



Economy Scrutiny Committee

Date: Thursday, 5 November 2020

Time: 10.00 am

Venue: Virtual Meeting - Webcast at - https://manchester.public-i.tv/core/portal/webcast_interactive/485343

This is a **Supplementary Agenda** containing additional information about the business of the meeting that was not available when the agenda was published

Access to the Council Antechamber

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Membership of the Economy Scrutiny Committee

Councillors - H Priest (Chair), Green, Hacking, Johns, Noor, Raikes, Shilton Godwin, K Simcock and Stanton

Supplementary Agenda

- 5. Council's Medium Term Financial Plan and Strategy for 2021/22** 5 - 14
Report of the Deputy Chief Executive and City Treasurer attached
- This report sets out the impact of COVID-19 and other pressures and changes on the Council's budget for the period 2021-2025. It summarises the savings options under consideration from 2021/22 as well as set out the approach to Equality Impact Assessments and consultation as part of the budget setting process.
- 6. Report on the budget options for 2021/22** 15 - 26
Report of the Strategic Director (Growth and Development) attached
- This report outlines the financial position and sets out Officer options for savings against each service area aligned to the remit of the Economy Scrutiny Committee to help achieve a balanced budget in 2021/22.
- 8. ALMO review - Offer to Tenants** 27 - 40
Report of the Chief Executive attached
- This report provides an update following the report in September 2020, which informed of the outcome of the recent "due diligence" review of the Arms Length Management Organisation (AMLO), Northwards Housing, undertaken by Campbell Tickell. This report provides a summary of the progress in developing the case for tenants leading to a full consultation and "test of opinion".
- 9. Overview Report** 41 - 84
Report of the Governance and Scrutiny Support Unit
- This report provides the Committee with details of key decisions that fall within the Committee's remit and an update on actions resulting from the Committee's recommendations. The report also includes the Committee's work programme, which the Committee is asked to amend as appropriate and agree.
- The Economic COVID 19 Sit Rep will be an item for information is now attached.

Further Information

For help, advice and information about this meeting please contact the Committee Officer:

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This supplementary agenda was issued on **Thursday, 29 October 2020** by the Governance and Scrutiny Support Unit, Manchester City Council, Level 3, Town Hall Extension (Mount Street Elevation), Manchester M60 2LA

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Manchester City Council Report for Information

Report to: Health Scrutiny Committee – 3 November 2020
 Children and Young People Scrutiny Committee – 4 November 2020
 Neighbourhoods and Environment Scrutiny Committee – 4 November 2020
 Economy Scrutiny Committee – 5 November 2020
 Communities and Equalities Scrutiny Committee – 5 November 2020

Subject: Report to update on the Council's MTFP focusing on the financial position and strategy from 2021/22

Report of: Deputy Chief Executive and City Treasurer

Summary

The report will set out the impact of COVID-19 and other pressures and changes on the Council's budget for the period 2021-2025. It will summarise the savings options under consideration from 2021/22 as well as set out the approach to Equality Impact Assessments and consultation as part of the budget setting process. It also sets out next steps in the budget process, including scrutiny of the draft budget options by this Committee.

Separately the report sets out the impact of COVID-19 on the capital programme and the implications for the budget.

Recommendations

The Committee is asked to note this report.

Wards Affected: All

Environmental Impact Assessment - the impact of the issues addressed in this report on achieving the zero-carbon target for the city

The budget reflects the fact that the Council has declared a climate emergency by making carbon reduction a key consideration in the Council's planning and budget proposals.

Our 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	The effective use of resources underpins the Council's activities in support of its strategic priorities as set out in the Corporate Plan which is underpinned by the Our Manchester Strategy.
A highly skilled city: world class and home-grown talent sustaining the city's economic success	

A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	
A liveable and low carbon city: a destination of choice to live, visit, work	
A connected city: world class infrastructure and connectivity to drive growth	

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Background documents (available for public inspection):

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy, please contact one of the contact officers above.

Executive 14 October - Revenue Budget Monitoring 2020/2 and budget position 2021/22

1 Introduction and Context

1.1 The approved 2020/21 budget reflected the priorities below:

- care and support for vulnerable people, including older people and those with learning disabilities and mental health needs;
- taking action on family poverty and giving young people the best start in life;
- tackling homelessness;
- tackling the climate emergency and achieving zero carbon;
- supporting people into jobs and training;
- keeping roads and neighbourhoods in good shape; and
- parks and leisure to keep people active and happy.

1.2 The Council's net revenue budget is funded from five main sources which are Council Tax, Business Rates, government grants, dividends and use of reserves. In recent years as central government funding has reduced and business rates retention has been introduced the ability to grow and maintain the amount of resources raised locally has become even more important for financial sustainability and is integral to the Council's financial planning.

1.3 The budget for 2020/21 was a one-year roll over budget. The strategic framework which underpins this is the Our Manchester Strategy, the Corporate Plan and the Locality Plan. Whilst the Council published a one-year budget in line with the one-year spending round announced by the Government, this was supported in the background by a longer-term financial plan over five years, including spreading the use of one off resources through reserves to support longer term investment in areas such as social care. This was critical to demonstrate forward planning and resilience, ensuring the Council was in a stronger position to respond to the national funding changes.

1.4 The medium-term financial plan remains challenged by uncertainty. These include the outcome of the Spending Review. After 2021/22 there are potential changes to how local government funding is distributed, the Business Rates Retention scheme, and the future of Adult Social Care funding.

1.5 Prior to COVID-19 there was an underlying budget gap of c£20m for 2021/22 rising to c£80m by 2024/25. This was to be addressed in the Medium-Term Financial Planning process. The impact of COVID-19 outlined in this report is in addition to this. At this stage no COVID-19 related funding has been confirmed beyond 2020/21 any additional support for 2021/22 will not be announced until the outcomes of the Comprehensive Spending Review.

2 Position reported to October Executive

Impact of COVID-19 on Council revenue finances

2.1 Dealing with the impact of COVID-19 has resulted in major spending pressures, particularly in social care, but also across all Directorates. There are costs arising from a number of new functions such as providing the community hub and services for shielding residents as well as sourcing and supplying personal

protective equipment (PPE) for other organisations. At the same time there has been a significant reduction in income received, particularly in relation to commercial income and local tax income.

- 2.2 The forecast budget shortfall relating to COVID-19 pressures is £55.6m this financial year increasing to £160.1m next year as shown in the table below.

Table One: Summary of COVID-19 Impact across 2020/21 and 2021/22 (excluding funding announcements)

	2019/20 £000	2020/21 £000	2021/22 £000
Additional Costs (MCC only)	389	25,108	24,994
Income:			
Loss of Income (MCC only)		126,129	107,840
Adjustment for element of dividends not budgeted to use in year		(55,809)	(8,729)
2020/21 Council Tax and Business Rates shortfalls which impact a year in arrears		(36,571)	36,571
Bus Lane and Parking Income - impact on reserves capacity		(3,274)	0
Budget impact of lost income	0	30,475	135,681
Total Costs and Net income losses	389	55,583	160,675

- 2.3 A £100m gap broadly equates to 20% of the Council's budget used to support the delivery of services. This would be on top of the cumulative reductions of £379m and workforce reductions of c4,000 fte or 40%, that have had to be delivered over the past decade.
- 2.4 The additional government funding and in year measures taken (which have included holding a number of vacancies and the use of some reserves) should enable a balanced budget to be delivered in this financial year. An additional £24m for Manchester has been announced in the fourth tranche of government funding and the Council is likely to receive up to £6.4m additional support for lost fees and charges income (this does not cover loss of commercial or rental income). Any capacity this creates in 2020/21 will enable the Council to defer and reprofile the use of reserves that were planned to support the budget and which can now be applied to reduce the gap in 2021/22.

Budget Position 2021/22 to 2024/25

- 2.5 The budget assumptions that underpin 2021/22 to 2024/25 include the commitments made as part of the 2020/21 budget process to fund ongoing demand pressures and the Adult Social Care Improvement Plan as well as provision to meet other known pressures such as inflation and any pay awards (estimated at 2%). In addition, there are ongoing costs of c£25m as a result of

covid-19 including £13.5m for Adult Social Care, £7.5m for Homelessness Services and £3.8m for Children's services. Whilst this contributes to the scale of the budget gap it is important that a budget is not set that does not adequately reflect ongoing cost and demand pressures.

- 2.6 The current budget shortfall for 2021/22 is £135m rising to £146.8m in the following year. The government announcement that the Collection Fund deficit can be smoothed over three years will improve the position by c£34.4m next year but worsen the two subsequent years by £12m. As set out above, the recent funding announcements have also meant that the planned additional use of reserves can now be deferred to help the position in 2021/22. This then reduces the 2021/22 gap to £105m as shown in the table below.

Table Two: The budget gap 2020/21 to 2024/25

	Revised 2020 / 21	2021 / 22	2022 / 23	2023 / 24	2024 / 25
	£000	£000	£000	£000	£000
P5 Budget shortfall after confirmed funding/ mitigations	271	135,958	146,801	110,143	123,391
Sales, fees and charges support (estimate)*	(6,400)	0	0	0	0
Smooth Collection Fund over 3 years:	0	(24,381)	12,190	12,190	0
Defer planned use of reserves to balance the budget	6,129	(6,129)			
Total - Potential Budget Gap	0	105,448	158,991	122,333	123,391

**subject to MHCLG confirmation of eligibility*

3 Addressing the Budget Gap

- 3.1 On 21 October the government announced the Spending Review will be published at the end of November and will be for one year only, in order to prioritise the response to COVID-19 and the focus on supporting jobs. Detailed funding allocations for the Council will only be made available as part of the provisional Local Government Finance Settlement, normally late in December. This again means that effective long-term financial planning is more difficult.
- 3.2 Prior to COVID-19 the Council had established a Medium-Term Financial Plan and Balance Sheet strategy with capacity to offset shocks and provide investment where necessary. This had included for example using most of the dividend income in arrears and smoothing budget investment in social care. However, the depth and breadth of this pandemic could not have been foreseen and the Council, like many other Authorities across the Country, is facing a significant and long-term financial challenge.
- 3.3 As outlined above the main financial impact from Covid-19 falls in 2021/22. Due to

the scale of the budget gap some decisions will be required in advance of the Spending Review and the Local Government Finance Settlement to enable the budget to be balanced next year. A programme of c£50m cuts are therefore being put forward by officers for consultation now so they can be fully delivered in time for 2021/22. Where possible these are designed to protect front line services.

- 3.4 It is likely there will be some further support in the Spending Review although due to the extent of the financial gap further cuts will be required in the future. It is not known what funding the Council will get after 2020/21 and work will be required to ensure that where possible further cuts are carefully planned as part of the Future Shape of the Council work.
- 3.5 Given the scale and complexity of changes now facing the Council, a piece of work is being carried out until the end of December to review the future shape of the Council, in order to best deliver the priorities for the city and develop how the Council needs to operate in the future. The context for this work is the current re-set of the Our Manchester Strategy, the ongoing embedding of the Our Manchester approach and behaviours, development of a new Organisational Development strategy, the further integration of health and social care, and the decisions regarding the future of the Northwards Housing Arms' Length Management Organisation.
- 3.6 The scale of the changes required to deliver all of the above are so significant that this will require a fundamental review of the future size, shape and purpose of the Council. This work will start by developing the design principles that in turn frame the future shape and priorities of the organisation.
- 3.7 However, if there is no further support through the Finance Settlement the Council will have to act quickly to make more severe cuts for next year. The individual scrutiny committee papers set out the areas where tough decisions may have to be made but that the Council is working hard to avoid. If required, they will be brought forward in more detail to Scrutiny Committees once the Finance Settlement has been announced. It should also be noted the capacity to effectively deliver a programme of cuts of £100m in one year is limited and this is an important consideration when looking at the sustainability of the budget position for next year.
- 3.8 All the options for budget cuts have been risk rated and are contained within the individual scrutiny committee reports. The savings options which align to this Scrutiny Committee are provided in that report which includes the workforce impact. The Committee is invited to consider the options within its remit and to make recommendations to the Executive.
- 3.9 Broadly the £52m, which will be subject to consultation, breaks down into:
 - Health and Social Care integration: The planned Improvement Plan investment of £2.150m, funding for inflation, demographics and any increases in the national living wage will be maintained along with the estimated £13.5m ongoing impacts of Covid-19. **£20m** savings are planned through a reduced Council contribution to the pooled health and social care budget under

devolution arrangements. Accelerating and extending the integration of the health and social care system will support a healthier population, which in turn will unlock savings. Earlier detection and prevention of problems can stop them escalating into long-term care needs and costs and help people to live more independently for longer.

