

Manchester City Council Report For Resolution

Report To: Executive – 16th February 2011
Resources and Governance Overview and Scrutiny Committee – 10th and 28th February 2011
Economy, Employment and Skills Scrutiny Committee – 22nd February 2011
Citizenship and Inclusion Overview and Scrutiny Committee – 23rd February 2011

Subject: Budget Proposals for the Corporate Core (Chief Executive's, Corporate Services and Department of Transformation)

Report Of: The Chief Executive, the City Treasurer, the City Solicitor and the Director of Transformation

Summary

This report provides Members with information on the proposed changes to the corporate core of the Council as part of the proposals for the budget and Medium Term Financial Plan. This report forms part of a suite of reports to the Executive and the Resources and Governance Overview and Scrutiny Committee for Members' consideration at their meetings in relation to the budget and level of Council Tax.

This report is also provided to assist Overview and Scrutiny Committees which have decided to look at particular draft business plans within the responsibilities of the Chief Executive's, Corporate Services and Transformation Directorates. These are Citizenship and Inclusion: Crime and Disorder and Strategic Housing (equality plan only); Economy, Employment and Skills: Manchester Adult Education Service and Regeneration and City Policy; Resources and Governance: ICT, Legal Services and Democratic and Statutory Services.

Subject to decisions on the Council's budget and Medium Term Financial Plan, the proposals in this report will be built into the business plans for all services within the Chief Executive's, Corporate Services and Transformation Directorates.

Recommendations

Executive is recommended to:

1. Approve the proposals in this report to be included in the budget to be recommended to Council, and
2. Note that if the proposals outlined in this report are agreed by Council further reports will be submitted to the Executive as specified in the body of the report

Wards affected: All

Community Strategy Spine	Summary of the contribution to the strategy
Performance of the economy of the region and sub region	
Reaching full potential in education and employment	
Individual and collective self esteem – mutual respect	
Neighbourhoods of Choice	The proposals in this report are designed to strengthen the capacity of the core of the Council to support the leadership role of the Council in securing delivery of the Community Strategy

Implications for:

Equal Opportunities
Yes

Risk Management
Yes

Legal Considerations
Yes

Financial Consequences for the Capital and Revenue Budgets

The proposals set out in this report form part of the draft budget submitted to the Executive, the Resources and Governance Overview and Scrutiny Committee and Council.

Contact Officers

Name: Sir Howard Bernstein
Position: Chief Executive
Telephone: 234 3006
E-mail: h.bernstein@manchester.gov.uk

Name: Richard Paver
Position: City Treasurer
Telephone: 234 3564
E-mail: r.paver@manchester.gov.uk

Name: Elaine Bowker
Position: Strategic Director, Directorate of Transformation
Telephone: 234 6958
E-mail: e.bowker@manchester.gov.uk

Name: Susan Orrell
Position: City Solicitor
Telephone: 234 3087
E-mail: s.orrell@manchester.gov.uk

Name: Sara Tomkins
Position: Director of Communications
Telephone: 234 3706
E-mail: s.tomkins@manchester.gov.uk

Name: Steve Mycio
Position: Deputy Chief Executive (Regeneration)
Telephone: 234 3031
E-mail: s.mycio@manchester.gov.uk

Name: Geoff Little
Position: Deputy Chief Executive (Performance)
Telephone: 234 3280
E-mail: g.little@manchester.gov.uk

Background Documents (available for public inspection)

Report to Executive on 22 December re Provisional Local Govt Settlement
Report to Executive on 19 January on Financial Settlement 2011/12 + 2012/13.
Workforce issue
Final Local Government Financial Settlement from CLG 31 January 2011

1. Introduction

Budget overview

1.1 Set out in the table below is the opening 2011/12 net cash limit budget and FTE number for the corporate core, which comprises the Council's Chief Executive's and Corporate Services Directorates and the Directorate of Transformation. This opening budget is before adjustment for the growth and savings proposals set out in this report. It includes the mainstreaming of costs previously funded from Area Based Grant (ABG) of £19.607m. Savings totalling £8.355m are to be achieved against the total ABG including £5.09m from the corporate core. More details of the ABG review savings are included in a separate report on this agenda (Revenue Budget 2011/12 and 2012/13).

