.6</strong></td>
</tr>
</tbody>
</table>

The preceding pages provide a summary of the Council’s revenue and capital spend compared to the budget, together with details of how the capital expenditure was funded.
Introduction to Manchester City Council’s Annual Accounts

The annual statement of accounts has been prepared in accordance with the 2015/16 Code of Practice on Local Authority Accounting (the Code) and International Financial Reporting Standards (IFRS). Changes in accounting requirements over the past few years have led to an increase in complexity of the accounts and the level of detail they contain.

One of the purposes of this introduction is to provide a guide to the Council’s accounts and the most significant financial matters contained within the statements.

These accounts contain a glossary of financial terms that are intended to assist the reader to understand the specialist accounting terms contained within the Statement of Accounts.

The Accountancy Code of Practice requires that the Council’s accounts are set out with the core financial statements grouped together, followed by detailed notes, the supplementary statements and the Group Accounts.

The core financial statements are:

→ The Movement in Reserves Statement (MIRS)
→ The Comprehensive Income and Expenditure Statement (CIES)
→ The Balance Sheet
→ The Cash Flow Statement.

Each statement is preceded by a note explaining its purpose and followed by notes explaining the main items within the statements.

These are followed by three further sections:

→ The Housing Revenue Account (HRA) – costs and income of owning and maintaining Council properties that are let to tenants. The costs and income are also shown within the main statements.
→ The Collection Fund Account – the collection of local taxes (council tax and national non-domestic rates) and their distribution to the Council, the Government, the Greater Manchester Police and Crime Commissioner, and Greater Manchester Fire and Rescue Authority.
→ The Group Accounts – the full extent of the Council’s economic activities and the Council’s involvement with its group companies and organisations.

These are also followed by notes explaining the statements.

Accounting changes

The way the accounts are presented is governed by the accounting policies that the Council has to follow. The accounting practice governing local authority accounts has undergone major changes over the past few years in order to bring public-sector accounting in line with that of the private sector. The most significant change was the move to accounting in accordance with International Financial Reporting Standards (IFRS) in 2010/11. These accounts are compliant with the IFRS-based code.

The accounting changes in 2015/16 relate to the adoption of IFRS 13 Fair Value Measurement, requiring local authorities to measure their assets and liabilities and provide disclosures in accordance with IFRS 13.
The Code confirms that the measurement bases used for operational property, plant and equipment should focus on valuing their service potential and thus the operating capacity used to deliver local-authority goods and services.

This enables the Council to use International Accounting Standard IAS 16, which enables the use of current value for the measurement of property, plant and equipment. The measurement requirements for operational property, plant and equipment are therefore unchanged from previous years.

The only change is that from 1 April 2015 surplus assets are valued at fair value based on the highest or best use of the asset from a market participant’s perspective, and investment properties are measured at fair value – highest and best use. The fair value reflects market conditions at the balance sheet date. Previously, surplus assets were valued based on existing use.

The accounting policies are set out in note 1 to the Financial Statements.

**Policy changes**

The accounts reflect three significant policy changes that were implemented from 1 April 2015.

**Better Care Fund**

The Manchester Better Care Fund (BCF) commenced on 1 April 2015. It has been established by the Government to provide funds for local areas to support the integration of health and social care. It is a requirement of the BCF that the three Manchester Clinical Commissioning Groups (CCG) and the Council establish a pooled fund for this purpose. The Council and CCGs have agreed that the Council should be the host for the fund, which totals £43.861million.

The CCGs and the Council have agreed that the BCF should be accounted for as a joint operation, and as a result each accounts for its share of the fund’s assets, liabilities, expenditure and income.

Further details are shown in note 10 of the Financial Statements.

**Greater Manchester and Cheshire East Business Rates Pool**

The first year of the Greater Manchester and Cheshire East Business Rates Pool was 2015/16. The purpose of pooling rates across the authorities is not intended to alter an individual authority’s income levels, but to retain any levy that might be payable by an authority to the Government.

All members of the Pool retain the business rates income they would have received had no pool existed.

For those authorities generating a levy payment to be retained by the Pool, Cheshire East retains 50%, Trafford retains 33.3%, and Stockport retains 33.3%.