- Resources and Governance - **£7.1m** from the Corporate Core with reductions in capacity across all support services, how the Corporate Core provides support to residents and changes to the model for supporting residents and a review of access channels which will include the Customer Service Centre. These will be clearly set out in the report to Resources and Governance Scrutiny Committee and Executive with the changes to the Customer Service Centre forming the basis of a separate scrutiny report, consultation and engagement process.
- **£6.9m** cost avoidance and revenue generation from business units which will also be contained within the Resources and Governance Scrutiny Report. The proposed options envisage that this will largely be achieved through income generation for example an extra £4.5m in 2021/22 through the council taking over running the city's car park operation and £1.3m through increased advertising income. There is also the proposal to withdraw from being a provider of school catering services reflecting the continued reduced demand for these services which mean a substantial Council subsidy is now required.
- Neighbourhood Services: **£1.4m** which mainly relates to Highways (£0.6m) and parks and leisure income generation (£0.6m). There will be additional investment of £7.5m for the ongoing support for the homeless and rough sleepers after the pandemic. As part of the ongoing changes to the Homelessness Service as well as the need to make cuts across all areas of the Council, there are also cuts planned of up to **£3.6m** in Homelessness Services. These will be achieved through working with voluntary and community sector and registered housing provider partners to reduce costs; a service restructure which will particularly focus on reducing layers of management and improving prevention and move on initiatives which should reduce the need for more expensive B&B accommodation.
- Economy Scrutiny: **£2.3m** through a combination of efficiencies, such as reducing the number of buildings occupied because of new ways of working developed during the pandemic and deleting/not filling vacant posts and income generation such as increased surveyors' fees.
- Children and Young People: Much of the Children's Services budget is devoted to caring for looked after children and safeguarding and will be protected. In addition to the anticipated additional demand due to increases in numbers of children in the City, estimated at 3% and totals £2.2m is still contained within the budget along with a further £3.8m to support the likely increase in children and young people requiring support post the pandemic. The average growth in Looked After Children in the last three years has been 6.8% per year. However, almost **£11.3m** of other potential cuts have been identified. These will be partly achieved by reducing escalation and need for

external residential placements by working with partners to prevent placement breakdowns and expand the availability of more local good quality foster placements and support. Other savings will be made through service reductions such as targeted support for early years. Additional grant and charging schools for services are also part of the Directorate's plan to achieve the cuts.

4 Equality Impact Assessment and Setting the Budget

- 4.1 Many of the options put forward will require an Equality Impact Assessment (EIA) to be undertaken, in particular those that involve impacts on services for residents and reductions in the Council's workforce. A streamlined EIA template has been developed during the response to COVID-19, which has received positive feedback so far, and will continue to be used in relation to EIAs for the budget. Communities and Equalities Scrutiny Committee have an important role in reviewing the EIA process for the budget options put forward and the potential impact on any decisions on the VCSE and on cultural activity.
- 4.2 Equalities and inclusion are a key theme emerging from the reset of the Our Manchester Strategy and have been drawn into sharp relief by COVID-19 exacerbating existing inequalities within the city. A cumulative EIA of the total impacts of budget proposals will be undertaken starting in January 2021 once there is greater clarity about the proposals being taken forward. This will consider and build on the COVID-19 cumulative impact assessment that has been undertaken that has shown the impacts of the pandemic on groups across the city.

5 Consultation on Budget Options

- 5.1 All budget options will be reviewed in detail and where required formal consultation on the details of those options will take place. They will be subject to further refinement following feedback from public consultation and scrutiny committees. The figures may be subject to change following the contents of the Local Government Finance Settlement. Final budget proposals will be made to Scrutiny and Executive in February 2021.
- 5.2 Alongside the formal consultation requirements identified from the options put forward there is a statutory requirement to consult with business rates payers. A public consultation on any proposed council tax increases would take place in late January/early February.
- 5.3 The budget approval process key dates are outlined in paragraph 6.3, and the consultation will commence on 11 November 2020 and close on 6 January 2021.
- 5.4 As in previous years it is proposed that the business plans and saving options are summarised on the Council's website to ensure that the information being consulted upon is in plain English and easy to understand.
- 5.5 It is also proposed that residents are asked to comment on the plans/options via an online consultation form with a few short questions to gauge agreement and space to provide further comment via open text boxes. Paper copies of the form

will also be sent to libraries. Again, this is in line with the approach in previous years.

- 5.6 Time will be required following the closing date to review the responses and analysis the information. As a result, consultation results will not be available for the Executive budget meeting on 20 January, however, a brief update will be prepared on the response rates and how the consultation is performing.
- 5.7 The full results will be issued in advance of the Executive meeting on 17 February for consideration.

6 Next Steps

- 6.1 Following scrutiny, the Executive will consider the officer cuts and savings options at its meeting on 11 November, taking into account the feedback from the six scrutiny committees.
- 6.2 Consultation will start on 11 November and decisions can be assessed in the light of the Finance Settlement and the outcome of any consultation.
- 6.3 The proposed next steps are as follows:
 - Officer Options will be presented to the November Scrutiny Committees (3-5 November) for comment and recommendations to Executive on 11 November. The options are being developed in collaboration with partners and will be subject to consultation.
 - Spending Review expected by the end of November and the Local Government Finance Settlement usually follows in December. The outcome will be reported back to January Scrutiny Committees (12-14 January) and Executive (20 January) along with the proposed budget options and any required further cuts that will need to be consulted on.
 - February Scrutiny Committees (9-11 February) and Executive (17 February) receive proposed budget
 - Resources and Governance Budget Scrutiny - 1 March
 - 5 March Council - approval of 2021/22 budget

7 Recommendations

- 7.1 The recommendations appear at the front of this report.

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Manchester City Council Report for Resolution

Report to: Economy Scrutiny Committee - 5 November 2020
Executive - 11 November 2020

Subject: Growth and Development Directorate Budget Options 2021/22

Report of: Strategic Director Growth & Development

Purpose of Report

As part of the planning for the 2021/22 budget, the Council is estimating a budget gap of £105m in 2021/22 increasing to c £159m in 2022/23, and all Directorates have been seeking to identify savings options for consideration by Members. This report sets out the initial the officers' savings options that are relevant to this Committee.

Recommendations

1. The Committee is asked to consider and make recommendations to Executive on the savings options put forward by officers and prioritise which options they believe should be taken forward to ensure the Council is able to deliver a balanced budget.
2. Executive are asked to consider the officer cuts and savings options, taking into account the feedback from this scrutiny committee.

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 the leadership and focus for the sustainable growth and transformation of the City's neighbourhoods and highways
A highly skilled city: world class and home-grown talent sustaining the city's economic success	Ensuring residents are connected to education and employment opportunities across the City.

A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	Creating places where residents actively demonstrate the principles of Our Manchester through participation and take responsibility for themselves and their community whilst encouraging others to do the same, supported by strong and active community groups.
A liveable and low carbon city: a destination of choice to live, visit, work	Creating places where people want to live with good quality housing of different tenures and effective use of the highways network; clean, green, safe, healthy and inclusive neighbourhoods; a good social, economic, cultural offer and environmental infrastructure.
A connected city: world class infrastructure and connectivity to drive growth	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.

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

- Equal Opportunities
- Risk Management
- Legal Considerations

Financial Consequences Revenue

The savings options included within this report are officer proposals and Members will need to prioritise which options are to be included as part of the 2021/22 budget preparation.

Financial Consequences – Capital

There is already an approved capital investment programme for the Directorate, and some capital investment is required to assist in delivering some of the currently identified options included within this report.

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Background documents (available for public inspection):

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the contact officers above.

Growth and Development Directorate Budget 2020/21 - Executive 12 February 2020

1. Introduction

- 1.1 This report should be read in conjunction with the covering report and sets the cut's options put forward by officers to support the work to deliver a balanced budget in 2021/22. Unless further Government support is forthcoming as part of the Spending Review and Finance Settlement the Council is facing a potential budget gap of £105m in 2021/22 which will be ongoing into future years. Therefore, the report also sets out in less detail further cuts which the Council is seeking to avoid but may have to consider if any further funding to support the Council is not forthcoming.
- 1.2 In order to plan effectively to deliver a balanced budget all Directorates are developing cuts options, totalling a combined c£50m, where work needs to start as part of the process to achieve a balanced budget for 2021/22. The options have been developed alongside Heads of Service and wherever possible consideration has been given to protecting front line services and to protect the capacity to support the recovery planning.
- 1.3 Overall The Growth & Development Directorate has identified officer cuts totalling **c. £2.314m**. This would require a reduction of **c22** full time equivalent (FTE) posts. Due to lead in time around required investment investments and timing on some contracts/leases, the £2.314m would be phased over the period 2021/22- 2024/25, with an initial £2.024m being delivered in 2021/22. Further detail is set out in the table below.
- 1.4 The options identified that are under the **remit of this Committee total £0.733m and requires a reduction of 11fte's**, further details on these options are included in section 4 of this report.
- 1.5 As part of identifying the cuts options consideration has been given to trying to minimise the impact on residents, businesses and other stakeholders, although this is not always possible.

2 Growth and Development Directorate Background and Context

- 2.1 The Growth and Development Directorate ("Directorate") has a pivotal role in driving the **sustainable economic growth of the city that benefits everyone**. They achieve this by securing new commercial development, attracting inward investment, generating employment growth across the city, and also supporting businesses and communities to thrive. The directorate has the leading role in the economic recovery of the City following the decline due to Covid-19. The Directorate is delivering the City Council's Residential Growth Strategy which underpins 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. The planning, building control and licensing functions further enhance the strategic planning and place shaping function.
- 2.2 The Work and Skills and Adult Education services ensure that **Manchester residents directly benefit from the economic growth and development of**

the city and associated jobs creation. The Directorate also works with a range of stakeholders to enable people to better support their **children's learning, fulfilling their potential** and to be active citizens contributing in their communities. For an increasing number of residents, this means support to manage the impact of welfare reform and transition to universal credit.

- 2.3 The Directorate has the central role in **ensuring the delivery of the right mix of affordable housing for Manchester residents to have a good choice of safe and secure homes.** We will accelerate and sustain the delivery of more housing, including enough which is affordable for our residents on low and average incomes and will intervene, where necessary, to speed up the delivery of housing across the city, including developing homes ourselves.
- 2.4 The Directorate also works directly with colleagues in the Neighbourhood Directorate in the planning and delivery of new **neighbourhoods** making sure these meet the needs of our diverse and complex communities. We work proactively in partnership with businesses, residents and partners to make sure our developments meet local needs to deliver neighbourhoods people want to live in and are designed to enable quality neighbourhood management services (such as waste collections and recycling).
- 2.5 Supporting Manchester's commitment to be a zero carbon city by 2038 is a priority for the directorate by reducing the Council's direct CO2 emissions through continued rationalisation of the operational building estate and improving energy efficiency in council owned buildings. The Directorate will also use its influence and leadership role across the city to encourage others to reduce CO2 emissions in industry, commercial and residential sectors through developing planning policy and influencing contractors through procurement and commissioning arrangements.
- 2.6 The Directorate strives to be **well managed, to balance our budgets** and to provide additional efficiencies and **increase income** from the Council's property portfolio to help underpin the council's budget.

3 Growth and Development 2020/21 Budget Position

- 3.1 The Growth and Development Directorate has a gross budget of £63m, and a net budget of c.£9.1m, with 636.5fte's. The breakdown by service area is provided in the table below:

Table 1: 2020/21 base budget

Service Area	2020/21 Gross Budget £'000	2020/21 Net Budget £'000	2020/21 Budgeted Posts (FTE) £'000
Operational Property	12,012	8,023	35.8

Facilities Management	14,825	9,866	176
Investment Estate	8,815	(11,997)	28.8
Growth & Development	723	156	2.6
City Centre Growth and Infrastructure	1,065	518	11.9
Housing & Residential Growth	3,859	1,417	34.9
Planning, Building Control & Licensing	7,479	(609)	133.1
Work & Skills	1,857	1,741	25.6
MAES	10,389	0	182
Our Town Hall Project	2,385	0	5.8
Grand Total	63,409	9,115	636.5

- 3.2 The 2020/21 cash limit budget is c£9.115m And this is net of the £2.368m savings that were approved as part of the 2020/21 budget process.