2011/12 Cash Limit Budget (before growth and savings proposals)

Net Cash Limit Budget	FTE
£97.766m	2,962

1.2 The existing Analyse and Improve Manchester (AIM) Programme within the corporate core already has significant efficiency savings, however these savings are insufficient in the light of the local government financial settlement and further cost reductions have had to be identified.

1.3 Efficiency savings of £1.8m have been delivered in 2010/11. The savings targeted within the corporate core were a further £11.6m for the period 2011/12 to 2012/13. Prior to the settlement, savings amounting to £7.9m of this original target had been identified and verified as achievable, incorporating a planned reduction of 199 full time posts.

1.4 The post settlement savings identified for the corporate core are a total of £22.2m, an increase of £14.3m in the overall savings identified. This incorporates a further reduction of 227 full time posts, taking the total to 426.

1.5 In addition to the above savings, the Directorate of Transformation, working with others within the corporate core, is responsible for the delivery of a number of 'cross cutting' projects which will deliver savings across the whole of the Council. The total saving from these projects is £6.6m, of which £5.7m had been identified prior to the settlement. The key elements are an improved contract management process (£3.0m); property savings arising from increased flexible and mobile working (£2.7m); and the rationalisation of administration and business support functions (£0.7m).

1.6 The proposals set out in this report to achieve the savings required by the settlement will re-focus the resources of the Chief Executive's, Corporate Services and Transformation Directorates so that the corporate core of the Council can continue to support the effective discharge of the Council's leadership role for Manchester.

1.7 The core functions are pivotal to securing the social, physical and economic future of the City. This has never been more important as the sub-region faces the

prospect of approximately 11,000 jobs being lost, but also the opportunity to create approximately 74,000 jobs. The corporate core, therefore, has to focus on creating the conditions for economic growth, translating growth into jobs and ensuring that Manchester people are equipped to access those jobs. The core must ensure that growth is translated into reductions in demand for dependency-related public services to reduce the disproportionate costs for the Council and other agencies.

1.8 The corporate core is changing radically by adopting a centre of excellence model to provide the leadership and professional expertise in areas such communications, policy, strategic development, performance and research, finance, HR / OD, property, ICT and Transformation. Business partner relationships will be used to draw the support of core functions to the commissioning role of strategic directorates.

1.9 The regeneration function will be repositioned by the creation of Neighbourhood Regeneration Teams which will draw the support of core functions to neighbourhoods to support social and physical transformation. The strategic functions for housing, planning and transport will also be refocused to support the economic growth agenda.

1.10 The proposals in this report are in line with the direction of travel set by the AIM programme, but given the impact of the settlement, we will go further and faster. The budget as a whole prioritises, so far as possible, resources at the point of delivery for residents, communities and customers. The scale of reductions in the corporate core is, therefore, greater than the externally facing parts of the Council.

1.11 These levels of reductions cannot be achieved by further efficiencies alone. Much more radical reforms of the core are needed. In doing so, these proposals will strengthen our focus on neighbourhoods and strategic developments at city and sub-regional levels and strengthen our skills within the core to support public sector reform through new investment models, such as the Manchester Investment Fund. However, this will be a challenging transition to a corporate core that will become significantly smaller.

2. Reducing and Refocusing Resources

A. Leadership for Reform

2.1 The scale of reductions in resources means that the corporate core needs to reduce. The challenges facing the Council and the City are such that the core also needs to be stronger and to have new skills to develop new models, not only for prioritising economic interventions, but service interventions too.

2.2 The role of the Chief Executive in leading the Strategic Management Team will be critical to delivering the far reaching organisational changes set out in the budget proposals as a whole. His role as Head of the Paid Service supported by the new HR / OD function and the new m people process, will be essential in delivering the required budget reductions, whilst maintaining a motivated workforce with the shared values and generic skills that the Council will need going forward.

2.3 The Chief Executive also has a leadership role in relation to AGMA and (from 1st April, 2011) the Combined Authority. The Chief Executive will continue to take direct responsibility for city centre regeneration and will lead a centralised strategic development function. These roles will be essential in securing economic growth and enabling more Manchester people to contribute to and benefit from that growth.