Where pooling generates a net gain, an agreed element yet to be determined will be allocated to a contingency fund to enable the Pool to offer a protection mechanism to authorities that may otherwise receive a safety net payment from the Government. The remainder will be on a basis to be agreed by the Greater Manchester Combined Authority and Cheshire East Council to benefit the region.
The summary of the Pool position is shown below:

<table>
<thead>
<tr>
<th>Local authority</th>
<th>Levy saving £000</th>
<th>Retained by local authority £000</th>
<th>Retained by Pool £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cheshire East</td>
<td>26</td>
<td>13</td>
<td>391</td>
</tr>
<tr>
<td>Stockport</td>
<td>34</td>
<td>11</td>
<td>23</td>
</tr>
<tr>
<td>Trafford</td>
<td>2,249</td>
<td>750</td>
<td>1,499</td>
</tr>
<tr>
<td></td>
<td>2,309</td>
<td>774</td>
<td>1,535</td>
</tr>
</tbody>
</table>

Less administration costs (19)

Retained by Pool 1,516

The amount retained by the Pool has been transferred to the Association of Greater Manchester Authorities.

**Business Rates Growth Retention Pilot**

In the 2015 Budget, the Chancellor of the Exchequer announced a pilot to retain 100% of additional business rate growth in Greater Manchester and Cheshire East. The scheme set a growth baseline above which named authorities, including Manchester, would retain 100% of growth.

Forty-nine per cent of the additional growth is allocated to the metropolitan authority and 1% to the fire and rescue authority. This equates to £2.528million for Manchester. No decision has yet been taken on how this will be allocated within Greater Manchester. No income relating to this growth has been recognised in the financial statements, as the relevant Parliamentary Order has not yet been laid.
The Financial Statements

The Council’s Movement in Reserves Statement
This shows the movement in the Council’s reserves from 1 April 2014 to 31 March 2016. The reserves are split between usable (those that can be used to finance expenditure) and unusable (those that contain technical accounting adjustments and cannot be used to finance expenditure). Of the usable reserves, only the general reserve has not been allocated for specific purposes. The usable reserves are cash-backed. The unusable reserves are mostly non-cash-backed.

The Council’s Comprehensive Income and Expenditure Statement
This shows the accounting cost of Council activities, including the notional accounting entries that have to be made, as well as the actual money spent and funded by council tax. The statement is broken down into three sections:

→ The Net Cost of Services
→ Corporate Items
→ Council-wide Items.

The Net Cost of Services is the cost of providing the Council’s services. This is different to that reported in the revenue monitoring reports, as it includes accounting adjustments for items such as depreciation and impairment. These would be a significant cost in a commercial organisation, but legislation is in place that ensures these costs do not have to be funded by council tax or housing rent-payers. These items are therefore transferred to unusable reserves in the Movement in Reserves Statement.

The Net Cost of Services (including the technical accounting adjustments) totals £484.791 million. Details of the main accounting adjustments are shown in the notes to the Financial Statements. Impairment of property, plant and equipment, and investment properties of £87.0.50 million are shown within note 5 of the Financial Statements. Note 6 shows the notional depreciation of £37.793 million.

Corporate Items include real expenditure, such as levies paid and payments made in relation to the pooling of HRA capital receipts, and technical adjustments, such as the loss on the disposal of non-current assets (including schools transferred to academies). This is called Other Operating Expenditure and totals £81.797 million.

Council-wide Items contains interest paid and received; investment property rentals received; the change in values of investment properties (net income totalling £7.048 million); general income due to the Council from Council taxpayers and National Non-Domestic ratepayers (NNDR); and general Government grants, including grants to fund capital expenditure (£36.744 million). These items total £523.457 million.

These three sections are totalled to produce an overall deficit on the provision of services (£36.083 million). This is a notional deficit, as it includes the technical accounting adjustments. The table below sets out the impact of these adjustments.

The Total Other Comprehensive Income and Expenditure section of the CIES reconciles to the movement in the balance sheet by adding the deficit on the provision of services to the revaluation of non-current assets and available for sale investments plus remeasurements of the defined benefit pension scheme.
The Movement in Reserves Statement adjusts the deficit on the provision of services to remove any accounting entries that do not impact on the level of council tax or housing rents. After these items are removed, the change in the level of reserves is shown.

The table below shows the reconciliation of the deficit in the Consolidated Income and Expenditure Statement to the contribution to reserves.

<table>
<thead>
<tr>
<th></th>
<th>General fund £000</th>
<th>HRA £000</th>
<th>Total £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Surplus)/deficit in year in the Comprehensive Income and Expenditure Statement</td>
<td>53,891</td>
<td>(17,808)</td>
<td>36,083</td>
</tr>
<tr>
<td>Items that do not affect council tax or housing rents</td>
<td>(54,259)</td>
<td>18,484</td>
<td>(35,775)</td>
</tr>
<tr>
<td><strong>Contribution (to)/from reserves</strong></td>
<td><strong>(368)</strong></td>
<td><strong>676</strong></td>
<td><strong>308</strong></td>
</tr>
</tbody>
</table>

Note 6 of the Accounts shows the items that do not affect the level of council tax or housing rents.
The Council’s Balance Sheet
This shows the total assets, liabilities and reserves (net worth) of the Council.