Current In year forecast Position at August 20 (Period 5)

- 3.3 As at August 2020 the Directorate is forecasting a net overspend of £5.266m, this includes Covid-19 related pressures of £7.634m, offset by in year mitigation of £2.368m.
- 3.4 The Covid-19 pressures are made up of a combination of £5.371m reductions in income of £3.343m and increased cost pressures of £2.028m. The main loss of income has arisen within the Investment estate due to tenants not being in a position to pay their rents because their business has been impacted by Covid-19. In the majority of cases any support has been provided in the form of deferment of rent, rather than write off. This is in order to support businesses with cash flow, whilst also seeking to protect the Council overall position although the level of bad debts is likely to increase.
- 3.5 In addition to the income reductions, there have been increased costs with the main costs being in respect of supporting the food response as part of the Community Hub, this is forecast to cost over £2m in the current financial year.
- 3.6 As part of the ongoing work seeking to mitigate the above pressures in year forecast savings of £2.368m have already been identified, this is largely due to staff savings because of vacant posts and reduced running costs across all services.

4. 2021/22 onwards Savings Options

- 4.1 In response to the identified Council wide budget gap all budgets have been reviewed in order that any savings opportunities are identified and included for consideration by Members. The initial options from Growth and Development identified as part of the wider £50m savings equate to an initial **£2m** in 2021/22 increasing to **£2.3m** by 2024/25, although this does require a 22fte

reduction across the Directorate. This report sets out the options that are relevant to this Committee, and these **total £0.733m and include a reduction of 11fte's.**

- 4.2 Whilst a number of areas have currently been identified, it is recognised that these alone may not be sufficient to bridge the overall budget gap and further deeper cuts that will affect both the future growth opportunities and the service offered to residents, businesses and communities across the City may be required.
- 4.4 Further details of the initial officer options are set out in more detail below whilst the table at appendix 1 provides a summary view along with RAG rating.

Initial areas identified

- 4.5 **Housing and Residential Growth - £190k**, growth agenda continues to be a priority, current work streams include the establishment of the Housing development vehicle, review of the housing ALMO, and ongoing development including increasing the supply of both affordable social housing and private housing.
- 4.6 In light of the above savings of £190k having been identified through increased rental income from a recently completed development, it is likely that this income could increase year on year as rent levels increase.
- 4.7 **Planning, Building Control and Licensing - £393k -11fte**, the service operates on a fee recovery basis, and there are certain ring fencing arrangements in place around how the fee income can be utilised. There are elements of the service that are statutory functions and any cuts will need to consider these statutory functions.
- 4.8 There are currently 11 existing vacancies across both planning and building control and holding these posts vacant will save c£393k. It is proposed that the posts will only be filled if additional funding is identified.
- 4.9 **Work and Skills - £150k** - The Government have recently announced they will provide £100k additional financial support for youth unemployment which will be available to offset existing mainstream budget provision. Given the likely increase in youth unemployment arising from the current economic uncertainty this will not allow resources for any increased support for youth unemployment.
- 4.10 In addition to the above a further **£50k reduction in commissioning** activity in business support & employment support has been identified.
- 4.11 Both the above savings will reduce the level of resources available and would impact on the team's ability to respond to the unemployment crisis and contribute to Manchester's economic recovery. It would mean some areas of work cease, such as sector based work, and reduce the team's ability to

coordinate skills, training and employment support offered at a local level.

5. Further Considerations

- 5.1 As set out in the covering report, the Council is working hard to determine what the future shape of the Council will be which will set the framework for further budget cuts required in the future. However due to the severity of the budget position further cuts may need to be enacted quickly if further funding is not forthcoming in the Finance Settlement. These are not cuts that are being recommended at this stage and the Council is working hard to avoid these but the high level thoughts on potential options which would need to come back to scrutiny are set out below
- 5.2 The Growth and Development directorate potential options for a further **£2m with an additional reduction of 30FTE** have been identified for further development. It is recognised that if this were required there will be an unavoidable impact on the service offer to residents, businesses and communities.
- 5.3 The specific options under the remit of this Committee would deliver c£1.1m deeper cuts which would require service redesigns across a number of areas in order to support the reduction in 30fte's, which would significantly reduce the available capacity to support ongoing activity.

6. Workforce Implications

- 6.1 The City Council is seeking to avoid compulsory redundancies, and the workforce implications related to the initial options included in this report require a reduction of c.11fte's of which all posts are currently vacant.
- 6.2 As part of the Council requirements to reduce the existing workforce, the council will open a limited targeted voluntary redundancy/voluntary early retirement scheme to support services which are aiming to achieve staffing reductions, but on a limited basis for a time limited period or in other areas where there are savings or changes that need to be achieved. Details of this scheme will be reported to the Personnel Committee on 11 November.
- 6.3 The Government has passed regulations which implement a public sector exit pay cap of £95k from 4th November 2020. This means that anyone leaving with a severance package, which includes redundancy pay and actuarial strain on pension that amount to over £95k combined, will have it reduced to that cap. The regulations are not yet in place and this will add further complexity to the scheme.
- 6.4 Consultations have started with the Trade Unions on the MPeople processes to ensure that the Council does not lose the focus on providing support for our workforce to develop and progress and where relevant to reskill into different roles with a view to focussing on giving excellent support to those at risk of redundancy in finding suitable alternative employment.

7. Equalities

- 7.1 We will continue to ensure that the Council meets its obligations under the Public Sector Equality Duty, building on our successes at fostering good relations between Manchester's communities of identity and maintaining fair and equal access to Council functions. Through ongoing customer monitoring, satisfaction and engagement approaches, we will strengthen and utilise our growing evidence bases within the Directorate to identify the differential experiences of individual identity groups in Manchester accessing Council services, and proactively respond to make these as fair and equitable as possible.
- 7.2 Each of the proposals outlined, if taken forward, will need to consider the requirement and completion of an Equality Impact Assessment. The outcome of which will inform the future planning and delivery to ensure that no residents are disproportionately affected by the changes to services.

8. Risk management

- 8.1 The Directorate will seek to manage all expenditure within the approved budget available and performance against budgets will be monitored and reported to members on a regular basis, this will include a risk register with any mitigations identified.

9. Legal

- 9.1 There are no legal implications arising from this report.

10. Conclusion

- 10.1 Clearly the Council is facing a period of significant change and it is important that there are sufficient resources to respond to the change going forward. Currently the budget gap is c£105m and increasing in future years so it is imperative that budget savings options are identified that can contribute towards bridging the gap. The future council work is ongoing, and this will set out what is required going forward what sort of Council we want to be in the longer term. This should also provide the framework for future budget decisions.
- 10.2 The budget proposals within this report will be subject to further refinement following feedback from the Scrutiny Committee and updated prior to being submitted to the Executive. A further report will be brought back to January Scrutiny that incorporates the feedback from this meeting, the budget consultation and the impact of the Finance Settlement.

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Appendix 1- Summary Review

Service	Description of Saving	Type of Saving	RAG Deliverability	RAG Impact	Amount of Saving			FTE's
					21/22	22/23	Total	
					£'000	£'000	£'000	
Planning, Licensing & Building Control	Hold/delete 11 vacant posts	Reduction	Green	Amber	393		393	11
Housing & Residential Growth	Additional income from housing redevelopment	Income	Green	Green	190		190	0
Work & Skills	Reduction in commissioning activity	Reduction	Green	Green	50		50	0
	Government Funding for youth unemployment,	Income	Green	Green	100		100	0
Total					733		733	11

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Manchester City Council Report for Resolution

Report to: Economy Scrutiny - 5 November 2020
Executive - 11 November 2020

Subject: Housing Revenue Account Delivery model - Northwards ALMO Review

Report of: The Chief Executive

Summary

This report provides an update to the Executive following reports in June and September 2020. The report provides a summary of the progress in developing the case for tenants leading to a full consultation and “test of opinion”.

Recommendations

Economy Scrutiny Committee asked to comment on and endorse the recommendations to the Executive.

Executive is asked to:

1. Note the outcome of the workshops and the summary of the service offer that will be put to tenants in a “test of opinion”.
 2. Note the support provided by Northwards Board and Executive for the proposal.
 3. Note the proposals contained within the report about how the new council-controlled service will be governed and how tenants will be involved and empowered in the decision making about services to homes and communities.
 4. A final report will be presented in January 2021 with the outcome of the “test of opinion” and to confirm the final decision.
-

Wards Affected:

Higher Blackley, Charlestown, Crumpsall, Harpurhey, Moston, Cheetham, Miles Platting and Newton Heath

Environmental Impact Assessment - the impact of the issues addressed in this report on achieving the zero-carbon target for the city

The retrofitting of existing homes managed by Northwards is a key aspect of this proposal. The HRA cannot currently support the level of investment required to achieve a level of retrofit to meet Zero Carbon. Measures need to be taken to manage the projected deficit in the HRA in order to meet Zero carbon and other policy aspirations.
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Manchester Strategy outcomes	Summary of how this report aligns to the OMS
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	As the largest single landlord in the City the Housing service is a major source of contracts and supplies that ideally are sourced locally
A highly skilled city: world class and home-grown talent sustaining the city's economic success	A major employer the Housing services for the council stock currently employs c350 people and supports apprenticeships and wider skills development.
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	The housing service is the largest single community influencer in North Manchester alongside the City Council.
A liveable and low carbon city: a destination of choice to live, visit, work	Central to this report is the investment needed to retrofit existing homes in order to achieve a Zero carbon housing stock.
A connected city: world class infrastructure and connectivity to drive growth	The housing service is a major contributor to the North Manchester infrastructure.

Financial Consequences

The “due diligence” exercise provided robust and externally validated financial analysis of the available options. Indications of the revised HRA budget position has been previously reported.

The budget to conclude the prices and transfer the service into the Council is £1.4m. This can be funded using HRA reserves.

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Background documents (available for public inspection):

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the contact officers above.

- Housing Revenue Account 2016/17 to 2018/19, Executive, 17th February 2016.
- Housing Revenue Account 2016/17 to 2018/19, Finance Scrutiny, 25th February 2016.
- Housing Revenue Account and the Council's Housing Management Contracts, Executive, 11th January 2017
- Housing Revenue Account Delivery model- Northwards ALMO Review, Executive 3 June 2020
- Housing Revenue Account Delivery Model-Northwards ALMO review, Executive 9 September.

1.0 Introduction

1.1 Manchester City Council owns nearly 16,000 council homes. These are managed on behalf of the council by a mix of delivery methods:

- The majority of the homes (13,300) are managed by Northwards Housing Limited (NHL);
- 527 homes in Ardwick are managed by Grove Village Limited;
- 1,469 homes in Miles Platting and Newton Heath are managed by Renaissance Miles Platting Ltd;
- 741 homes in Brunswick are managed by Solutions for Brunswick (S4B); and
- Guinness Partnership - manage 171 Council properties in West Gorton
- Peaks and Plains Housing Association - manage 11 bungalows in Alderley Edge
- Avro Hollows Tenant Management Organisation (TMO) - manage 312 properties in Newton Heath
- Shout Tenant Management Organisation - manage 94 properties in Harpurhey

1.2 The Council established Northwards Housing Limited (NHL) in 2005 with the primary objective of securing government funding to deliver the Decent Homes standard. Although the decent homes funding has now ceased, the Council has retained NHL and continues to commission housing and additional services including the City wide allocations scheme, Manchester Move and the delivery of the capital investment programme for Council housing.

1.3 On 3 June 2020 Executive considered the position of the delivery of the Housing service in the context of the Housing Revenue account (HRA). The current HRA 30-year business plan shows that reserves fall below the c£60m level required to avoid having to pay increased interest charges on debt in 2027/28, and the reserves are forecast to be exhausted by the end of the 30-year business plan leaving a deficit of over £11m. The current plan is primarily aimed at maintaining decent homes.

1.4 The June report reflected that there is additional pressure and demands on the HRA including enhanced fire safety works, new build schemes and retro-fitting to achieve full Zero carbon of existing homes by 2038. Combined, these areas lead to a projected deficit in excess of £400m by the end of the 30-year business plan.