2.4 The core policy function will be strengthened on a hub and spoke basis, providing capacity for leadership of AGMA and the skills needed for new models of supporting private sector investment, e.g., Regional Growth Fund. This is key to the development of AGMA and the sub-region, but will be of particular benefit to Manchester residents.

B. Universal Services

2.5 Post settlement, we are taking a more radical approach by refocusing universal services such as Planning and Housing and moving services such as Culture, Crime and Disorder and the Joint Health Unit out of the Chief Executive's Directorate and into outward facing strategic directorates,

2.6 Planning and Housing will integrate their strategic functions to support the economic growth agenda and the work of Neighbourhood Regeneration Teams. It is proposed that the Housing service will be refocused and consider ceasing to directly deliver services. More detailed consideration will be given to the option of procuring a new service to manage all existing housing management functions. Any such proposal will require a review of current arrangements with third parties, compliance with procurement rules, consultation and an Executive decision. Other support services will be transferred as appropriate to the wider corporate core (e.g. IT, capital programme, communications). Through a local co-operation agreement, the contribution of Registered Social Landlords will also be maximised. The remaining strategic functions will be aligned into a small core team. Work will also take place during the course of the year to streamline and rationalise the Planning and Building Control functions. The combined savings target for these services has increased since the settlement from £108k to £348k. Within this the loss of Planning Delivery Grant is being absorbed.

2.7 Community safety co-ordination and the anti-social behaviour action team will move to Neighbourhood Services and be integrated into Neighbourhood Delivery Teams. We will work with GMP to bring this together with neighbourhood policing and increase the role of Registered Social Landlords in controlling anti social behaviour. Family intervention and domestic abuse services will transfer from the Crime and Disorder Team to the Children and Adults Directorates and drug and alcohol commissioning to the public health function when this comes to the Council. A small strategic core will remain to provide leadership for the development and implementation of the crime and disorder strategy. The level of savings from Crime and Disorder has increased from £44k before the settlement to £2.2m post settlement.

2.8 The Joint Health Unit will merge with the PCT public health function. This will be transferred to the Adults Directorate. There is no savings target as the Unit is almost entirely funded from NHS resources. The funding position will be reviewed

when the public health responsibility and budget is transferred from the NHS to the Council in 2013.

2.9 Cultural services will transfer to Neighbourhood Services to improve and join up the neighbourhood cultural offer and better co-ordinate the cultural offer at the regional centre, notably the Library Theatre / Cornerhouse project and Central Library, but also other museum offers in the City. Also, we will improve value for money through an integrated commissioning approach with Cultural organisations. This increases savings from £111k pre-settlement to £326k post settlement.

2.10 An options review of Manchester Adult Education (MAES) will be undertaken in 2011/12 with a view to implementing any changes to the delivery of the service in 2012/13. As the detailed design progresses the people impact will be identified. In the meantime savings of £142k will be required.

C. Targeted Services

2.11 The corporate core will play a leading role in integrating targeted services for those individuals and families with multiple problems or complex needs and who are often living chaotic lives. This is at the centre of the council's determination to reduce demand for public services by those who are most dependent. As described elsewhere in the budget proposals, there is a proposition to create a single budget for services targeted on complex families called the Manchester Investment Fund. The Policy and Performance and Research centres of excellence, working with the Strategic Finance function, will lead the creation of the new investment methods needed to make the fund self sustaining by creating returns on investment from reduced demand. The Neighbourhood Regeneration Teams will lead and coordinate the integrated commissioning for complex families at neighbourhood level using the new fund.

D. Neighbourhood

2.12 Neighbourhood Regeneration Teams will lead and co-ordinate the economic, social and physical transformation of neighbourhoods and investment priorities. They will be 'Custodians of Place' overseeing neighbourhood and community development on a holistic basis. They will advocate for place – influencing mainstream services and commissioning plans as Place Partners. The savings requirement from streamlining these services before the settlement was £1m. There was also a savings target of £1m for reduced programme management (see 2.13 below). Post settlement the combined requirement for both is £2.5m.

2.13 Neighbourhoods will also be supported by the new Policy and Performance and Research centres of excellence and by a programme management and resource procurement function, which will be slimmed down and focused on attracting new forms of investment, both public and private (see section 2.15 below for performance and research savings figures).

