

**Manchester City Council
Report for Resolution**

Report to: Executive – 7 February 2018
Economy Scrutiny Committee - 31 January 2018
Neighbourhoods and Environment Scrutiny Committee – 31 January 2018
Resources and Governance Scrutiny Committee - 1 February 2018

Subject: Strategic Development Budget and Business Planning: 2018-2020

Report of: Strategic Director, Development

Purpose of the Report

This report provides a high level overview of the priorities to be delivered in Strategic Development throughout 2018-2020. This report should be read together with the accompanying delivery plans which set out the performance, financial, risk management and workforce monitoring framework.

In the Budget and Business Plan for the period 2017-2020, directorates set out their proposed savings in the context of their objectives. This report sets out both the progress made to date in delivering these savings and the directorate's focus over the next two years of the three year plan. The accompanying refreshed delivery plans provide a framework that will be used throughout 2018-2020 to monitor performance towards objectives, workforce development, risk and financial outturn. Taken together, the five directorate reports and delivery plans show how the directorates will work together and with partners to progress towards the vision set out in the Our Manchester Strategy.

Recommendations

Executive is recommended to approve the final proposals in this report and that these are included in the budget to Council.

Wards Affected: All

Manchester Strategy Outcomes	Summary of the Contribution to the Strategy
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	Providing leadership to support, promote and drive the role and continuing growth of the city centre as a major regional, national and international economic driver; as the main focus for employment growth through a strengthening and

	diversification of its economic base and through the efficient use of land.
A highly skilled city: world class and home grown talent sustaining the city's economic success	Supporting the delivery of a Schools Capital Programme which will provide new and expanded high quality primary and secondary school facilities for a growing population through the identification of suitable sites which can support our wider transformation proposals for neighbourhoods in the city.
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	Creating places where residents and partners actively demonstrate the principles of Our Manchester.
A liveable and low carbon city: a destination of choice to live, visit, work	Actively manage the impact of a growing population and economy to minimise the city's carbon emissions through planning and working with partners across the City to move towards becoming a zero carbon city by 2050.
A connected city: world class infrastructure and connectivity to drive growth	Contribution to population and economic growth by providing an expanded, diverse, high quality housing offer that is attractive, affordable and helps retain economically active residents in the City, ensuring that the growth is in sustainable locations supported by local services, an attractive neighbourhood and the provision of new and enhanced physical and digital infrastructure.

Full details are in the body of the report, along with implications for

- Equal Opportunities
- Risk Management
- Legal Considerations

Financial Consequences for the Capital and Revenue Budgets

The proposals set out in this report form part of the draft revenue budget submitted to the Executive on 7 February 2018.

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Background documents (available for public inspection):

Strategic Development Budget and Business Plan: 2017/18 -2019/20 - Executive –
8 February 2017

1.0 About the Strategic Development Directorate

1.1 The Directorate has a pivotal role in securing new commercial development, attracting inward investment and securing employment growth, along with providing leadership to the Council's Housing function and delivering the City Council's Residential Growth Strategy which seeks to underpin the city's economic growth trajectory. The management of the City Council's land and property assets to promote growth is closely aligned with the management of the City Council's operational and investment estates.

1.2 Services within the Directorate make a significant contribution to the delivery of the Our Manchester Strategy in respect of a number of priority outcomes. The Strategy proposes to create a City:

- With a competitive, dynamic and sustainable economy;
- With distinctive strengths in science, advanced manufacturing, culture, creative and digital business, cultivating and encouraging new ideas;
- With highly skilled, enterprising and industrious people;
- That is connected, internationally and within the UK;
- That plays its full part in limiting the impacts of climate change;
- Where residents from all backgrounds feel safe, can aspire, succeed and live well; and
- That is clean, attractive, culturally rich, outward looking and welcoming.