1.5 Following consideration of the issues and options Executive agreed to:

- approve consultation on the preferred option (insourcing) identified as part of the HRA review to bring the ALMO back in-house with a recommendation for the decision to be made in September 2020;
- approve the commission of due-diligence exercise of the Northwards ALMO, including consultation with staff, unions, tenants and local stakeholders, and will review the costs of options that will assist the HRA and develop a business case; and

- approve that Northwards be asked to make interim arrangements for a suitably qualified Interim Chair and defer any recruitment until the consultation and due diligence exercise is concluded.
- 1.6 It is confirmed that Northwards has now recruited an Interim Chair. The “due diligence” review was undertaken by Campbell Tickell and the conclusions and findings were reported in September. The significant elements of the report were;
- 1.7 Campbell Tickell concluded with some key points about the issues facing all Housing services and in regard to Northwards and North Manchester specifically.
- In common with every other local authority and social housing landlord, MCC has experienced a significantly tougher regulatory and operating environment over recent years, driven by the four-year -1% rent reduction which has reduced expected levels of income, and the ongoing response to the Grenfell tragedy with significant investment being made in life-saving fire-safety improvements. However, complex these challenges may be, the impact of the Covid-19 pandemic is system threatening, and has forced a full reset of operating environment priorities and working models for everyone delivering public services, currently operating in little more than safe mode.
 - Covid-19 has created a new operating reality for public services and its impact on people’s lives, and the increased demand that this will place on housing services will be experienced for many years to come. Against this backdrop, Manchester must examine its own operating model to ensure it is optimally configured to deliver a sustainable level of service, whilst targeting resources in the most cost efficient, productive and needs focused manner possible.
 - Whilst Northwards has demonstrably achieved what the council has expected of it over time, faced with an unforeseen and stark operating reality, it is opportune moment to ask what whether an ALMO represents the best vehicle to deliver the housing service for both the Council on behalf of its tenants.
 - Not unsurprisingly, at fifteen years old, the rolled over Management Agreement is in need of review as in many respects it does not meet the needs of either party in optimising efficiency, making the best use of resources or in raising the quality of services
 - In summary the evaluation of Northwards itself is that it has regard to efficiency, and that annual operating surpluses have been made year-on-year prior to 2019-20. Northwards benchmarks comparatively strongly with other Manchester providers in respect of overall costs per unit, and income collection. However, overhead costs are high compared with other providers.
- 1.8 They also conclude that staying as we are currently operating is not an option and that the ALMO has too many weaknesses in terms of Governance, performance, structure and delivery that need to be addressed. Whatever option is chosen will have to be in the context of a significant service delivery

improvement programme.

1.9 The recommendations from the September Executive were;

1. To note the review had concluded that found that doing nothing was not an option and that there was an opportunity to achieve savings of at least £77m over the 30-year business plan by ending the current arrangements under which the Council's housing stock is managed by Northwards Housing Limited (NHL).
2. To agree that for the service to remain out-sourced there would need to be demonstrable benefits for tenants. To confirm that insourcing the service remains the preferred option and the intention to take over direct management of the Housing Service into the Council from 5 July 2021 subject to a "test of opinion" involving all tenants and leaseholders.
3. To note the proposals contained within the report about how the new council-controlled service offer would be developed and how, in future, tenants were to be involved and empowered in the decision making about services to homes and communities.

2.0 Developing the service offer

- 2.1 It is recognised that as part of seeking tenant's views through a test of opinion it would be necessary to describe how the service would look and would be delivered if brought back under council control. This has been the subject of a number of workshops in September involving Council colleagues who would play a role in service delivery after transfer. These workshops were supported by their Northwards counterparts who were able to provide information on current delivery, staff structure and resources and current levels of performance. The objective would be to identify any issues, risks, limitations, interdependencies and costs that would need to be considered as part of developing the post-transfer service.
- 2.2 Throughout September there have been 12 workshops to assess core direct core service delivery issues and 9 workshops to consider support (back office) service issues. This was predicated initially on the view that the housing service transferred from Northwards would be delivered within the compatible council service e.g. estate services would be delivered alongside neighbourhood services.
- 2.3 Whilst the need to address the pressures on the HRA has been a key driver, the overriding consideration always has been protecting and improving services to tenants. The workshop exercise has raised some legitimate issues that have been incorporated into the proposed post-transfer delivery model.
- 2.4 Amongst the issues are a number of risk areas that could have an effect on our ability to sustain a high-quality service to tenants;
 - 2.4.1 Covid related budget impacts. The Council will have to manage the budgetary consequences of Covid-19. This will require consideration of current council structures and budgetary savings. It is likely that there will be organisational and structure changes at the same time as the Housing Services would be

being assimilated into the Council. This presents a risk to the continuity of the housing service to tenants.

- 2.4.2 New repairs contractor. In April 2021 a new contract for the delivery of the Repairs and maintenance service will have been issued. Establishing a new contract is a challenging exercise even when the repairs administration function (delivered by Northwards) is stable and established. Making changes to the administration at the same time as the contracted service is highly risky and could have an adverse impact on the service.
- 2.4.3 ICT issues. There are a range of challenges to the ICT system that support the housing management and maintenance functions. The Council's ICT team have had no direct experience of working with and supporting the software packages and hardware of Northwards ICT and telephony. There are a number of software contracts that require extension or re-tendering and other infrastructure considerations. The resource commitment required in the short term is extensive, but without this there is a risk to service continuity.
- 2.4.4 As identified by Campbell Tickell the main risk with returning the service to Council control is the loss the momentum gained by Northwards and loss of focus when the service demonstrably needs to achieve more
- 2.5 Northwards, as part of their contributions to the workshops, were also able to share their experience of service delivery and make suggestions on future service design. This included a proposal from the new Chair of Northwards Board extracts of which include:

"... approach ... predicated on winding up Northwards as a separate legal entity and creating a housing management and maintenance business unit within MCC, thereby offering governance and regulatory savings.

".. a pragmatic solution which could maintain continuity of services to Council tenants in North Manchester and is based on these assumptions:

- restructuring the service delivery and associated management structure to meet tenant priorities and achieve demonstrable service improvements, but ensuring it is an integrated unit, rather than a collection of different departments and systems*
- meet the savings range set out in the last Executive Report, notwithstanding this model needs costing*
- alignment with North Manchester investment strategy, other capital programmes delivered by the Council or its partners and allow further long-term choices on investment in homes and places Northwards ceases to be a separate legal entity, effectively becoming a housing management and maintenance business unit within MCC.*
- The business unit would deliver the following services:*
 - tenancy management*
 - management of retirement housing*

- *multi-storey caretaking and estates services, including mobile cleaning of low-rise blocks and specified gardening grounds maintenance services not covered by MCC operational teams*
- *tenant and leaseholder engagement*
- *allocations and lettings within the Council's allocations policy*
- *management of the repairs and maintenance contract*
- *repairs and property condition inspections*
- *legal disrepair investigations- linking in with MCC Legal Services*
- *rent collection/income collection including money advice*
- *energy advice and fuel poverty mitigation*
- *contact centre service to tenants and leaseholders*
- *IT servers/support on which QL will sit in Northwards until integrated with Council ICT*
- *HR team to support above services and including internal communications until integrated with Council HR*
- *Full integration within the Council*
 - *Capital Programme design and delivery*
 - *Asset Management including Zero carbon*
 - *Financial Services (budget and HRA)*
 - *External Communications*
 - *Premises-retain 3 local offices-withdraw from Hexagon and Hendham Vale (Mears lease)-possible co location of R and M staff with new Contract"*

2.6 The principle of a "soft" collapse of the legal structure, but initial retention of the operating function significantly mitigates the risks outlined whilst achieving the costs savings in terms of overheads.

3.0 Return the service to the council option

3.1 The proposal that is being recommended and would be put to tenants is known as a "lift and shift". It allows the council to take the service into direct supervision whilst minimising the initial impacts on service and tenants' experience.

3.2 The practicalities of the proposal are:

3.2.1 Northwards Housing Limited (Registered Company 05435061) would cease to trade on 5 July 2021. At that point all assets and liabilities would transfer to the council. From that date no payments, income or orders would be processed or transacted by NHL. This will allow the company to be wound down and struck off from Companies House.

3.2.2 All staff deemed to qualify under the Transfer of Undertaking (Protection of Employment) Regulations 2006 (TUPE) will transfer to the council.

3.2.3 The delivery of the Capital Investment programme is not a core service defined under the management agreement. It is an additional service for which the council has been paying an additional fee over and above the management fee. To address the underperformance and underspend over recent years this service may be taken back into the council at earlier stage

and will then be wholly delivered by the council. This is intended to achieve full commitment and maximisation of the programme, significantly improved performance and customer satisfaction and social value, as well as economies of scale in delivery.

- 3.2.4 At the point of transfer the finance function that relates to holistic budgets and HRA related spend will revert to the council. Tenant finance services including arrears recovery and money advice will remain initially with Northwards.
- 3.2.5 Communications services, both internal and external will need to be aligned and structures will be considered.
- 3.2.6 The Board of NHL would need to be retained in some form for the company wind down process to be progressed. This will take around 6-12 months after the transfer date of 5 July 2021.
- 3.2.7 There is consideration to be given to retain Northwards as a Brand name for the housing service, even though it will become a council service. This is a model followed by other insourced services. The benefit is that it is a brand recognised by tenants, avoids costly rebranding of stationery and livery on vehicles and reinforces the offer to tenants
- 3.3 Manchester Move. Northwards manage Manchester Move on behalf of the City Council and the 15 registered providers who are members of the scheme. The Council pays additional fees to reflect that most members are agreeing to allocate using Council Allocation policy. Manchester Move is overseen by a Housing Access Board which is made up of the members of the scheme. There will need to be a dialogue with the members about the future management of Manchester Move. This will be progressed as a specific and separate workstream.
- 3.4 YES. YES is a wholly owned subsidiary of NHL. Once NHL ceases to trade as a legal entity YES would, by default, transfer to the council. There is a stated commitment to retaining and developing YES. There will be a specific workstream that will manage this process to create the long-term framing of YES. It is likely that we will find a new way of YES being governed which will allow it to retain a level of independence. By being part of the council some of it's grant funding and fund raising would be impaired.
- 3.5 The strength of returning the service to the Council is that it gives back direct control over the service at a time of considerable operating challenge and a background of uncertainty.
- 3.6 The cost of returning the ALMO to the council is estimated as £1,482,000 covering the legal costs of closing the ALMO, administering TUPE and pension arrangements, and management of change costs, which would be chargeable to the HRA, with retained surpluses used to meet these costs.
- 3.7 The message to tenants would focus on the continuity of service, with an improvement programme and enhanced opportunities to be involved and influence the service. Tenants would be assured that the way that they access

services and who they deal with would not change at the point of transfer. What changes is the legal structure but this is unlikely to be a matter that tenants would have issues with. Tenants would be assured that there would be action on the messages including in their survey response and that they would be involved in developing and monitoring a service improvement programme. Tenants would be given more opportunities to be involved in their services.

- 3.8 It is recognised that even with a “lift and shift” some jobs in Northwards would be at risk. These would be those roles that are directly involved in operating the Company as a separate legal entity and the Governance and infrastructure that supports this. Once a final council decision is taken, the Council’s HR Department as the importing agency, would undertake a full due diligence of the TUPE issues. It should also be recognised that Northwards’ own retention case, made as part of the Campbell Tickell review, recognised that some service areas were over-sized. They had recommended a downsizing of a number of areas with a reduction in posts of c37 posts. This case will be considered in transition.
- 3.9 Through this process there will be full engagement with the trade unions and will work closely on the messages being delivered to staff. To date the Council have not had direct dialogue with Northwards staff on these issues as there are still some stages to be concluded before final decisions are taken and the formal processes can commence. The interaction with Northwards staff will include conducting an “Our Manchester” Listening in Action exercise to establish areas of concern and attention. This exercise will contribute to retaining key personnel through this transition.
- 3.10 We will ensure any staff who are potentially adversely affected by these proposals are supported and all avenues are explored to mitigate impacts.