2.14 Ward Co-ordination will be integrated into the role of Neighbourhood Regeneration Teams. This will enable the Council to ensure that the resources of the

whole Council and of other public services are focused on reducing deprivation and dependency at neighbourhood level.

E. Core

2.15 Progress has been made over the last two years in bringing financial management and, more recently, HR / OD into the centre of excellence model and this is now supported by the single shared service centre. The AIM programme was to adopt the same model for other core functions. Post settlement, we are going further and on a more centralised basis with centres of excellence, strongly linked by business partners to support directorates and, through Neighbourhood Regeneration Teams, neighbourhoods.

2.16 The performance and research functions from across the Council will be brought together to work together in a centre of excellence model. The function will also strengthen the connection between performance, research and intelligence and strategic finance, supported by the recent establishment of an Assistant Chief Executive post for Finance and Performance replacing two previous posts at Assistant Chief Executive level. The purpose of this will be to make better use of financial management information and connect that to performance information, giving us a stronger understanding of value for money. This has never been more important. The link between performance and strategic finance also enables the bringing forward of new investment methods such as the Manchester Investment Fund that are key to delivering our priorities of growth and reduced dependency. A savings target of £1.4m has been increased to £2.84m post settlement.

2.17 The HR/OD function has been transformed over the past year creating significant savings. The pre-settlement savings target for HR/OD was £1.55m. This has not been increased because the priority for this part of the core is to support the delivery of the current VER/VS exercise and to support the delivery of the organisational change set out in the budget proposals which will depend, more than anything else, on the people aspects of transformation and m people.

2.18 Prior to the settlement, we were planning to reduce the Directorate of Transformation function to ensure that capacity is embedded within directorates. This was planned to release £960k. Following the settlement, the proposal is to accelerate this with the Directorate of Transformation capacity being mainstreamed within two years. A small residual capacity will remain within the core to oversee the transformation process. We will also consolidate all ICT hardware, applications and people to realise further efficiencies and improve service delivery. This will need to be carefully managed as so as not to adversely impact on the overall change programme for the Council. The new savings target for the Directorate, including ICT, is £5.4m.

2.19 The corporate communications function was scheduled to deliver savings of £490k. Post settlement, the cost of communications to the Council is planned to reduce by 28.9% with a saving of £1.78m, including a reduction of £180k for events. There will be reductions in communications management, administration, accounts handling and in the press office. The m four print and design function and the events team will be given increased revenue targets. Publications, including the Council's

newspaper "Manchester People" and the Ward News magazine "Life, in ... "will be continued with on-line versions only. The events budget will be re-prioritised to support community events and economic growth.

2.20 Legal Services supports the Council in carrying out all of its functions whether service delivery, development of strategy or delivery of major developments and initiatives and is organised in groups aligned to the strategic directorates in order to better respond to their needs. There is good evidence that our Legal Service is more cost effective than external provision and externalising this service would, therefore, only increase costs. In light of the settlement £50k efficiency savings have been identified and the service will work with directorates to consider opportunities for further savings, for example, reducing external legal costs. We are actively assessing whether collaborative working with other AGMA councils has the potential to deliver longer term improvements, as well as further efficiencies.

2.21 Democratic Services and the Executive deliver the Council's statutory responsibilities in relation to elections, registration services (births, deaths, marriages, civil partnerships and citizen ceremonies), the coroner service, access to information /information compliance and the Council's decision making processes, and provide core support to all in relation to governance. The service also provides support to council members, including the Lord Mayor and manages civic engagements and events. Key changes in these areas include: the referendum on the Alternative Voting system; proposals in the Localism Bill for referenda on local issues; elections for directly elected police commissioners and mayors, implementation of individual Electoral Registration; and introduction of the Combined Authority. The services are reviewing current structures and business processes to ensure that they are equipped to meet the new and existing obligations and changing demands on members and that they also improve the customer experience. Potential savings of £168k have been identified through streamlining services across the Executive, reducing numbers of committee meetings and meeting catering, increased delegation, reducing civic hospitality and increased income generation in registration services.