1.3 The challenge for the future is to drive transformation of the city, to define Manchester as an attractive place to live and further improve the quality of life for all residents and increase their overall social and economic prospects, and enable them to participate fully in the life of the city. Within this context the Directorate will seek:

- to support, promote and drive the 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;
- to support investment in transport infrastructure which will lay the foundations to underpin and drive new commercial and residential growth opportunities over the next ten to fifteen years;
- to 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;
- To support the delivery of a Schools Capital Programme which will provide new and expanded high quality primary and secondary school facilities for a growing population through the identification of suitable sites which can support our wider transformation proposals for neighbourhoods in the city;
- to underpin the transformation of the city's district centres with appropriate retail, amenities and public service offer; and

- to promote investment to secure an internationally competitive cultural and sporting offer and sustaining core lifestyle assets such as parks, leisure facilities and libraries within the City.
- 1.4 Over the next two years of this three year approach the following areas of activity will frame the Directorate's core priorities.
- 1.5 Following the tragic Grenfell Tower fire in June 2017 the Council has taken swift action to assure residents of the safety of the city's tower blocks. Each social landlord has reviewed the insulation and rain screen cladding (if any) on its tower blocks, revisited the latest Fire Risk Assessments and reconsidered its policy in the event of a fire in one of its flats. A decision has been made to install sprinkler systems in all Council owned residential tower blocks and consultation with residents is underway. The service has also coordinated the Council's response to Government including gathering data and information on all private sector tower blocks in the City. The service will continue to coordinate any necessary enforcement action and contribute and respond to the outcomes of the Grenfell enquiry and Government review of social housing.
- 1.6 A wide range of complex commercial and residential led mixed use developments within the city centre are currently being delivered, these include amongst others:
- St John's area working with Allied London including the new Factory Arts Centre which will provide a world class artistic offer not previously available in Manchester at this scale;
 - Revised plans have been submitted for the £200m St Michaels mixed-use scheme in the city centre working with the Jacksons Row Development Partnership;
 - First Street is being further developed with ASK / Patrizia UK to establish over 620 new city centre apartments. The next phase of commercial development at First Street Central is also nearing completion with further phases planned;
 - NOMA with Hermes continues into the next phase of development including residential development at Angel Meadow and continuation of the refurbishment and occupation of the listed estate, providing new commercial and leisure space. The next phase of development is being planned;
 - Piccadilly Basin with Town Centre Securities;
 - Mayfield with U&I;
 - Great Northern, Manchester Central and Castlefield Quay with Ask/Patrizia and Resolution / Peterson Group;
 - Circle Square with Bruntwood;
 - Great Jackson Street with a number of housebuilders; and
 - Corridor Manchester with the Corridor Partnership
- 1.7 In addition to the above schemes there are new initiatives being shaped as part of planning for the city centre's future growth, these include the Piccadilly

Station environs to accommodate High Speed 2 (HS2), Northern Powerhouse Rail and Northern Hub. A revised Strategic Regeneration Framework is being produced in order to maximise the opportunities from the proposed transport investment at Piccadilly Station.

1.8 Extending eastwards and northwards out of the City Centre two major residential - led regeneration opportunities are now being progressed:

- The Eastern Gateway: After a period of hiatus following the economic downturn that commenced in 2008, significant development is now taking place in the neighbourhoods of Ancoats and New Islington; with great impetus being provided by the Joint Venture Partnership established between the City Council and the Abu Dhabi United Group (ADUG) known as “Manchester Life”. The Joint Venture will deliver 302 residential completions during 2017/18, with a further 1,200 units on-site or due to start on site imminently. The aspiration is that the Joint Venture will deliver up to 6,000 new homes in total over the next few years on the eastern edge of the City Centre, connecting the City Centre to the Etihad Campus. The Manchester Life JV, the Council’s existing landholdings and the relationship with One Manchester, the largest Registered Social Landlord in the area, provides great opportunities for housing growth and improvements to existing stock.
- The Northern Gateway: The adjacent neighbourhoods of Lower Irk Valley, New Cross and Collyhurst comprise a 120 hectare development opportunity which could accommodate in excess of 10,000 new homes over a ten to fifteen year period. The City Council entered into a Joint Venture Partnership with Far East Consortium International Limited in April 2017 to drive forward this opportunity and initial development proposals will emerge during 2018/19.

1.9 Outside of the City Centre and the Northern and Eastern Gateways commercial led mixed use development opportunities will focus on a limited number of locations where we will have a direct land ownership interest:

- Central Park;
- The Etihad Campus
- the Airport City Enterprise Zone (including plans for the HS2 Station at Manchester Airport that integrates with Northern Powerhouse Rail);
- Siemens Princess Road Campus;
- Wythenshawe Town Centre; Harpurhey District Centre and Moston Lane;
- Growth and expansion of the three City Council owned digital assets (The Sharp Project, The Space Project and One Central Park) will continue to be supported.