The net worth (total reserves) of the Council is £1,776.234million. This is split between usable reserves (£383.624million) and unusable reserves (£1,392.610million).

Usable reserves
The usable reserves are held for the following purposes:

<table>
<thead>
<tr>
<th>Type of reserve</th>
<th>31 March 2015 £000</th>
<th>31 March 2016 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reserves held for capital purposes, including capital receipts and capital grants unapplied</td>
<td>99,566</td>
<td>65,540</td>
</tr>
<tr>
<td>School reserves (this belongs to schools and is for their use only)</td>
<td>31,606</td>
<td>28,782</td>
</tr>
<tr>
<td>Statutory reserves that have to be set aside</td>
<td>8,947</td>
<td>9,529</td>
</tr>
<tr>
<td>Reserves held for PFIs to meet contracted future costs</td>
<td>3,215</td>
<td>1,970</td>
</tr>
<tr>
<td>Reserves held to smooth risk or for assurance, including the insurance reserve of £17.481million</td>
<td>48,716</td>
<td>59,410</td>
</tr>
<tr>
<td>Business rates reserves, including safety net reserve in 2014/15</td>
<td>32,851</td>
<td>8,717</td>
</tr>
<tr>
<td>Revenue reserves held to support capital, including the Capital Fund</td>
<td>51,809</td>
<td>60,012</td>
</tr>
<tr>
<td>Reserves held to encourage economic growth or for public-sector reform</td>
<td>29,555</td>
<td>17,866</td>
</tr>
<tr>
<td>Small specific reserves</td>
<td>2,162</td>
<td>1,965</td>
</tr>
<tr>
<td>Grants and contributions held to meet expenditure commitments over more than one year</td>
<td>23,196</td>
<td>16,346</td>
</tr>
<tr>
<td>Housing Revenue Account reserve (£34.845million earmarked for future PFI payments and other potential liabilities)</td>
<td>86,686</td>
<td>86,010</td>
</tr>
<tr>
<td>General Fund reserve (after transfer to social care reserve in 2015/16)</td>
<td>27,109</td>
<td>27,477</td>
</tr>
</tbody>
</table>

Details of changes in these reserves are shown in note 38 of the financial statements.

While these are classed as usable reserves, all but the general reserve are earmarked for specific expenditure or risks. Therefore the only uncommitted reserve is the general fund reserve.
Unusable reserves
Unusable reserves are kept to manage the accounting treatment for non-current assets and retirement benefits. They are not resources that can be used by the Council.

The unusable reserves are shown in the table below:

<table>
<thead>
<tr>
<th>Unusable reserve</th>
<th>31 March 2015 £000s</th>
<th>31 March 2016 £000s</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revaluation reserve</td>
<td>850,834</td>
<td>864,440</td>
</tr>
<tr>
<td>Available-for-Sale Financial Instruments reserve</td>
<td>1,811</td>
<td>3,852</td>
</tr>
<tr>
<td>Pensions reserve</td>
<td>(1,012,249)</td>
<td>(783,824)</td>
</tr>
<tr>
<td>Capital Adjustment account</td>
<td>1,278,141</td>
<td>1,295,891</td>
</tr>
<tr>
<td>Deferred Capital Receipts reserve</td>
<td>2,014</td>
<td>2,232</td>
</tr>
<tr>
<td>Financial Instruments Adjustment account</td>
<td>(1,446)</td>
<td>1,469</td>
</tr>
<tr>
<td>Collection Fund Adjustment account</td>
<td>(30,008)</td>
<td>14,938</td>
</tr>
<tr>
<td>Short-term Accumulated Absences account</td>
<td>(5,867)</td>
<td>(6,388)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,083,230</strong></td>
<td><strong>1,392,610</strong></td>
</tr>
</tbody>
</table>
The negative pensions reserve of £783.824 million has decreased by £228.425 million from the previous year. This matches the pension liability in the balance sheet as measured under International Accounting Standard IAS 19. This is as a result of an increase in the net discount rate over this period; the positive impact of this has outweighed the likely lower-than-expected asset returns.