2.22 Financial management will become more streamlined and develop the skills of business partners to provide strategic advice and support. This function will work closely with policy and with performance and research to develop more commercial skills, to integrate financial and performance support and to develop skills such as cost benefit analysis. Savings will increase from £33k pre-settlement to £935k post settlement.

2.23 Corporate Property and Capital Programmes will align resources to more efficiently manage the Council's property. This will include a review of Council-wide facilities management. This will support effective and efficient delivery of the capital programme and major projects. Corporate Property will also deliver major savings from rationalising property assets. Capital Programme savings have increased from £35k to £385k. Corporate Property savings are £179k, in addition to delivering the council wide property rationalization savings of £2.7m.

2.24 Corporate Procurement plays a key role in delivering savings through effective procurement and contract management. There is a successful track record of delivering significant efficiencies for the Council and a leading role within Greater Man-

chester and the wider North West. This has strategic significance to sustainable procurement and supporting local businesses. The savings target has been increased from £228k to £1.35m. They also have the task of producing sufficient savings from the wider procurement and contract management processes to offset the impact of inflation across the whole of the council's budget, and a further £3m from contract management.

2.25 Internal Audit and Risk Management will be developed in line with the centre for excellence principles and seek opportunities for savings through collaboration with partners, in particular, Salford City Council. A savings target has been increased from £75k to £125k.

2.26 The Revenues and Benefits service is facing significant change with the transfer of responsibilities for fraud to the Department for Work and Pensions and the move to Universal Benefit. In the meantime opportunities to maximise income and collection across Council functions are being developed, with particular scope identified in relation to increasing Council tax collection. Savings here have been are £115k, as well as the continual improvement of collection rates to deliver a council tax 'surplus' of £2.5m to assist the 2011/2 budget.

2.27 The Revenues and Benefits service now has responsibility for the Shared Service Centre, ensuring high quality transactional finance, payroll and HR support, including consolidating functions from elsewhere in the Council. A savings target of £1.05m has increased to £1.08m since the settlement. A rationalisation of income collection arrangements across the council will save a further £300k.

3. Partnership

3.1 The Chief Executive's Directorate will provide the corporate focus for maintaining our relationships with the business community and the capability to create the conditions for private sector led growth. The core will also support our leadership of public service reform so that we are creating the conditions in which the public sector as a whole can lead the reduction of dependency. Our partnerships with the private, public and third sectors will encourage a new focus and alignment of total resources behind the priorities of growth and reduced dependency. This is the key to securing the best possible value for Manchester people.

3.2 The Chief Executive's Directorate will also build a stronger relationship with the third sector and support volunteering and community groups. Infrastructure support to the third sector is being reviewed. The sector ranges from small volunteer led local groups to large professional social enterprise bodies, but there have been key themes identified that are relevant to all: capacity building, volunteering, commissioning and community engagement. The new infrastructure service will be able to target support to those organisations that deliver key services, build resilience for small community organisations and offer a coherent gateway for volunteering opportunities.

3.3 The savings proposals for the Chief Executive's Directorate incorporate a £2m (15%) reduction in grants made by services within the corporate core to a wide range of voluntary sector organisations. The reductions made to these grants are lower

than average level of saving across corporate core budgets, which is 28%. Over £11m will remain in the budget for funding from the Chief Executive's Directorate to go to the third sector. These proposals will be subject to consultation and equality impact assessments, as required.

3.4 The third sector team within the Chief Executive's Directorate will lead the process of gathering intelligence on the total impact of public sector funding reductions on Manchester based voluntary and community organisations.

3.5 The CASH grants programme administered by the third sector team will have a wider remit to support volunteering and community activity at neighbourhood level. The CASH grants scheme will be amended to target resources on the basis of relative deprivation.

4.0 Budget Increases

4.1 The budget proposals for 2011/12 to 2012/13 include the following proposals for budget increases.

- **ICT** – additional investment is required in order to strengthen the council's ICT infrastructure to support the transformation agenda. However these costs will be offset by savings elsewhere in the ICT budget,
- Integrated Transport Authority (ITA) recharge - a proportion of overhead costs had previously been recharged to the ITA. With these services now transferring to the Combined Authority, there is no longer scope to recover these costs. Over the next two years this cost pressure is being addressed by the savings proposals for the support service functions.
- **Coroner's Service** – additional funding has been identified to cover additional activity.