4.0 Governance and accountability

- 4.1 Once transferred the housing management and maintenance service would be governed by elected members and tenants. There will need to be further consideration of precisely where and how this will align to council management and the committee system. Democratic services are considering the optimum way that there can be alignment to the decision-making structure of the council. This will be place-based reflecting that the tenancies in question are exclusively in North Manchester. It is intended that this forum will be created early into 2021 so that it can oversee the transition process. A further report is due to the Resources and Governance scrutiny committee in December 2020 which will develop this issue further. Northwards members and tenants will be consulted and included in the development of this governance framework.
- 4.2 Northwards have an existing engagement framework. This includes:
- Tenants and Residents Groups. There are 9 active groups meeting a required constitution, and 11 “contact” groups.

- Residents' network. 114 active tenants on the data base
 - Events-43 community events held in 2019.
 - Networking
 - Urban Crew. A joint initiative with Manchester communications academy working with 140 primary schools.
 - Eric Hobin sponsorship fund. Community grant opportunity with awards of up to £500 for community activity.
 - Youth engagement.
 - Retirement Housing.
 - High Rise Forum.
 - Tenants View- Overarching representative group.
- 4.3 We would build upon this network and expand access to the various groups. Shelter, the Housing Charity, have agreed to work with us to create genuine neighbourhood-based forums and particularly get involvement from under-represented groups.
- 4.4 We would ensure that tenants are able, on an annual basis, to hold a scrutiny review of the whole service and report to elected members (most likely a representative group of North Manchester members) so that the service has proper oversight and accountability.
- 4.5 The option to manage the service in-house also has a number of strategic benefits that would form part of our offer.
- 4.5.1 Our Manchester. Whilst NHL have contributed to the Our Manchester agenda direct management of the housing service would allow us to closely align the service with our vision for the future.
- 4.5.2 Accountability and transparency. By bringing the service back into direct management we enhance the accountability to the democratic structure. This will allow tenants to have a relationship with their landlord.
- 4.5.3 Excellent services and customer access. Upon re-integration it would be proposed to develop a service charter with tenants and leaseholders. This would allow us to offer a whole council service through our Bringing Services Together (BST) framework as well as a single point of access to the service.
- 4.5.4 Value for money. By aligning service delivery with council operational and "back-office" functions we will save money which will directly benefit tenants.
- 4.5.5 Growth and place. Using housing as an agency for growth and neighbourhood regeneration we can contribute significantly to the major projects in North Manchester.
- A holistic operating model that maximise the potential of digital self-service and delivery processes, effective field-based working, and shared service opportunities;
 - An agreed Value-Add proposition that will enable Northwards to use its position within the local community to help support a whole

- system approach to service delivery in North Manchester;
- A Transformation Plan to deliver the above and an agreed efficiency savings programme over a 12 to 18-month period.

5.0 Consultation

- 5.1 There is a statutory requirement under section 105 of the Housing Act 1985, to consult with tenants about proposals that relate to the management of their homes. Specifically, the act states:

(1) A landlord authority shall maintain such arrangements as it considers appropriate to enable those of its secure tenants who are likely to be substantially affected by a matter of housing management to which this section applies:

(a) to be informed of the authority's proposals in respect of the matter, and

(b) to make their views known to the authority within a specified period; and the authority shall, before making any decision on the matter, consider any representations made to it in accordance with those arrangements.

(2) For the purposes of this section, a matter is one of housing management if, in the opinion of the landlord authority, it relates to;

(a) the management, maintenance, improvement or demolition of dwelling-houses let by the authority under secure tenancies, or

(b) the provision of services or amenities in connection with such dwelling-houses;

- 5.2 If the Executive supports the service offer and the principle that we dis-establish the ALMO and bring services in-house, then formal consultation on that proposal will be the next step.

- 5.3 This will take the form of a "test of opinion" to establish the views of tenants and leaseholders.

- 5.4 A test of opinion would take the form of correspondence to every tenant and leaseholder outlining the council's proposals, and details of the evidence behind the proposal e.g. estimates of savings and efficiencies. It would include a reply form for tenants and leaseholders to express their view. It will be supplemented with information on the websites of the council and Northwards with information and Frequently asked questions (FAQ's) form.

- 5.5 The test of opinion will be conducted by an independent agency qualified in this type of consultation and will be required to take measures to ensure maximum possible opportunity for tenants to express their views.

- 5.6 We will employ a "tenants friend" independent support and advice to assist tenants and advise them about the issues and implications of the proposal. Any such advisory service will be restricted to advise on the issues under consideration. It is not their role to advocate alternative solutions or options.

- 5.7 Throughout this process the councils communications team will lead the communications with Northwards, working in partnership with Northwards in-house team; and with tenants, working with the tenants friend service. A pack of information that will form the test of opinion and offer to tenants is in development.

6.0 Timescales

- 6.1 If the Executive supports the consultation with a view to insourcing of the service the “test of opinion” consultation would commence within the first three weeks of November. The issue would be concluded and the outcome reported to the Executive at its meeting in January 2021. If the consultation supported the proposal the intended date of the service commencing from Council delivery would be 5 July 2021.
- 6.2 If the proposal was not supported by tenants then the position would need to be reviewed.
- 6.3 In those circumstances retaining the ALMO would require a combination of much more efficient working on their part or a transfer of additional council services to the ALMO to gain a better level of economies of scale, or both.

7.0 Contributing to a Zero-Carbon City

- 7.1 The retrofitting of existing homes to meet zero carbon objectives is at the heart of the revision of the HRA. The investment calculations by Savills are based on a programme of decarbonising the fabric of the homes assuming no carbon neutral energy network source.

8.0 Contributing to the Our Manchester Strategy

(a) A thriving and sustainable city

- 8.1 As the largest landlord in the City it is critical that the Council’s own tenants get as good as, if not better, service and investment, as any other social housing tenant.

(b) A highly skilled city

- 8.2 As a major employer we can ensure that the housing management and maintenance service provides work and training opportunities to the Manchester community.

(c) A progressive and equitable city

- 8.3 The investment programme taking account of new and emerging programmes and projects.

(d) A liveable and low carbon city

- 8.4 The presumption of a large scale fabric based retrofitting programme is featured in the revision of the 30-year business plan.

(e) A connected city

- 8.5 The housing service is a major contributor to the North Manchester infrastructure.

9.0 Key Policies and Considerations
(a) Equal Opportunities

- 9.1 None at this stage

(b) Risk Management

- 9.2 As outlined in the report.

(c) Legal Considerations

- 9.3 The HRA is a highly regulated entity, and Northwards Housing is a fully constituted legal entity, and consequently there are a number of considerations in completing this business appraisal, whichever option is adopted.

The next break clause for the Management agreement is April 2023. The Board of Northwards would need to support the mutually agreed termination of the management agreement.

If the service transfers to direct provision staff in NHL will be affected by the Transfer of Undertakings (Protection of Employment) regulations 2006 ("TUPE")

If the service transfers and we process the closure of NHL then the Council, as the sole shareholder, will accept the transfer of all assets and liabilities. A robust due diligence exercise will be undertaken which will include the termination or novation of contracts for services or supplies.

**Manchester City Council
Report for Information**

Report to: Economy Scrutiny Committee – 5 November 2020

Subject: Overview Report

Report of: Governance and Scrutiny Support Unit

Summary

This report provides the following information:

- Recommendations Monitor
- Key Decisions
- Items for Information
- Work Programme

Recommendation

The Committee is invited to discuss and note the information provided.

Wards Affected: All

Contact Officers:

Name: Mike Williamson
Position: Team Leader- Scrutiny Support
Telephone: 0161 234 3071
Email: m.williamson@manchester.gov.uk

Background documents (available for public inspection):

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the contact officers above.

None

1. Monitoring Previous Recommendations

This section of the report contains recommendations made by the Committee and responses to them indicating whether the recommendation will be implemented, and if it will be, how this will be done.

Items highlighted in grey have been actioned and will be removed from future reports.

Date	Item	Recommendation	Response	Contact Officer
10 Oct 2018	ESC/18/45 Gap analysis of the City's Bus network service	To request information including a summary of data that has been used to date to underpin current findings, including information on frequencies of services and services that have been removed or reduced in the last three years.	A response to this request is still outstanding	Pat Bartolli

2. Key Decisions

The Council is required to publish details of key decisions that will be taken at least 28 days before the decision is due to be taken. Details of key decisions that are due to be taken are published on a monthly basis in the Register of Key Decisions.

A key decision, as defined in the Council's Constitution is an executive decision, which is likely:

- To result in the Council incurring expenditure which is, or the making of savings which are, significant having regard to the Council's budget for the service or function to which the decision relates, or
- To be significant in terms of its effects on communities living or working in an area comprising two or more wards in the area of the city.

The Council Constitution defines 'significant' as being expenditure or savings (including the loss of income or capital receipts) in excess of £500k, providing that is not more than 10% of the gross operating expenditure for any budget heading in the in the Council's Revenue Budget Book, and subject to other defined exceptions.

An extract of the most recent Register of Key Decisions, published on **23 October 2020**, containing details of the decisions under the Committee's remit is included below. This is to keep members informed of what decisions are being taken and, where appropriate, include in the work programme of the Committee.

Development and Growth					
Subject / Decision	Decision Maker	Decision Due Date	Consultation	Background documents	Officer Contact
Brownfield Land Register Update 2019 2019/03/01D To publish Manchester's Brownfield Land Register.	Deputy Chief Executive, Strategic Director - (Growth and Development)	Not before 29th Mar 2019		Report and Recommendation	Louise Wyman – Strategic Director Growth and Development louise.wyman@manchester.gov.uk
Delivering Manchester's Affordable Homes to 2025 - Establishment of Strategic Partnership with Homes England (2019/09/05A) To negotiate and formalise a Strategic Partnership with Homes England to enable the delivery of Manchester Affordable Homes to 2025	Strategic Director - (Growth and Development)	Not before 4th Oct 2019	In consultation with the Executive Members for Housing and Regeneration and Finance and HR	Report and Recommendation	Steve Sheen s.sheen@manchester.gov.uk
Delivering Manchester's Affordable Homes to 2025 - Disposal of sites (2019/09/05B)	City Treasurer (Deputy Chief Executive)	Not before 4th Oct 2019	In consultation with Strategic Director (Growth and Development)	Report and Recommendations	Steve Sheen s.sheen@manchester.gov.uk

To agree the disposal of sites in Council ownership for the provision of affordable homes			and Executive Members for Housing and Regeneration and Finance and HR		
Delivering Manchester's Affordable Homes to 2025 - Establishment of Partnership arrangements with Registered Providers (2019/09/05C) To establish partnership arrangements with Registered Providers together with their partners/consortium for defined areas in the North, Central, South and Wythenshawe areas of the City.	Strategic Director - (Growth and Development)	Not before 4th Oct 2019	In consultation with City Treasurer (Deputy Chief Executive) and the Executive Members for Housing and Regeneration and Finance and HR	Report and recommendation	Steve Sheen s.sheen@manchester.gov.uk
Delivering Manchester's Affordable Homes to 2025 -Agreement of legal terms (2019/09/05D) To enter into and complete all necessary legal documents and agreements to give effect to delivering Manchester's Affordable Homes to 2025	City Solicitor	Not before 4th Oct 2019		Report and recommendations	Fiona Ledden, City Solicitor fiona.ledden@manchester.gov.uk

<p>Buying back former Council properties - Policy approval (2019/09/05E)</p> <p>To approve a policy for the Council to buying back properties which have been sold under the Right to Buy to increase the amount of social housing and to reduce the number of former Council properties entering the private rented sector.</p>	Strategic Director - (Growth and Development)	Not before 4th Oct 2019	In consultation with the City Treasurer (Deputy Chief Executive) and the Executive Members for Housing and Regeneration and Finance and HR, following consultation with local Ward Members.	Report and Recommendation	Martin Oldfield m.oldfield@manchester.gov.uk
<p>Buying back former Council properties - Setting of purchase prices (2019/09/05F)</p> <p>To agree purchase prices and make any necessary arrangements to purchase properties in line with the policy</p>	Strategic Director - (Growth and Development)	Not before 4th Oct 2019	In consultation with City Treasurer (Deputy Chief Executive) and the Executive Members for Housing and Regeneration and Finance and HR	Report and recommendation	Martin Oldfield m.oldfield@manchester.gov.uk