The decrease in usable reserves of £61.794 million is mainly due to:
- Use of major repairs reserve and capital grants unapplied reserve to fund the capital programme: £34.026 million
- Use of business rates safety net reserve to fund the brought-forward business rates deficit: £27.247 million.

The increase in unusable reserves of £309.380 million is mainly due to:
- £228.425 million decrease in the minus pension reserve following the IAS 19 actuarial valuation of the pension liability as outlined above
- £1.260 million increase in revaluation reserve due to revaluations of non-current assets, including heritage assets, during 2015/16
- £44.946 million increase in the collection fund adjustment account mainly due to the Council’s share of business rates
- £23.922 million increase in the capital adjustment account.

The increase in the net worth is matched by an increase in value of net assets of the Council of £247.586 million.

Borrowing limit
In 2015/16, the Council had an authorised borrowing limit of £1,261.8 million (£1,045.8 million for external debt and £216 million for other long-term liabilities such as PFIs and finance leases). The actual level of external debt at 31 March 2016 was £534.019 million. The reason for the variance is that the limit is designed to allow flexibility.

Owing to positive cash flows the Council did not need to undertake the budgeted level of borrowing during the financial year.

The external debt is made up of the following figures on the balance sheet:

<table>
<thead>
<tr>
<th></th>
<th>2014/15 £000s</th>
<th>2015/16 £000s</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long-term borrowing</td>
<td>509,638</td>
<td>501,785</td>
</tr>
<tr>
<td>Short-term borrowing</td>
<td>21,942</td>
<td>32,234</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>531,580</strong></td>
<td><strong>534,019</strong></td>
</tr>
</tbody>
</table>
While the 2015/16 Capital Programme was funded by borrowing £55.263million, the debt outstanding at 31 March 2016 has only increased by £2.439million, as the Council’s Treasury Management Strategy is to use cash-backed reserves, i.e. internal borrowing in lieu of external borrowing.

This is due to historic low investment rates not providing the Council with value on its investments when compared to using cash instead of borrowing, as borrowing rates are substantially higher than investment returns.

**The Council’s Cash Flow Statement**

This shows the reasons for the change in cash, cash equivalents (investments made for a period of less than three months), and the bank balance during the year. The cash balance at 31 March 2016 had reduced by £27.722million from 31 March 2015. This is mainly due to the use of cash balances to fund capital spend (internal borrowing) rather than undertaking borrowing.

**Major acquisitions and disposals**

The Council’s significant acquisitions of plant, property and equipment during 2015/16 included:

- The former Manchester University recreation fields at Lytham Road: £4.6million;
- Platt Lane Football Complex: £3.1million;
- land at Central Park: £4.3million; and
- land at New Elm Road: £8.5million.

Significant disposals in 2015/16 included schools that transferred to academy status. Their value upon disposal was £7.2million. Other significant disposals were Ewing School: £4.3million; Platt Lane Football Complex: £3.1million; Hardman Boulevard: £3.3million; land near Manchester Airport: £2.5million; and land at Miller Street: £0.8million.

**Private Finance Initiatives (PFI)**

PFIs involve a private-sector contractor building or improving non-current assets used in the provision of public services and operating and maintaining the asset for an agreed period of time.

At 31 March 2016, the Housing Energy Services, Miles Platting Housing, Plymouth Grove Housing, Temple School, Wright Robinson Sports College, Street Lighting and Brunswick Housing schemes were ongoing.

The Housing schemes are funded by both PFI grant and the housing revenue account. The school schemes are funded by both PFI grant and the Dedicated Schools Grant (DSG). The street lighting scheme is funded by both PFI grant and Council resources. Further details on these schemes are shown in note 8.
Private Public Partnership (PPP) Schemes
The Council has developed the following PPP Schemes with private-sector contractors to provide services for the Council and its residents:

→ Manchester Working – during 2006/07 the Council established a partnership arrangement with Morrison PLC for the provision of building maintenance services for the Council and Northwards Housing.

→ Indoor Leisure PPP – the renovation, maintenance and management of some indoor leisure facilities has been undertaken via a trust for more than ten years. A contract was awarded to Greenwich Leisure Ltd for the period 1 September 2014 to 31 March 2018, with an option to extend for a further two years. The contract includes the management of leisure centres, some Activity Lifestyle service delivery, and school-swimming instruction.

→ Wythenshawe Forum PPP – the Council has established a trust, which has responsibility for the renovation, maintenance and facilities management of Wythenshawe Forum.

→ Car Parks Partnership – the Council has entered into a partnership with National Car Parks Limited to manage its car parks.