5.0 Impact on Residents, Communities and Customers

5.1 There will be a continued focus on the regeneration of neighbourhoods and a determination to avoid any detrimental impact on the achievements made by the City Council and its partners over the next 20 years.

5.2 The role of the core will shift from direct deliverer to commissioner and/or influencer of services to residents. The focus of our efforts will be to work closely with our partners, whether that be internal or external to ensure this shift improves the service offer to residents.

5.3 Whilst the scale of efficiencies is unprecedented, it also provides an opportunity for the reform of public services across the city, seeking to maximise the role of our significant partners in the delivery of services to residents – RSLs, Health, Police, etc.

5.4 Our commitment to the third sector and supporting volunteering and community groups remains, and a concerted effort has been made to minimise as far as possible the impact on the third sector of these budget reductions – 15% in comparison to

28% overall – a reduction which will be managed in a way that supports residents and groups through the impacts of the reductions.

6.0 People Impact

6.1 The overall scale of change within the corporate core through the AIM programme was already anticipated to be significant requiring a reduction of 199 FTE posts. The revised projection forecasts a reduction of an additional 227 posts over the next two year period, giving a total reduction of 426 FTEs, 362 in 2011/12 and 64 in 2012/13. The full extent on the impact on specific roles will not be fully understood until the details of the proposals have been worked up and engagement with staff in services has taken place. Initial discussions with Heads of Service indicate that these potential savings cannot be achieved without impact on service delivery. The areas of biggest impacts are as follows:

- Developing economic growth and reducing dependency remains one of the biggest priorities for the corporate core. The introduction of the Neighbourhood Regeneration Teams and changes to programme management will together see an overall FTE reduction of 65 being delivered through developing generic roles within revised structures, enabling reductions to be achieved through increased flexibility. This will be supported by changes to service delivery.
- The introduction of the Policy and Performance and Research centres of excellence will result in a reduction of 59 FTE though significantly reduced management arrangements, generic roles and an integrated approach to service delivery.
- An options review of Manchester Adult Education (MAES) will be undertaken in 2011/12 with a view to implementing any changes to the delivery of the service in 2012/13. As the detailed design progresses, the people impact will be identified.
- As the corporate core evolves and services are transformed, there will be a combined reduction of 29 FTE across other functions within Chief Executive's.
- An overall reduction of 52 FTEs as part of the development of a corporate shared service centre will include finance, payroll and personnel staff. This includes finance, payroll and personnel; the shared service centre will be the central resources for transactional activity delivering efficiencies through economies of scale.
- Through the use of generic role profiles and a rationalisation of Heads of Finance, there will be a reduction of 20 FTE. In addition to the changes within Finance as the SAP Business Support team integrates into the policy, performance, research and intelligence centre of excellence, there will be a reduction of 14 FTE.
- Across the remaining areas of Corporate Services, there will be a reduction of 36 FTE.

- Within the Directorate of Transformation, there will be a reduction of approximately 151 FTE, this will be through the consolidation of the directorate based ICT teams and the service redesign, bringing the core and directorates together, reductions within the programme team s the transformation progresses and also some reduction with the Customer Service Centre and Corporate Contact Centre.

6.2 There are some services within the corporate core such as Crime and Disorder, Strategic Housing and Planning that are subject to further detailed design and proposals, therefore, the specific detail around any FTE reduction is unknown. As the proposals and designs develop, the information will be discussed with Members, Trade Unions and the workforce.

6.3 It is recognised that key skills within the corporate core will continue to be needed in the future, therefore, where possible, we will seek to flexibly move people around the organisation in alignment with the organisational need and m people principles.

6.4 Through detailed workforce planning, further analysis will be undertaken to map the skills of the remaining workforce resulting from the take up envisaged through the VS/VER scheme.

7.0 Implementation and Risk

7.1 Over the two years the total savings that the corporate core has to deliver equate to almost a third of the total net budget. In addition there is a lead role in delivering the cross cutting savings, including for example the Corporate Property Review. To ensure the effective delivery of these savings will require robust project management arrangements, monitoring of budgets and effective workforce management utilising the MPeople principles.