Heron House General Letting Consent (2019/11/25A) To agree to the disposal by Leasehold of office accommodation at Heron House.	Chief Executive	Not before 24th Dec 2019		Briefing Note & Heads of Terms	Mike Robertson m.robertson@manchester.gov.uk
Purpose Built Student Accommodation in Manchester (2020/05/28F) To agree an approach to Purpose Built Student Accommodation, following a consultation exercise with key stakeholders, to help to guide the decision making process in advance of the review of the core strategy, and request that the Planning and Highways Committee (or agreed interim procedure of planning determination by the Chief Executive) take this into material consideration until the core strategy has been reviewed.	Executive	3 Jul 2020		Report and Recommendation	Dave Roscoe d.roscoe@manchester.gov.uk, Pat Bartoli p.bartoli@manchester.gov.uk
Demolition of former police station at Grey Mare Lane (2020/08/19B)	City Treasurer (Deputy Chief Executive)	Not before 1st Oct 2020		Briefing Note & Eastlands Regeneration Framework 2020	Richard Cohen r.cohen@manchester.gov.uk

To approve funding for the demolition of the former police station.					
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3. Economy Scrutiny Committee Work Programme – November 2020

Thursday 5 November 2020, 10.00am (Report deadline Monday 26 October 2020)				
THEME – North Manchester Regeneration and OMS				
Item	Purpose	Executive Member	Strategic Director / Lead Officer	Comments
Budget paper	Precise details to be confirmed	Cllr Leese (Leader) Cllr Richards (Exec Member for Housing and Regeneration)	Louise Wyman	
North Manchester General Hospital	To receive a report that provides details on the anticipated economic and social benefits that the development will bring to the local community and wider area and consider and comment on the North Manchester General Hospital SRF	Cllr Leese (Leader)	Louise Wyman Angela Harrington	
ALMO Review	To receive a report that provides a review the outcome of the Test of Opinion and proposals for insourcing prior to the Executive ratifying the preferred option.	Cllr Richards (Exec Member for Housing and Regeneration)	Louise Wyman Kevin Lowry	

Economy COVID19 Sit Rep Report	To receive the most up to date Economy COVID19 Sit Rep report that details how the Council and the city is progressing with the recovery phase of COVID19 against the areas within the remit of this Committee.	Cllr Leese (Leader)	Louise Wyman David Houlston Angela Harrington Richard Elliott Pat Bartoli Ruth Ashworth	Item for Information only
Overview Report	The monthly report includes the recommendations monitor, relevant key decisions, the Committee's work programme and any items for information.		Mike Williamson	

Themes identified at the Committee's 2020/21 Work Programme setting meeting (Items highlighted in grey indicate that these have been included in the work plan of one of the above meetings)	
Theme	Tentative Date of meeting
Manchester Airport To include information on addressing the economic recovery of the Airport whilst tackling the Climate Emergency	Post Nov 2020
Building Back Better To include information on:- <ul style="list-style-type: none"> • A clearer understanding of what the Council's levers are and the options available to the Council • The use of levers to deliver a fairer society, better/higher skilled jobs, better pay and green economy • Addressing inequalities, linked to Economy Dashboard 	Post Nov 2020
Digital Economy and the Impact of COVID19 on how the City operates To include information on:- <ul style="list-style-type: none"> • The Digital Economy and the development of a Digital Strategy • Review of office space in the city and implications of COVID19 in businesses/employees returning to work • Review of the next employment sectors at risk of de-labourising and interventions to re-skill people in advance • Automation and technology in the workplace and implications for employment opportunities 	Post Nov 2020
Transport To include information on:-	Post Nov 2020

<ul style="list-style-type: none"> • City Centre Infrastructure issues and aspirations for long term transport investment • Bus Franchising 	
Outcomes of the THINK report recommendations To include a review of the impact of the recommendations within the THINK report with an opportunity to hear directly from residents on how they have been affected	Post Nov 2020
Manchester College To include an update from the Manchester College on its performance and how it is recovering from the impact of COVID19	Post Nov 2020
Work and Skills To include details around the assistance provided to BAME communities impacted by COVID19 in developing skills for employment opportunities and assistance to small businesses impacted by COVID	Post Nov 2020

Previous Items identified by the Committee to be scheduled (New items added in blue)				
Theme – Strategic Regeneration				
Item	Purpose	Lead Executive Member	Lead Officer	Comments
Northern Gateway	To receive an update on the progress and outline anticipated wider social and economic benefits to North Manchester from the development that has been made with the Northern Gateway since the last time it was considered by the Committee	Cllr Leese (Leader) Cllr Richards (Exec Member for Housing and Regeneration)	Louise Wyman Ian Slater	
Outcome of the consultation with stakeholders in relation to the proposed Housing Affordability Zones	To receive a report on the outcome of the consultation with stakeholders on the four proposed Housing Affordability Zones	Councillor Richards (Exec Member for Housing and Regeneration)	Louise Wyman	See November 2017 minutes
Theme – Transport and Connectivity				
Item	Purpose	Lead Executive Member	Lead Officer	Comments
Bus Franchising update	To receive an update on the Greater Manchester Mayors proposals to	Cllr Leese	Richard Elliott	

	franchise the regions bus service impact this will have on the city's economy			
Theme - Skills development for Manchester residents aged 16 and over.				
Item	Purpose	Lead Executive Member	Lead Officer	Comments
Higher Education provision and its impact on the City's economy	To be determined	Cllr Rahman (Exec Member Skills Culture and Leisure)	Angela Harrington	
Hospitality and Tourism skills gap	To receive report on the issue around skills challenges within the hospitality and tourism sector	Cllr Rahman (Exec Member Skills Culture and Leisure)	Pat Bartoli Angela Harrington	See November 2017 minutes
Theme – Growing the Manchester Economy				
Item	Purpose	Lead Executive Member	Lead Officer	Comments
Business Survival rates and the impact on the economy	To receive a report that details the survival rate of new start up business within the city and the economic impact to the city when these businesses fail	Councillor Leese	Mark Hughes (The Growth Company) Louise Wyman Pat Bartoli Angela Harrington	
City Centre Business Engagement	TBC	Councillor Leese	Pat Bartoli Louise Wyman	

Theme - Miscellaneous				
Item	Purpose	Lead Executive Member	Lead Officer	Comments
Our Manchester Strategy re-set	To receive a report that details the findings from the engagement process on the re-set of the Our Manchester Strategy	Cllr Leese (Leader)	Louise Wyman David Houliston	
Outcome of the findings from the Tyndall Centre for Climate Change Research	To receive a report in regards to what is needed to be achieved at Manchester Airport to address carbon emissions	Councillor Stogia	TBC	TBC

Economic Recovery Workstream- Sitrep Summary

As at: 22/10/20 For Economic Scrutiny on 05/11/20 Changes since last updated highlighted in yellow. Updated fortnightly.

Issue/theme/activity area	Impact/ challenges experienced	Key planning and response activity being undertaken
General overview	<p>Chancellor announcement 22/10 (see press statement)</p> <ul style="list-style-type: none"> open businesses which are experiencing considerable difficulty will be given extra help to keep staff on as government significantly increases contribution to wage costs under the Job Support Scheme, and business contributions drop to 5% ** Business Grants- additional funding to support cash grants of up to £2,100 per month primarily for businesses in the hospitality, accommodation and leisure sector who may be adversely impacted by the restrictions in high-alert level areas. These grants <u>will be available retrospectively for areas who have already been subject to restrictions, and come on top of higher levels of additional business support for Local Authorities moving into Tier 3</u> which, if scaled up across the country, would be worth more than £1 billion. grants for the self-employed doubled to 40% of previous earnings <p>Tier 3 announcement 20/10- Numerous businesses have made direct contact with MCC in support of GM position.</p>	<p>Analysis underway to understand implications of Chancellor's statement 22/10.</p> <p>Business Sounding Board supporting our position to govt on support required to accompany Tier 3 restrictions. 20/10</p> <p>Dashboard of publicly available economic data has been created to support work being undertaken with the Business Sounding Board, which will inform strategies to drive economic recovery.</p>

Issue/theme/activity area	Impact/ challenges experienced	Key planning and response activity being undertaken
	<p>Spending Review to conclude late Nov. This will be one-year only and focus on Covid and response to jobs. 3 priorities:</p> <ul style="list-style-type: none"> • providing departments with the certainty they need to respond to C19 and deliver the <i>Plan for Jobs</i>; • giving vital public services some enhanced support to fight the virus • investing in infrastructure to deliver the levelling up agenda (21/10) <p>Business Feedback- GM Economic Resilience Group 21/10</p> <ul style="list-style-type: none"> • Urging clarity on funding package. • Hospitality, retail & culture continue to be most affected and will be further affected by Tier 3 restrictions. • Impact on mental health raised, as well as the economic & employment impacts. • Business indebtedness- over 58% of GM businesses have accessed loans- growing concern re the ability to repay. • Community and voluntary sector- concern re capacity to cope with the demand generated by another lockdown with reduced resources. • Charities won't benefit from the business support scheme because of exemptions from business rates. • Significant concern of impact of Tier 3 on the hotel sector, given restrictions on travelling in 	

Issue/theme/activity area	Impact/ challenges experienced	Key planning and response activity being undertaken
	<p>or out of GM.</p> <p>Footfall figures- Footfall had been slowly improving from June to Sept but now seeing decline in trend over last couple of weeks.</p> <p>City Centre Footfall Trends</p> <p>Full week- w/c 18 October : -53% weekly footfall year on year; -2% on the previous week</p> <p>Monday 19th and Tues 20th saw increases of 24% and 31% respectively on the previous week but footfall decreased from this point. On Saturday 24th footfall saw a reduction of 34% on the previous week, with Market Street experiencing a reduction of 42%.</p> <p>UK High Street -41.6% year -1.2% week</p> <p>Manchester wide figures- Week 43/ week commencing 19th October. -4.8 % week on week (-21.89% year on year)</p> <p>District Centres Week on Week Cheetham Hill -9.6 % Chorlton -5.5% Fallowfield -10.6 % Gorton -11.1 % Harpurhey 7.0 % Levenshulme -6.4 % Northenden -1.9 %</p>	<p>Support for hospitality and retail- 21/10</p> <ul style="list-style-type: none"> Guidance has been prepared involving environmental health, licensing and GMFRS regarding use of outdoor heaters and shelters. Briefing with businesses on 23/10. Tier 3 guidance being produced by CityCo with MCC involvement. Range of businesses supported in developing creative ideas such as use of tipis and 'ski chalets' to

Issue/theme/activity area	Impact/ challenges experienced	Key planning and response activity being undertaken
	<p>Rusholme -7.0 % Victoria Avenue -14.6 % Withington -6.1 % %</p> <p>Hospitality and Night time economy- CityCo impact report 15/10 Major concerns not just for those premises that must close but also those who are able to remain open but are unviable. Hospitality sector is lobbying govt hard (local and national bodies) to stress extent of potential impact of restrictions but also need for urgent support for extensive supply chain. 15/10.</p> <p>Impact of curfew- One local company with over 8 venues in the city centre is at revenue losses of up to £13.5m due to losing six hours of trading daily within most of their venues; another major operator with over 40 venues nationwide has only been able to open 4 of their venues.</p> <p>The Village venues have been struggling the most- on Canal Street several of the main venues must take over £27k per week to break even; but, since the curfew has been in place, each of these venues has taken only around £11k per week.</p> <p>Businesses across the board are reporting major deficits, with the average brought up slightly by the restaurants</p> <p>Northern Quarter – average trading around 50% down year on year.</p> <p>Peter Street/Deansgate – average trading around</p>	<p>create additional indoor space.</p> <ul style="list-style-type: none"> • CityCo continuing to engage with landlords in King Street area. • 'Ambassador' role being developed for high footfall shopping areas. • Working with businesses as outside area temporary pavement licenses are due for renewal in Nov.