1.10 Residential led / mixed use development opportunities will focus on:

- preparing and delivering plans associated with the initial four Housing Affordability Zones (the Central Estates Zone in North Manchester; the

Clayton Zone; the Beswick Zone; and the Wythenshawe Town Centre Zone) and ensuring these plans are fully integrated into wider opportunities adjacent to such Zones;

- managing existing development agreements on key sites across the city with developers such as Redrow Homes in North Manchester and Lovell Homes in East Manchester;
- managing our partnerships that underpin the Council's three Housing PFI schemes in Grove Village, Miles Platting and Brunswick; and
- the ongoing transformation of the West Gorton estate, in conjunction with residential development partner Keepmoat Homes.

1.11 Other commercial and residential development opportunities will arise where the Council has no direct land interest – in these instances the Council will revert to enabling such opportunities where they support the city's ambitions. In the short term this would include working with Manchester Metropolitan University and the Manchester College on the disposal of their surplus estate plus working with Greater Manchester Pension Fund on the development of key assets such as Chorlton District Centre.

1.12 In addition to supporting the commercial and residential growth activities set out above the Directorate also has responsibility for managing the City Council's Investment Estate. The Investment portfolio comprises around 4,300 separate interests. The majority of these are peppercorn and income producing ground lease interests but the Council also manages a number of commercial and retail premises and managed buildings. These assets play a key role in helping transform the city as a key driver of the growth and place making agenda whilst at the same time playing an important role in the generation of rental income and capital receipts. The most valuable asset in the Council's estate is Manchester Airport, where the Council has a 58% share of income from the Terminal 1 and Terminal 2 leases and 100% interest in a separate lease with the Manchester Airport Group. The combined rental from the Terminal 1&Terminal 2 Airport leases is circa £9m pa with an additional £1.3m from other MCC Airport leases. The investment estate generates budgeted net total income of £14.457m per annum derived primarily from rents but also includes fees for the release of restrictive covenants and easements, licences for the short term use of land and property, and interest on investments.

1.13 The management of the City Council's Operational Estate and the delivery of FM services is now aligned with our workforce and IT strategies in order to ensure the efficient use of that asset base in a manner that underpins the delivery of our and other public services. The delivery of the five year Operational Estates Plan is key to this approach.

Budget Consultation

1.14 As part of the three-year budget setting process last year, more residents than ever before were involved in a conversation about what mattered to them, over 4,250 people got involved over 3 phases of consultation. This information was used to inform the Council's spending plans for the next three years.

- 1.15 Although there is no formal requirement to consult on this year's budget a commitment was made to ensure that the Council continues to inform and engage residents, businesses and council staff in the budget process. One of the ways this has happened this year is through 'Our Manchester Days', these take over days carries on the budget conversation - focusing on the areas that people told us matter most to them in the budget conversation. They highlight the services commissioned or delivered by the Council and go behind the scenes to meet our staff and partners.

2.0 Strategic Development - Vision

- 2.1 The Strategic Development Directorate seeks to drive effective place making, creating the necessary conditions needed to promote strong growth in commercial, residential, retail and leisure related development in the city, stimulating new employment, new homes and broadening the City Council's tax base.

3.0 Strategic Development – Objectives

- 3.1 The Manchester Strategy, Our Manchester, sets out a vision for 2025 of Manchester as a world class City which is:
- A Thriving and Sustainable City– with great jobs and the businesses to create them
 - Highly Skilled – full of talent both home grown and from around the world
 - Progressive and equitable – a fair city where everyone has an equal chance to contribute and to benefit
 - Liveable and low carbon – a great place to live with a good quality of life: a clean, green and safe city
 - Connected - both physically, with world class transport, and digitally, with brilliant broadband.
- 3.2 An overarching strategic objective is to ensure that the directorate's activity is aligned to the Our Manchester Strategy and that the Our Manchester approach is embedded throughout the directorate. The Our Manchester Strategy provides the overarching framework and priorities for action by the Council and partners from all sectors over the next 10 years. These priorities are known as the 64 'We Wills' and in order to be able to achieve these high-level goals there must be a radical change in the way that the council and other organisations across the city operate. This radical change is the Our Manchester approach.
- 3.3 The Our Manchester approach is a redefined role for the Council and public services as a whole. It puts people at the centre of everything we do, recognising that people are more important than processes, procedures or organisational boundaries, and changing the way that the council works to reflect this. It is about listening, then learning, then responding. It is about creating the capacity, interest, enthusiasm and expertise for individuals and communities to do things for themselves. Finally it is about working together more, by building long term relationships and having honest conversations

which give a say and role to both those who need services and those who provide them.