7.2 The key risks to the delivery of these savings include:

- Success of the VER/VIS policy and the ability of m people to move people flexibly through the organisation
- The capacity to support the delivery of the proposals

7.3 It is believed that the savings put forward are achievable. Many of the savings proposals are well developed and already underway, for example Policy Performance Research and Intelligence. Savings have been phased to reflect realistic, but stretching, timescales for delivery, and the core support team from the Directorate of Transformation, HR/OD Business Partners and Finance will remain in place to provide the support required. Finally detailed workforce planning has been undertaken and the earlier transformation processes have been successful in moving people into new roles or to different opportunities outside of the organisation.

<u>Proposed Savings Options - Corporate Core</u>					
Detail of Proposal	Type of Saving	Amount of Saving			
		2011/12	2012/13		Total
		£,000	£,000		£,000
CORPORATE CORE					
CHIEF EXECS					
Directorate of Culture					
<i>Cultural Strategy</i>					
Programme management - Reduced feasibility Studies	Existing AIM	5			5
<i>Strategic Cultural projects</i>					
Cultural Development Fund	Existing AIM	13			13
<i>Manchester Galleries</i>					
Reduce Level of investment for Marketing	Existing AIM	12			12
Redesign/ Restructure of Establishment	Existing AIM	22			22
Improved efficiency of buildings management systems	Existing AIM	20			20
Income Growth from Commercial Activities	Existing AIM	32			32
Improvements in Education Cost Recovery	Existing AIM	2			2
Reductions in Exhibitions Programme	Existing AIM	5			5
					0
Savings on cultural investments (c.5%): Contractual arrangements will require further investigation. Impact on employment in funded organisations not yet known	further savings	0		50	50
Strategic commissioning approach to grants to cultural organisations and projects (c.15%): Funding currently goes to external organisations, the impact of changing processes may have an impact on employment	further savings	19		46	65
Reduction in staffing through restructure	further savings	75		25	100
		205		121	326
Planning					
Critically review vacant posts - Reduce staffing through turnover and adopting a flexible approach to workforce deployment	Existing AIM	45			45

Reduced mainstream revenue support to achieve full cost recovery through enhanced use of business systems and new ways of working	further savings	200		300	500
Reduced costs to align with reduced fee income from sustained decrease in development activity	further savings	440		440	
Reduce work on neglected buildings	further savings	12		12	
Reductions to building regulation enforcement	further savings	13		13	
Loss of PDG requiring first call on savings	further savings	-710		-60	-770
		0		240	240
Communications					
Events Unit - reduced expenditure on events	Existing AIM	43		43	
Reduction in Communications structure in line with activity	Existing AIM	188		188	
Reduction in Communications budgets	Existing AIM			259	259
Further savings on communications activity	further savings	330		330	
Review staffing structures	further savings	165		165	
Increase income from Mfour through increased pricing	further savings	218		218	
Reduction in events	further savings	179		179	
Cease publications spend (Manchester People and Manchester Life on line only)	further savings	214		214	
Events sponsorship/maximising public realm	further savings	187		187	
		1,524		259	1,783
Performance - Strategic Support					
PPRI projects to create Centre of Excellence through the review and rationalisation of all performance management and research & intelligence functions across the council to achieve more efficient working practices	Existing AIM	1,480		0	1,480
Extension of PPRI Centre of Excellence Proposals (incl review of strategic relationship between regeneration, housing and planning and partnership with CNE)	further savings	500		200	700
Implementation of revised arrangements in relation to infrastructure support grants	further savings	209		172	381
Reduce voluntary sector grants (including change grants, Shop Mobility, Village CAB)	further savings	119		119	
Remove growth in CASH grants	further savings	160		160	
		2,468		372	2,840