Issue/theme/activity area	Impact/ challenges experienced	Key planning and response activity being undertaken
	<p>69% down year on year Village – average trading around 74% down year on year</p> <p>Confirmed Permanent/Temporary closures so far Fac251, Gorilla, Deaf institute, Cruz101, Tapeo and Wine, FIFTH, Night People, Mcr Lounge, Sand Bar, Barca, Dough, Apotheca, Oscars bar</p> <p>Confusion around hosting business events for up to 30 people. Calls for clarity for hoteliers and businesses. Revenue is critical and would be boost to confidence. (Business Sounding Board 15/10)</p> <p>Retail- The return of the students would normally boost retail sales. Retailers are reporting sales performance becoming increasingly difficult compared to last year. The number of stores trading remains largely stable though the situation is precious for many retailers in run up to Christmas. Around 90% of the businesses that were trading before lockdown have now reopened. Cityco 15/10</p> <p>Online sales – National picture is that, as of August, on line spending has seen year on year growth of 51.6%, although some areas saw a decrease in on line sales when compared with July. Clothing/footwear/household goods are areas where there was continued growth in on line sales from the previous month. The biggest year on year increase in online sales relates to the purchase of food at</p>	<p>Culture/Events/Sport 50 Windows of Creativity (Organised by Wild in Art) to be launched 26 Oct across city centre- showcase of local artists. Runs until 5 Dec.</p> <p>Collective work underway with marketing campaign to encourage people back into venues.</p> <p>A number of partners are exploring the idea of a broader Go out to help out scheme- Manchester specific to incorporate cultural venues and wider offers. Consideration</p>

Issue/theme/activity area	Impact/ challenges experienced	Key planning and response activity being undertaken
	<p>89.5%. (ONS).</p> <p>Culture/Events/Sport Mixed picture. £9.6 million announced for 48 cultural venues in Manchester as part of Cultural Relief Fund. Aim is to stabilise organisations and prevent bankruptcies. Good proportion of successful applicants. Second round underway. HOME recently held first theatre performance. Mixed messaging on curfew not helping venues. 14/10</p> <p>Venues are adopting gold standard in Covid safety. Science and Industry Museum- Challenging operating environment with 25 % of usual visitor numbers. 1,000 visitors on a good day, normally 4,000. Concerned about half term- normally one of the busiest weeks of the year. Receiving very positive feedback from visitors on their experience. Building confidence is key. Concerns for many cultural organisations for next financial year- facing precarious future without support ie music and live events venues, theatres. 14/10</p> <p>Concerns around the music industry- still no clarity on way forward. Food and beverage operations within events sector is highly stressed. 14/10</p> <p>Venues update:</p>	<p>being given to potential timing for this, possibly January.</p> <p>Christmas-</p> <ul style="list-style-type: none"> Markets and ice rink not going ahead. Viewing Tower for Exchange Square progressing and intention to open to coincide with Christmas Lights switch on 17th Nov. Proposal for 'freight island' style offer on Piccadilly Gardens being progressed. <p>DCMS announced £1.57 billion investment 'Culture Recovery Funding (CRF)' Culture Recovery Fund Grants - £500m for England Being delivered by ACE for Cultural organisations (inc profit/ not for profit & charities) <u>Awards under £1m</u> - Round 1 and Round 2 decision have been made awarding £333 million of the up to £500m fund. See appendix showing where cultural organisations in Manchester have received ACE Emergency Funding and ACE delivered CRF grants.</p> <p><u>Awards over £1m and repayable finance</u> - Announcements are pending</p> <p>Capital Kickstart Fund. £120m to support existing arts & heritage capital projects that have experienced delays to build programmes. £55m to be distributed via ACE. Decision on applications now due end November.</p> <p>Local Restrictions Support Grant</p>

Issue/theme/activity area	Impact/ challenges experienced	Key planning and response activity being undertaken
	<p>Visitor numbers- 12 - 18 October. Central Library 3243 (slightly down on previous week) Art Gallery 874 (significant reduction on previous week) HOME 10386 (up by 1,000)</p> <p>Greater Manchester Museum of Transport (date unknown) North West Theatre Arts Company (date unknown) Hope Mill Theatre - due to open 30 Oct for live performances. Victoria Baths – due to open with Winter Fair 14 Nov.</p> <p>Cultural Venues that are still closed <u>City Centre Venues & attractions</u> Bridgewater Hall Stoller Hall Palace Theatre Opera House Manchester Arena Contact Theatre performances (venue open for participatory activities) Cathedral Visitor Centre Dance House Greater Manchester Police Museum Holden Gallery (MMU) John Rylands Library (UoM) Manchester Poetry Library (New - due to open in early 2021) Band on the Wall (closed for refurbishment)</p>	<p>Pending further details and guidance for the authority, it is unlikely that any cultural organisations will benefit from these support grants.</p> <p>Local Restrictions Support Grants are only available for businesses that are instructed to close because of the measures not if they <u>can</u> be open but can't make it viable with covid-safe requirements to be open.</p> <p>So, if the government makes it still permissible to hold performances but venues can't operate viably without a bar and hospitality offer, they will be excluded from the grant.</p>

Issue/theme/ activity area	Impact/ challenges experienced	Key planning and response activity being undertaken
	<p>Portico Library Royal Exchange Theatre RNCM (performance venue spaces are closed to the public) Neighbourhood based venues & Community led arts spaces Z Arts performances (venue open for participatory activities) Gorton Monastery Manchester Jewish Museum (closed for refurbishment) Pankhurst Centre (heritage visitor attraction) The Edge (cafe only open) Northenden Players Niamos Partisan Collective Victoria Baths</p> <p>Impact of Tier 3 local lockdown measures It is expected that additional local restrictions are likely to lead to:</p> <ul style="list-style-type: none"> • Uncertainty for venues with reopening plans – especially for those planning to promote performances in the coming days. • Cinemas, Theatres (adhering to stage 4 protocols), Museums and galleries can technically continue to stay open. Although if visitor numbers drop significantly because there is a limited hospitality sector open in the city centre, or because residents are advised not to undertake non-essential travel - it may not be 	

Issue/theme/activity area	Impact/ challenges experienced	Key planning and response activity being undertaken
	<p>worthwhile remaining open.</p> <ul style="list-style-type: none"> Those venues that are only or mainly open to provide a hospitality offer or have a significant hospitality offer will be very seriously affected. Elizabeth Gaskell's has been doing well with small weddings but if these are made more difficult that result in a further cut in their income The impact of 'only essential travel' advice will have a negative impact of attendance at venues. <p>Aviation-</p> <p>Testing is the current key issue, and this is with Government, who have formed the Global Travel Taskforce, which is a positive first step, but will not report back until Nov.</p> <p>Heathrow have launched a departure test. This is a positive step but MAG view is that it is arrivals testing that will make the difference. No detail available on any plans to introduce this type of test at Manchester.</p> <p>Positive news that Virgin Atlantic are launching new routes to India from Mancr - Mumbai in December and Delhi in Jan.</p> <p>Italy has been removed from safe travel list with Crete back on. Some uptick in services to Crete for half term holidays though all marginal overall.</p> <p>Discussions are ongoing with the Unions regarding</p>	

Issue/theme/activity area	Impact/ challenges experienced	Key planning and response activity being undertaken
	<p data-bbox="371 252 745 284">potential job losses. 20/10</p> <p data-bbox="371 323 1106 579">Daily passenger volumes peaked in August and are now decreasing slowly as the end of summer approaches. As of 13 Sept, cumulative traffic at Manchester since 1 Feb 2020 has been 4.1million, 79% down from the same period in 2019. Weekly passengers as of 13 Sept fell 6% from the previous week.</p> <p data-bbox="371 619 831 651">Higher Education Institutions-</p> <p data-bbox="371 691 1099 874">Throughout the period staff cases have remained low. Positive student cases increased very rapidly from almost no cases to over 200 in just four days. Reported infections are now declining. (Daily cases are reported on UoM website)</p> <p data-bbox="371 914 1115 1241">This decline in infections is encouraging but they could increase again, particularly in light of high infections in the region. The new local testing site may result in an increase as more students and staff are able to access tests. University remains committed to having robust COVID security measures in place, many of which exceed what is required. Risk assessments are kept under review and have been developed with our trade unions.</p> <p data-bbox="371 1281 1093 1426">Testing facilities on Denmark Road and mobile facility in Fallowfield. Student numbers are higher than expected with an estimated 80% of international students arriving</p>	<p data-bbox="1144 435 1933 507">Inward Investment- MIDAS focusing messaging around resilience of Manchr.</p> <p data-bbox="1144 547 1933 651">One year GM International Strategy released this week- key messages around global competitiveness and resilience. 13/10</p> <p data-bbox="1144 1066 1917 1137">Group preparing comms on positive messages around commercial developments/activity.</p>

Issue/theme/activity area	Impact/ challenges experienced	Key planning and response activity being undertaken
	<p>(continuing to arrive in waves). Overall number of returning students is marginally down. Accurate picture of enrolments will be available in early November. U of M 14/10</p> <p>Inward investment- 13/10 MIDAS remains positive with a number of projects coming in. Many investment decisions however on hold due to range of practical issues.</p> <p>Some redundancies in back office functions - eg Ticketmaster contact centre (Northern Quarter)- demonstrates extent of events sector/cultural sector impact.</p> <p>Some companies looking to centralise functions in one regional hub.</p> <p>A number of enquiries received following recent virtual sessions on green growth, fintech and ecommerce. Legal tech identified as a particular opportunity for north shoring from London/SE.</p> <p>Real estate sub group- 13/10</p> <ul style="list-style-type: none"> Positive messages around resilience of the office market in Manchester- Two pre-lets for Q4: BT at New Bailey 175,000 sq ft (20% reduction in requirement to take into account anticipated changes in work patterns) and Trader Media Group at First Street (Auto Trader expansion) 	

Issue/theme/activity area	Impact/ challenges experienced	Key planning and response activity being undertaken
	<ul style="list-style-type: none"> • Specialised space remains strong- ie science & tech • Growing interest in out of town product. • Significant investor appetite remains. • OBI- smaller deals on hold a few weeks ago now resuming with increasing concessions. • Residential market remains buoyant- international investment continues. • Retail- significant concerns re oversized sector- trend growing towards purpose driven shopping at hubs. Significant restricting underway. Need to understand consumer activity and purpose. • Challenge for city centre is how our offer will need to evolve to meet consumer needs and as a meeting place? 	
Development	<p>Stimulating development & investor confidence, including:</p> <ul style="list-style-type: none"> • Understanding current impact through intelligence gathering. • Assessing sources and levels of investment, and any obstacles (access to debt). • Seeking financial and other support needed to enable early start of key projects. • Understanding supply chain issues and identifying appropriate support measures. It is becoming increasingly apparent that the appetite of contractors to bid for apartment led residential schemes has been significantly impacted in the short term due to issues in 	<ul style="list-style-type: none"> • Pre contract negotiations with Homes England relating to the £51.6m Housing Infrastructure Fund (Forward Fund) grant award for Northern Gateway are coming to a conclusion and a Grant Determination Agreement has been prepared for execution by both parties. Officers have submitted the Delegated authority report for sign-off in line with the Executive approval provided in July 2020. • Announcement of Government approval on 04/08 for Getting Building Funding for BASE Manchester Innovation Activities Hub at MSP (£4M) and Mayfield (£23M). Draft offer letters received early September, with final terms being negotiated with GMCA (hoping

Issue/theme/activity area	Impact/ challenges experienced	Key planning and response activity being undertaken
	<p>the supply chain (i.e. loss of subcontractors and access to materials). This concern has also been raised by developers of commercial schemes.</p> <ul style="list-style-type: none"> • Developing guidance/share good practice for safe operation of sites. • Expediting design & planning phases of projects. • Productivity increased across most major sites- 97% of infrastructure and construction sites now operating. Social distancing measures impacting on programmes. Issues re supply chain/access to materials. Infrastructure sites are now achieving 89% of pre-Covid productivity. 	<p>to conclude by 30/10)</p> <ul style="list-style-type: none"> • 2 Manchester schemes approved in principle for Round 1(22/09) of the Brownfield Land Fund (for schemes due to start 2020-21) Mulbury City - New Cross Zone A and Viadux. Call for Round 2 now launched, with closing date of 23/11. Decision awaited on the bid for an additional 10% allocation. • Key shovel ready schemes are included within Recovery Plan, included as part of CSR submission. • Community consultation on the first phase of the delivery of Collyhurst will be restarted in advance of planning applications for the delivery of approximately 270 homes (including up to 130 new Council properties) in Collyhurst Village and Collyhurst South and the first phase of a new park. The intention is that this consultation exercise will lead to the submission of planning applications in the Autumn of 2020. Scheme could commence Spring 2021. • Planning & Highways Committee on 22nd Oct considered a new commercial development at Speakers Corner, Deansgate (which could provide over 700 new FTE jobs); the refurbishment of Cavendish House on Chapel Walks to create additional office space; and a new hotel at 2-4 Whitworth Street. Cavendish House was approved, with the other 2 schemes deferred to the November Committee.
Affordable Housing	<ul style="list-style-type: none"> • Risk to developer and investor confidence. • Working with RP's and other developers to understand current impact and forward plans. 	<ul style="list-style-type: none"> • Extra Care facilities in development: 4 schemes under construction 257 apartments