- 3.4 The Strategic Development Directorate serves the entire population of Manchester: some 560,000 Mancunians, its 20,000 businesses, communities and 1.2 million overseas visitors. The directorate has a pivotal role in securing the social, physical and economic future of the City and responsibility for driving residential and economic growth. This includes the development of opportunities to raise skill levels and creation of employment opportunities; the delivery of residential, commercial and cultural development; as well as supporting the Growth and Neighbourhoods Directorate to ensure that the City is clean and green, well maintained and safe and that residents take pride in their surroundings. Cultural and sporting excellence is at the heart of the growth agenda, for example, work to deliver the Factory in St John's and to expand the Etihad Campus, will continue to be a major regeneration catalyst for the city whilst at the same time bringing significant community benefits to our residents. The Northern Gateway will expand the city centre in a northern direction establishing sustainable residential led mixed use neighbourhoods. There is a significant opportunity to work with partners to embed an Our Manchester approach into the development of this new neighbourhood.
- 3.5 Together with the other Directorates of the Council, Strategic Development will deliver the shared vision and objectives set out in Our Manchester. The specific objectives for Strategic Development are:-

A Thriving and Sustainable City– with great jobs and the businesses to create them

- The continuing growth of the city centre as a major regional, national and international economic driver; ensuring growth through efficient use of land for development opportunities, such as: the Airport City Enterprise Zone; the Didsbury Technology Park; the Eastern Gateway and the Etihad Campus; St John's Quarter, Mayfield and the Corridor Enterprise Zone;
- Uphold Manchester's attractiveness as an international investment opportunity to build on the Capital Strategy and innovative models of co-investment in the City's future;
- Maintain and build confidence in Manchester's reputation as a destination City through the growth and improvement of its retail provision, the opportunities presented by its diverse cultural, sporting and leisure offer, together with its civic functions as a focus for residents and visitors;
- Ensuring residents, neighbourhoods, businesses and goods connect to local, national and international markets. Through working with partners both internally and externally maximise the impact of the provision of new and enhanced physical and digital infrastructure such as High Speed Rail (HS2, Northern Powerhouse Rail and Northern Hub), bus reform, and new walking and cycling infrastructure and
- Work with partners to actively manage the impact of a growing population and economy to minimise the city's carbon emissions through planning

and working with partners across the City to move towards becoming a zero carbon city by 2050.

A Highly Skilled city– full of talent both home grown and from around the world

It is important that the City has a work and skills system, which meets the growth needs of all businesses and enables residents from all backgrounds to obtain the skills and attributes that employers require. Whilst Growth and Neighbourhoods will take the lead, Strategic Development will support this work and recognise that to achieve this there is a need to:

- Maximise employment opportunities for Manchester residents, leveraging, in particular, where the City Council has a strategic development, planning, procurement or commissioning role and
- Ensure that business start-up and growth services deliver a quality offer for the City's businesses and facilitate more of the City's residents to start a business or pursue self-employment.

A Progressive and Equitable City– a fair city where everyone has an equal chance to contribute and to benefit

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

A Liveable and Low Carbon City – a great place to live with a good quality of life: a clean, green and safe city and

A Connected City- both physically, with world class transport, and digitally, with brilliant broadband.

- Create places where people want to live with good quality housing of different tenures; inclusive neighbourhoods; a good social, economic, cultural offer and visitor offer, and environmental infrastructure;
- Contribute to population and economic growth by providing an expanded, diverse, high quality housing offer that is attractive, affordable and helps retain economically active residents in the City, ensuring that the growth is in sustainable locations supported by local services, an attractive neighbourhood and the public transport infrastructure;
- Reducing CO2 emissions through a combination of local action and influencing national policy on energy and transport; this will include Our Capital Strategy and the development of new policy frameworks in areas such as Green and Blue Infrastructure, Residential Design and, at a Greater Manchester level, the GM Transport Strategy 2040, which will drive forward our local actions; and
- Support local businesses and residents to maintain and develop thriving district centres with appropriate retail, amenities and public service offer.