Legal, Democratic & Statutory Services and Executive				
Reduce civic hospitality including cease funding for Lord Mayor's Reception	further savings	61		61
Legal Services efficiency savings	further savings	50		50
Democratic services efficiency savings including reviewing arrangements for committee meetings	further savings	40		40
Streamlining services across Executive	further savings	40		40
IT efficiencies	further savings	10		10
Increased income in registration services	Existing AIM	17		17
Cancellation of corporate subscriptions (NW Employers & LGIU)	further savings	95		95
		313	0	313
Crime and Disorder				
Partial review of staffing requirements and improvements in administration	Existing AIM	44		44
Service reorganisation to offset loss of direct grants	further savings	1,248		1,248
further savings to youth offending service	further savings	110		110
Service reorganisation to deliver mainstream funding savings	further savings	811		811
		2,213	0	2,213
HR/OD Integration Project				
HR/OD integration project	Existing AIM	843		711 1,554
		843	711	1,554
Regeneration & Economic Urban Development				
Transformation of service delivery through Neighbourhood Regeneration Teams	Existing AIM	520		480 1,000
Resource Procurement and Programme Management	further savings	1,000		1,000
further savings identified from Neighbourhood Regeneration Teams and Resource Procurement and Programme Management	further savings	500		500
		2,020	480	2,500
Strategic Housing				
Restructure of Housing Strategy Team following the realignment of housing services	Existing AIM	108		108
		108	0	108

MAES					
General Efficiencies to be Achieved - Longer term options for the service being reviewed	Existing AIM	42		100	142
		42		100	142
Total CEX		9,736		2,283	12,019
CORPORATE SERVICES					
Corporate Procurement					
Good Housekeeping activities	Existing AIM	200		200	
Extended 'Good Housekeeping' activities	further savings	200		200	
Disestablish vacant post	Existing AIM	28		28	
Further rationalisation of staffing and income generation including working with other AGMA Councils	further savings	175		175	
AGMA collaborative procurement savings	further savings	500		250	750
		1,103		250	1,353
Revenues & Benefits					
Savings in postage	Existing AIM	5		5	
Review of service structures	Existing AIM	110		110	
Assessment and income collection - streamlining financial assessment processes in Adult Services and Revenues and Benefits and looking to extend this work into other areas such as Education Benefits (free school meals and clothing grants) and Disabled Facilities Grant.	further savings	300		300	
		415		0	415
Shared Service Centre					
Phased consolidation and rationalisation of Finance, Payroll, Personnel and OD shared service centres	Existing AIM	781		274	1,055
Move to 2nd class post for monthly payslips	further savings	30		30	
		811		274	1,085
Audit & Risk Management					
Restructure of Health and Safety team	Existing AIM	75		75	
Delayering of management within Internal Audit and Risk Management	further savings	50		50	
		125		0	125
Financial Management					
Restructure of SAP Business Support team	Existing AIM	335		335	

Review of Head of Finance structure in line with service changes in the council and further streamlining of posts	further savings	300		300	600
		635		300	935
Corporate Property					
Review of services and re allocation of resources to achieve efficiencies	Existing AIM	179			179
		179		0	179
Capital Programme					
Reduction in stationery, accommodation costs and the implementation of a new clocking system	Existing AIM	35			35
Reductions across the technical service, client function and capital programme teams	further savings	350			350
		385		0	385
Reduction in Audit Fees and recharge of rates relief	further savings	200			200
Total Corporate Services		3,853		824	4,677
DOT					
DOT Team:					
AIM - Reduction in programme	further savings	1,030		2,000	3,030
		1,030		2,000	3,030
Corporate Technology:					
Efficiency savings to be delivered through centralisation of ICT Service	Existing AIM	694		266	960
Non requirement of growth request, savings to be achieved via centralisation of ICT Service	further savings	1,500			1,500
		2,194		266	2,460
Cross Cutting:					
Contract management process improvement	Existing AIM	1,000		2,048	3,048
Flexible and mobile working (Corporate Property review)	Existing AIM	500		1,588	2,088
Rationalisation of administration and business support	Existing AIM	125		370	495
Telephony improvements	Existing AIM	72			72
Flexible Working - Moving to a 6:10 desk ratio assuming vacant space can be let	further savings	617			617
Further rationalisation of co-located administration	further savings	230			230

		2,544		4,006	6,550
Total DOT		5,768		6,272	12,040
Grand Total - Corporate Core		19,357		9,379	28,736
Planned Service Transformation and Efficiencies	Existing AIM	7,580		6,096	13,676
further savings /acceleration of savings measures	further savings	11,777		3,283	15,060
Total		19,357		9,379	28,736