



MANCHESTER
CITY COUNCIL

Funding and finance in a challenging context: Manchester's perspective

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GM Strategy

- Tackle dependency, increase economic activity across GM.
- MIER - £50bn economy – private sector growth at a scale to benefit UK plc
- Potential to create 75,000 new jobs by 2015
- Outweighs job losses since 2008
- Create conditions for growth in private sector and increase productivity of the labour market

The move from grant to investment...

Grant funding:

- Cocktail of funding increases bureaucracy
- Complexity a drag on attracting private sector investment
- Limits the potential to deliver at scale or over the long term

Investment funding:

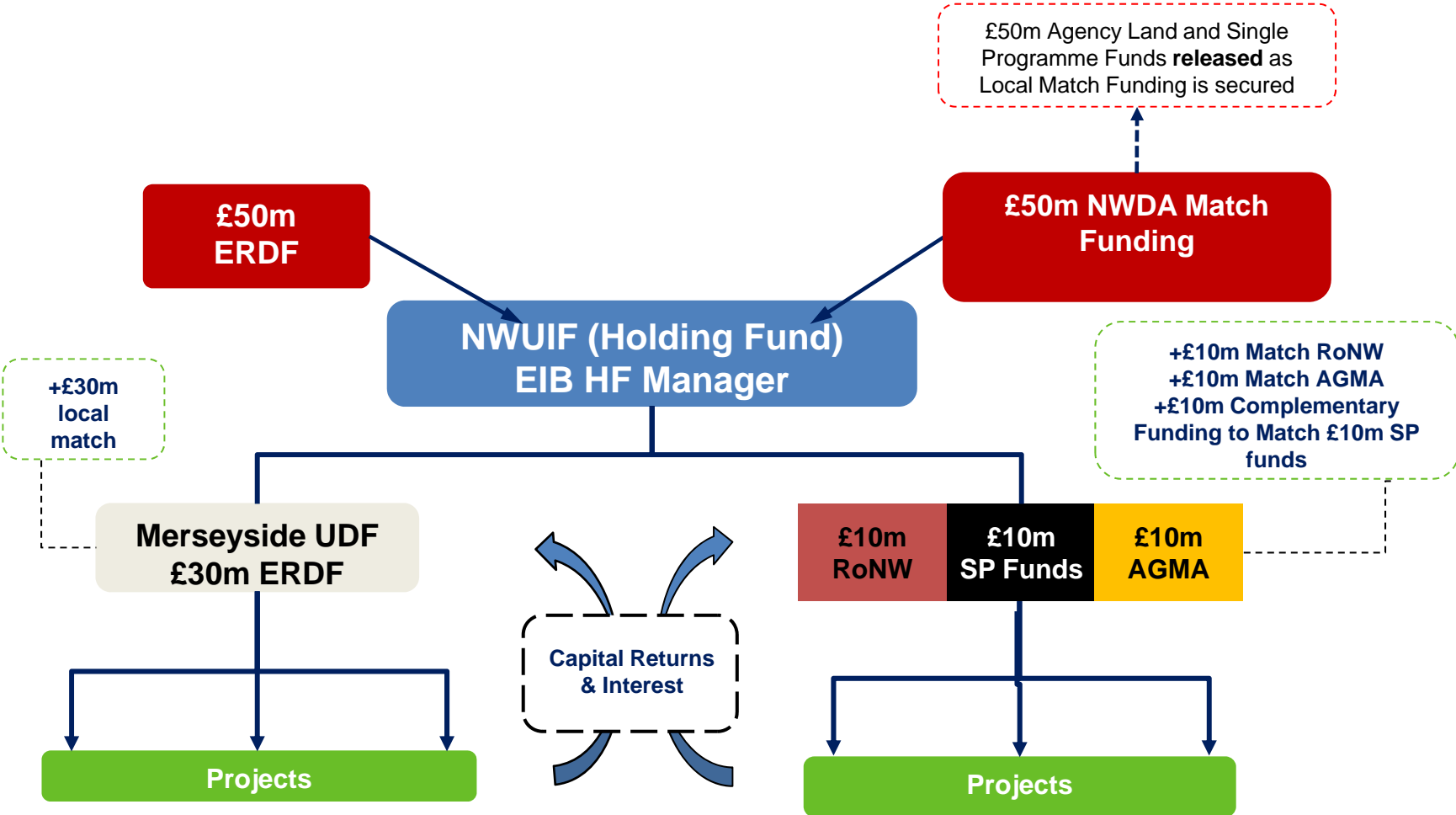
- Draw on a range of sources to fund a broad range of projects
- Scalable
- Avoid policy-specific detailed conditions and focus on return of investment (projects must be commercially viable)

Investment approach

Range of potential mechanisms to support strategic priorities:

- North West Evergreen (JESSICA)
- Community Budgets
- Social Impact Bonds / Payment by results
- Tax Increment Financing
- Regional Growth Funding

The Northwest JESSICA Fund Structure



Outline Community Budget Approach

MCC invests in interventions to test in situ. Engage partners at neighborhood and family level

STEP 1

Early-win integration options

Track financial benefits Test ability to make cashable savings

STEP 2

Early-win intervention options

Produce evidence of costs and benefits Partners to invest in basis of CBA

STEP 3

Bilateral integration & intervention options

Review New Delivery Model and potential to scale up / broaden range of interventions

STEP 4

Holistic integration & intervention options agreed with central government

Investment Fund operating to support scaled up New Delivery Model

STEP 5

Fully fledged single investment deal with central government

July 2011



How does a SIB work?

Social Impact Bond – Children's Services