Enablers

In order to facilitate and support the delivery of these priorities for the City and its residents, the Directorates will also need to:-

- Work with partners and other Council Directorates to make best use of the City's total collective public and community assets to support estates transformation and deliver modern efficient services.
- Prioritise and maximise opportunities to collaborate with partners across Greater Manchester to identify new ways of working to increase income generation, investment, develop new funding models and to optimise use of resources. Invest in 'skills for growth' and innovation to support the development of this work.
- Enable the workforce to be more resilient, effective, creative, ambitious and innovative through embedding Our Manchester and developing a culture of trust, honesty and empowerment. Plan for the future workforce, review structures, roles and skills needed for the future organisation and embed the required career pathways and succession plans.
- Increase productivity amongst staff within the directorate through adopting leaner support systems and processes (ICT, HROD, and Finance) which enable efficient working. Develop new skills and behaviours required to deliver quality services more efficiently.
- Continue to build relationships, using an Our Manchester approach, through communicating and engaging effectively with all staff, Elected Members and residents ensuring that they are aware of the vision for the City and their role in its successful delivery.
- Be mindful of significant changes beyond our control such as the referendum to leave the European Union and the impact this may have on our partners and residents. Develop robust plans to mitigate the risk of economic uncertainty, seeking out potential opportunities and building on potential areas of growth through the devolution agreement.

4.0 Revenue Financial Strategy for the Delivery of Objectives

- 4.1 The Strategic Development Directorate has a gross budget of £42.860m and a net budget of £5.639m with 286 FTEs. The current breakdown of both budget and FTEs across services is set out in the table below:-

Service Area	2017/18 Gross Budget £000's	2017/18 Net Budget £000's	2017/18 Budgeted posts (FTE's)
Operational Property	31,370	17,525	205
Investment Estate	4,129	(14,443)	27
Sharp, Space & OCP	1,268	6	3

City Centre Regeneration	2,402	419	13
Strategic Development	1,114	552	4
Strategic Housing	2,577	1,580	34
Total	42,860	5,639	286

- 4.2 The 2017/18 net budget £5.639m is net of £433k savings that were agreed as part of 2017/18 budget proposals. The Directorate has successfully delivered the majority of the agreed savings with the exception being in relation to the re-tender of both the repairs and maintenance and the Security contracts, further detail on the pressures arising from this delay are set out later in this report.
- 4.3 As part of the original three year budget strategy for 2017/18 to 2019/20 a number of priorities were identified that supported the Directorate in delivery of the medium term financial strategy and enabling the service to deliver its priorities within the agreed funding envelope. Progress towards the original priorities is set out below:
- A wide range of complex commercial and residential led mixed use developments within the city centre are currently being delivered including the St Johns area and the new Factory Arts Centre, a world class artistic offer not previously available in Manchester at this scale, the £200m St Michaels mixed-use scheme; further development of First Street to establish over 620 new city centre apartments and NOMA continuing into the next phase of development. Corridor Manchester with the Corridor Partnership, Mayfield with U&I and Piccadilly Basin with Town Centre Securities are also progressing towards delivery. Planning for major transport schemes at Piccadilly Station and regeneration of the surrounding area is also being taken forward.
 - Manchester Metropolitan University has agreed to establish its sports academic base and associated requirements on the Etihad Campus – the Manchester Metropolitan Institute of Sport - within a new Sports and Innovation Zone that will create employment opportunities and act as a catalyst for the transformation of East Manchester.
 - The Space Project expansion including Outer Space and the Managed Workspace Units has been completed. The expansion of the TV and film production site in West Gorton brings in 275 jobs and sees the site deliver a £10m a year economic boost.
 - The delivery of the City Council's Residential Growth Strategy and the Housing Affordability Policy that ensures we have appropriate housing tenure and community facilities to meet this growth is progressing well. Over 3,000 new homes are expected to complete in 2017/18 representing significant growth over the past few years (15/16 - 1,524 and 16/17 - 1,654)
 - In October 2017 the Executive approved the designation of four Housing Affordability Zones across the city that will deliver in excess of 2,000 new affordable homes. Additional zones will be added in 2018.