→ Eastlands Trust – the Council has established a trust, which has responsibility for the management of the National Cycling Centre, the National Squash Centre, the National Taekwondo Centre, the Regional Athletics Centre, the Regional Tennis Centre, the Regional Gymnastics Centre, and Belle Vue Leisure Centre/Regional Hockey Facility.

Events after the balance sheet date
Events after the balance sheet date are those events that occur between the end of the reporting period (ie. 31 March) and the date when the Statement of Accounts is authorised for issue. The Council is required to disclose any material events as a note to the accounts. The following events have therefore been included.

Business rates
On 1 April 2016, Cheshire West and Chester Council joined the Greater Manchester and Cheshire East Councils in the Greater Manchester and Cheshire Business Rates Pool.

Further details of this post-balance sheet event are shown in note 53 of the financial statements. Post-balance sheet events have been reviewed up to the date that the accounts have been authorised for issue by the City Treasurer.

The Council’s Group Accounts
The Council conducts activities through a variety of undertakings, either under ultimate control, or in partnership with other organisations. The standard financial statements consider the Council as a single entity accounting for its interests in other undertakings as investments. For a full picture of the Council’s involvement in other activities, group accounts are prepared. These reflect the figures contained in the single-entity accounts consolidated with figures for the Council’s material subsidiaries, associates and joint ventures.

Subsidiaries are defined as organisations the Council controls by having power over the organisation, exposure or rights to variable returns from its investment, and the ability to use its power over the organisation to affect the amount of the return. The subsidiary considered to be material is Destination Manchester Limited.
Associates are defined as organisations where the Council has significant influence. Significant influence is defined as the power to participate in financial and operating policy decisions of the investee. The assumption is that a holding of more than 20 per cent of the voting power of an investee would bring significant influence. The Council has no associates considered to be material.

Joint ventures are defined as arrangements under which two or more parties have contractually agreed to share control such that decisions about activities significantly affecting returns require the unanimous consent of the parties sharing control that have the rights to the net assets of the arrangement. The joint venture considered to be material is Manchester Airports Holdings Ltd.

In producing the group accounts, the Council is required by the CIPFA Code of Practice on Local Authority Accounting to make consolidation adjustments to take account of any differences in accounting policies between the Council and its subsidiaries, associates and joint ventures so that the group accounts are prepared on a standard set of policies.

Land and buildings in the Council’s single-entity accounts are valued at current value (i.e. the amount that would be paid for an asset in its existing use). Where sufficient market evidence is not available, the value is estimated at depreciated replacement cost, using the modern equivalent asset method (i.e. the market value of the land on which the building sits plus the current gross replacement cost of the building less an allowance for physical deterioration of the building).

Manchester Airport Holdings Limited (MAHL) accounts are prepared using deemed cost for land and buildings. Deemed cost is the cost or valuation of assets at 1 April 2005. Consequently, property, plant and equipment is included in MAHL’s accounts at cost or deemed cost less accumulated depreciation. A valuation of MAHL’s land and building assets has been undertaken in order to align the accounting policy with that of the Council. This valuation has been used for the Council’s group accounts.

A valuation of DML’s land and building assets has been undertaken in order to align the accounting policy with that of the Council. This valuation has been used for the Council’s group accounts.

All other accounting policies within the group have been aligned to those of the Council.

The Group Accounts contain the Group Movement in Reserves Statement, the Group Consolidated Income and Expenditure Statement, the reconciliation of the single-entity deficit to the group surplus/deficit, the Group Balance Sheet, the Group Cash Flow Statement, and notes to the Group Accounts.
Further information

We aim to be responsive and accountable to the residents of Manchester. Please contact us if you have any questions or comments about our Annual Report.

Write to us at:
Performance, Research and Intelligence
Level 3
Town Hall Extension
Manchester
M60 2LA
Email: c.brightwell@manchester.gov.uk

Further information about the Council's Annual Statement of Accounts is available upon request from the following address:
Financial Accountancy
Corporate Services Department
Town Hall
Manchester
M60 2LA
Email: financial.accountancy@manchester.gov.uk

The Annual Statement of Accounts, including the 'Notes to the Core Financial Statements' can be viewed in greater detail on the Council's website: www.manchester.gov.uk/info/200110/budgets_and_spending/864/annual_statement_of_accounts

Please contact us at the above address if you have any comments on the presentation of the Annual Statement of Accounts.

The Summary Accounts that provide a more user-friendly version of the accounts can also be viewed on the website.