- In April 2017 a joint venture partnership was launched between the council and Far East Consortium to support the development of the Northern Gateway and into the Irk Valley. The first schemes are already on site and will provide 750 new homes.
- Supporting staff to be able to work in an Our Manchester way through developing skills and knowledge through opportunities such as Listening in Action and the Our Manchester experience.
- The delivery of the Strategic Regeneration Frameworks which have been developed across the city centre and in a limited number of areas outside of the city centre to support place planning and capture very significant commercial and residential growth outcomes continue to be progressed;
- In West Gorton residents were actively engaged in the co-production of a comprehensive plan for their area. New homes are being completed and sold daily along with a new medical centre, pharmacy and local shop were completed in August 2017 and new funding has been secured to develop a larger park;
- To provide a strong evidence and coherent strategy, policy and planning framework for the ongoing development and growth of the city;
- Continue to explore options for improving service delivery models to ensure that they are cost effective, whilst providing high quality services is being realised through a wide range of initiatives from restructuring the senior management arrangements to more closely align residential growth and strategic housing through to new models of delivery by our Facilities Management and housekeeping teams;
- Maximise income opportunities, through realising the most from our assets as well as ensuring any additional opportunities are identified;
- Ensure the right skills and capacity is maintained and developed to enable the City to deliver against its Growth, Place and Skills agenda; and
- The directorate is dedicated to reducing CO2 emissions to support the Council's priority to be carbon neutral by 2050 and are therefore exploring the potential of procuring specialist technical services for the delivery of the Carbon Reduction Programme.

Savings Proposals

- 4.4. Although there are no additional savings proposals for 2018/19 and 2019/20 Strategic Development will continue to review all areas of service delivery to ensure that the most efficient model of service delivery is in operation. Where possible work will be undertaken to ensure that any budget pressures are mitigated from within the service existing revenue budgets.

4.1 Key Changes and Savings

- 4.1.1 The Strategic Development budget is relatively stable and the 2017/18 outturn position is likely to be at or around breakeven. As referenced earlier in the report there have been delays in the retendering of both the security and the repairs and maintenance contract with the contracts now likely to be re-let in October 2018. The delays will lead to a budget risk of £144k in 2018/19, and this will be mitigated through careful management and prioritisation of facilities management expenditure in 2018/19.

4.1.2 There remains an ongoing risk in relation to both the operational and investment estate budgets, and the Strategic Development service continually looks at ways to effectively manage the estate through regular reviews of rents, leases and service charges whilst minimising the instances of vacant properties. This will continue during 2018/19 to ensure that any risks are mitigated.

4.1.3 The existing capital programme 2017/18 to 2019/20 includes investment to support priorities in Corporate Property, Public Sector Housing through the HRA and development programmes, specific schemes include the following;

- Town Hall Refurbishment
- Digital Asset Base - One Central Park
- Northern Gateway
- Civic Quarter Heat Network
- Extra Care Housing
- Medieval Quarter public realm improvements phase 4a
- Lincoln Square

4.2 Technological Support to Implement Changes

4.2.1 The importance of technology, systems and data should not be underestimated if the City Council is to achieve the aspirations of growth, reform and health and social care integration from both a Council and GM perspective. Additional ICT investment has been agreed as part of the three year budget strategy and a five year capital plan with 2018/19 being the second year of this investment programme.

4.2.2 During 2017/18 ICT investment has been made in the areas listed below. The initiatives are a mixture of systems to underpin departmental transformational agendas, the implementation of fit for purpose systems or to establish compliance in line with the ICT strategy.

- City Centre Assessment
- Universal Housing application
- Selective Licensing

4.2.3 Key priorities for 2018/19 will include:

- To replace the end of life (and non PSN compliant) NSC application with a supported fit for purpose product. This piece of work needs to be completed to maintain compliance and reduce risk to the authority.
- To deliver a new online system for HMO licensing. This will enable the service to meet increased demand by moving away from a time consuming paper based process.
- Complete delivery of the Universal Housing application. This initiative will make use of technology to transform the operation of housing management services to generate efficiencies, improve the customer experience and offer increased functionality.

- Develop proposals for the replacement of the current security system Grantfen. This has reached end of life and requires updating.

4.2.4 The above projects are prioritised against directorate and corporate objectives. For example, through the adoption of new technologies for how we housing stock we will be improving the customer experience and helping to create more comfortable, and fit for purpose housing stock.

4.2.5 ICT will continue to work closely with the Directorate in order to identify solutions that comply with the information and ICT design principles and to develop robust business cases to support their development.

4.2.6 In addition to the service specific projects above a large number of staff from across Strategic Development will benefit from the go live of Universal Access which is ongoing and expected to be complete by April 2018.

4.3 Investment Proposals, Budget Growth & Pressures

4.3.1 As outlined earlier in the report, the investment estate is a major source of income for the directorate and the Strategic Development service continually looks at ways to effectively manage the estate and maximise income through regular reviews of rents, leases and service charges whilst minimising the instances of vacant properties.

4.4 Impact on Residents Communities and Customers

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

4.4.2 The Council is proud of its accreditation as an excellent authority against the Equality Framework for Local Government and is committed to maintaining this standard. Ensuring that Directorates' equality considerations and priorities are clearly articulated through the business planning process is a crucial part of achieving this commitment.

4.4.3 In 2017 the directorate established an Equalities Working Group which is responsible for ensure progress against the directorate delivery plan and corporate priorities. This work is detailed in the Equalities Delivery Plan attached.

4.5 Workforce Impact

4.5.1 The Directorate's workforce is approximately 286 FTE. There are no workforce reductions proposed in savings for 2018/19.

4.5.2 Key priorities for 18/19 will include:

- Continuing to develop the skills of the workforce to enable them to deliver the Our Manchester strategy.
- The b-heard survey consistently reveals that a key factor in engaging and motivating the workforce is ensuring there is strong and positive relationship with managers. The Directorate will continue to focus on ensuring leaders at all levels are embedding the Our Manchester behaviours and that they have the right tools and skills to create and maintain a motivated, happy and well managed workforce.
- The Directorate will offer apprenticeship opportunities to internal staff and external applicants wherever suitable in order to facilitate development, succession planning and to maximise spend of the apprenticeship levy. Apprenticeships also creates great accessibility to many local residents that have limited skills to offer the employment market.
- The Directorate will continue to offer access and training to staff on using MCC systems through the Universal Access (UA) project. UA will enable staff to easily access development opportunities and improve their engagement to feel part of the Council.

Appendix 1: Summary Budget Position and Savings Schedule

Service Area	2017/ 18			2018/ 19			2019/ 20		
	Gross Budget	Net Budget	Budgeted Posts (FTE)	Gross Budget	Net Budget	Budgeted Posts (FTE)	Gross Budget	Net Budget	Budgeted Posts (FTE)
	£,000	£,000		£,000	£,000		£,000	£,000	
Operational Property	31,370	17,525	205	31,370	17,525	205	31,370	17,525	205
Investment Estate	4,129	(14,443)	27	4,129	(14,443)	27	4,129	(14,443)	27
Sharp, Space & OCP	1,268	6	3	1,268	6	3	1,268	6	3
City Centre Regeneration	2,402	419	13	2,007	419	13	2,007	419	13
Strategic Development	1,114	552	4	1,114	552	4	1,114	552	4
Housing & Residential Growth	2,577	1,580	34	2,577	1,580	34	2,577	1,580	34
Total	42,860	5,639	286	42,465	5,639	286	42,465	5,639	286

FTE figures reflect funded posts

Service Area	2017 / 18	2018 / 19			2019 / 20		
	Net Budget 2017/18	Growth and other Budget Changes	Savings	Net Budget 2018/19	Growth and other Budget Changes	Savings	Net Budget 2019/20
	£,000	£,000	£,000	£,000	£,000	£,000	£,000
Operational Property	17,525	0	0	17,525	0	0	17,525
Investment Estate	(14,443)			(14,443)			(14,443)
Sharp, Space & OCP	6			6			6
City Centre Regeneration	419			419			419
Strategic Development	552			552			552
Housing & Residential Growth	1,580			1,580			1,580
Total	5,639			5,639			5,639