Issue/theme/activity area	Impact/ challenges experienced	Key planning and response activity being undertaken
	<ul style="list-style-type: none"> Assessing sources and levels of investment, and any obstacles Investigating grant funding, financial and other support needed to enable early start of key projects Understanding supply chain issues and identifying appropriate support measures. Developing guidance/share good practice for safe operation of sites Expediting design & planning phases of projects. Risk of registered providers slowing down or pausing programmes to consolidate finances/liquidity Ensure Zero Carbon and Fire safety provision are part of the programmes. Potential flooding of the PRS sector as the short term let market shrinks. 	<p>3 RP schemes 1 MCC (PFI scheme)</p> <ul style="list-style-type: none"> Regulator for Social Housing (RSH) called for RP's to provide revisions of their business plans by September. This will identify any viability risks but should also identify progress on development programmes. Managing existing onsite, pipeline and planned development with RP's. These were referenced in the June Executive report. <ul style="list-style-type: none"> 398 homes under construction and anticipated in the 2020/21 year. Re-mobilization of sites now underway. 252 homes currently in the programme for 2021/22. New projects emerging. The scheme with Clarion has been finalised to deliver shared ownership homes for the full development Silk Street <ul style="list-style-type: none"> Silk Street funding has been approved and is progressing through the Capital Strategy Board with the CP2 complete. The project team has been established to take this through to delivery with Rowlinson Construction. Progressing the establishment of a Local delivery vehicle. Looking to start on site with key projects and novate across. <ul style="list-style-type: none"> Site assessments have now been completed by CBRE and this work is now with PwC who are producing a financial model to ensure

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		<p>project viability.</p> <ul style="list-style-type: none"> ○ The financial modelling will influence the final legal structure to be used and how future phases are going to be delivered. ● Project 500 progressing. Will deliver 500-600 homes. <ul style="list-style-type: none"> ○ The sites have been broken down into 3 phases and RP's have been allocated to work up individual designs ○ A number of member drop in sessions will run in Nov. ● Entering into formal agreement with Homes England and signing an MOU to take a partnership approach to accelerated development. Complements similar arrangements with GMCA. <ul style="list-style-type: none"> ○ The GMCA proposed partnership has been delayed so this will have a knock on effect to the Manchester Collaboration. ○ The Manchester Collaboration report to Executive is proposed for December but is subject to the GMCA/HE one being set up first. ● Ongoing intelligence gathering with developers to understand status of projects and support needed. <ul style="list-style-type: none"> ○ MHPP Growth workstream capturing current position and plans. ● Prioritisation of land assembly and due diligence to allow acceleration of build programme. ● Working with Your Housing Group to bring forward a 200+ new build scheme in East Manchester with 60% planned for affordable housing ● Work progressing on a mixed tenure scheme on the former Manox site in East Manchester. This will

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		<p>provide over 400 new homes on a very complex site, proposed delivery of a net zero carbon scheme with just under 30% of affordable housing.</p> <ul style="list-style-type: none"> Homes England recently announced a new Affordable Homes Programme Fund for 2021-2026. Officers are working with partners to maximise the funding for a Manchester Affordable Housing Programme that will include a substantial amount of specialist and supported housing. AHP submission is still proposed for December.
Transport and Infrastructure	Work with TfGM to agree a broad overall transport plan to support gradual opening up of the city with a focus on pedestrian movement and safe use of public transport linked to an agreed package of measures to support safe pedestrian access.	<p>TfGM issued updated messages on Tier 3 travel:</p> <ul style="list-style-type: none"> You should not travel into or out of GM unless your journey is essential for work, education, medical reasons, to access youth services, for caring responsibilities, or as part of a longer journey. You can continue to travel within GM but please think about how and when you travel and aim to reduce the number of journeys you make where possible. You can use public transport, but space is limited due to social distancing. Please cycle or walk if you can. You should work from home if possible. Plan ahead, allow extra time for your journey, consider travelling outside the busy morning and afternoon peak times, and using quieter routes. Download the NHS COVID-19 app before you travel.(21/10) <p><u>Manchester Specific Transport Usage Data</u> (for w/e 11/10)</p>

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		<p><u>Bus Patronage</u> -1.09% (1,207,938) trips from the previous report (vs. -1.14% GM-wide).</p> <p><u>Metrolink</u> Network patronage decreased by 0.51% GM-wide on the previous week. Altrincham and Rochdale were the only lines to see an increase at 1% each, whilst the Trafford Park line saw the highest decreases of -5%, closely followed by the Airport and Ashton lines at -4% each.</p> <p><u>Highway (as at 8/10)</u>- Across GM the weekly average private vehicle trips decreased by 1.94% on the previous week. Private vehicle trips in Manchester were -14.2% on the same time last year, (at the time of the previous report levels were -11% on the same period last year)</p> <p><u>Rail (as of 10/10)</u> - Passenger numbers across GM have dropped by 0.56% on the previous week.</p> <p><u>Cycling & Walking</u>- Cycle volumes during the week ending 8 Oct decreased by 16% compared to the previous week, current levels are now in line with the annual average (the previous report stated a 15% increase on the annual average)</p> <p><u>GM Wide Data</u> Latest data shows the following differences with the position on 09/03 (based on the busiest day of the week) showing a slight decrease in all modes of transport over the last couple of weeks.</p> <ul style="list-style-type: none"> Metrolink patronage 9/3/20 = 122,613 14/7/20= 31, 884

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		<p>4/9/20=53,215 18/09/20= 56,884 4/10/20= 53,578 11/10/20= 51,381</p> <p>○ Bus 9/3/20 515,309 14/7/20 191,093 24/8/20 238,503 4/9/20 292,832 18/09/20 333,220 4/10/20 332,949 11/10/20 330,733</p> <p>Rail 9/3/20 104,795 14/7/20 28,700 11/09/20 48,123 18/09/20 47,871 4/10/20 46,550 11/10/20 45,201</p> <p>GM Highway 9/3/20 5,082,000 14/7/20 4,032,000 25/8/20 4,370,915 8/9/20 4,528,836 18/09/20 4,838,128 4/10/20 4,836,856 11/10/20 4,758,992</p> <p>Latest year on year data on car park usage across the NCP Joint Venture car parks shows a mixed picture. Generally those car parks that focus on retail or leisure markets (King St West and Arndale) are doing better in terms of recovery to last year's volumes, than those focussing on commuters or business related journeys (eg Spinningfields). 01/09</p>

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		<p>Face Coverings- Face covering compliance is around 80% on buses, 83% on Metrolink and 75% on trains. (as at 11/10)</p> <p><u>City Centre Transport Strategy</u> consultation launched 23/09- as of 21/10 there have been 847 responses to the survey questions. The consultation ends on 4/11.</p> <p><u>Emergency Active Travel Fund</u> MCC has obtained £180k from the first phase of the Government's Emergency Active Travel Fund (EATF) to contribute to funding of work undertaken at Deansgate and Stevenson Square. Proposals have been submitted by TfGM for phase 2 of EATF. A bid to the value of £14 m was submitted on 7th Aug and £5.5 m of this was for proposals to support active travel within Mcr. Decision delayed- expected this month.</p>
	Analysis of businesses' plans for reopening, working with TfGM, CA, Chamber, Growth Company	TfGM linked into Day Time Economy recovery group work
	Identify and implement interventions that support social distancing and support business reopening and procure necessary equipment to facilitate this.	Re-purposing of city centre streets and open spaces. Initial ideas are now being developed further in consultation with members. The proposals seek to draw on best practice from other cities in the UK and abroad.
	Continue with highway works that can be undertaken during lockdown	<ul style="list-style-type: none"> Continuing with all our major projects that are on site and continuously monitoring government guidance about construction Finding ways to accelerate all our programme of walking and cycling schemes aiming to have early starts on all our programmed projects

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		<ul style="list-style-type: none"> • Maintaining our roads at business as usual levels by inspecting them and making repairs • Resurfacing and treating many more main roads than originally planned to take advantage of lower traffic levels • Working with TfGM to review bus stops and increase pedestrian phasing at signalised crossings.
Skills, Labour Market and Business Support	<p>Significant growth in the number of Manchester residents claiming Universal Credit. Evidence base for THINK work shows:</p> <ul style="list-style-type: none"> • 89% rise in claimant count in Manchester during April & May - 33,825 claimants; • affects every LSOA in the City & all age ranges; • particular impact on young people which has seen an increase of 98% (national fig 109%) & over 50s (73%); • concentrations in areas with large Black, Asian and ethnic minority communities e.g. Longsight, Moss Side, Cheetham • 32% of Manchester residents are either furloughed (62,200) or receiving self-employment support (15,900); • Job losses compounded by significant drop in levels of vacancies; • 800 16-18 year olds who would normally pursue apprenticeships or move into employment at risk; • 74% national decline in apprenticeships • circa 10,000 graduates who would normally stay in the City will struggle to get graduate 	<ul style="list-style-type: none"> • THINK have produced their report on skills & labour market recommendations (shared with Scrutiny Committee Members at the last meeting) with 6 key priorities: • minimise the number of Manchester residents moving from furlough to redundancy as the job retention scheme winds down; • support unemployed Manchester residents to re-enter work as quickly as possible especially young people, those aged over 50 and BAME; • maximise new job creation, increasing overall labour demand in the City; • minimise the number of young people who become unemployed after leaving education and training in Manchester; • support apprenticeships & other training opportunities to better equip employers with the skills to survive & grow, while helping more residents to progress & upskill in their careers; • improve the support available to unemployed, long-term inactive residents to reduce the risk that they are “crowded out” of the jobs market with the influx of new claimants.

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	<p>level work.</p> <p>ONS release in September - August figures- for Manchester:</p> <ul style="list-style-type: none"> • Claimant count: 35,230 all ages up from 34,755 in August; 7165- aged 16-24; 21605 up from 21,450 (Aug) -aged 25 to 49 and 6455 up from 6325 (Aug) aged over 50. Of the 35,230, men account for 21,620 and women 13,605. • The increase in claimant count numbers of 475 over the last month represents an increase but not as sharp an increase as in April & May. It is expected that the next significant rise in unemployment will be in October when furlough comes to an end. <p><u>Furlough and Newly unemployed</u></p> <p>HR 1 data (advance notification of redundancies) from the Insolvency Service showed that nationally UK employers planned 58 000 redundancies in August, an increase of 150 on a year earlier. However, planned redundancies were down from the 150 000 high seen in both June and July. A total of 498 000 redundancies were planned between August and March, when the coronavirus crisis began.</p> <p>HR 1s submitted:</p> <ul style="list-style-type: none"> • Manchester Airport Group- 465 – working with MAG, Airport Academy and key partners 	<p><u>Furlough and newly unemployed-</u></p> <ul style="list-style-type: none"> • The Newly Unemployed Group is collating and contributing to labour market intelligence, both in terms of supply, sector intelligence and skills, and demand in sectors due to investment in the city to enable effective matching of residents available for work with demand. Currently intel available includes comprehensive list of HR1s and requests for support from residents. • A supporting comms campaign has been developed which will be rolled out over the next few weeks and will drive requests to the MCC website. • Redundancies at Airport, Booking.com and DHL have been identified and the group will act as the conduit to put in place support measures to mitigate the impact of these. The take up of support from the affected workforce is limited to date - this is due to personal factors, comms still working through HR

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	<p>including DWP and GC to ensure support is in place as part of the consultation period. Awaiting liaison with MAG HR.</p> <ul style="list-style-type: none"> • Booking.com - DHL supply chains = 99 • DWP notified the number of redundancies (GM) - 5 HR1's last week = 340 redundancies across 5 sectors. Offers have gone out re: DWP redundancy support and directly delivering support sessions to those people affected. Main recruitments – Peak recruitment for warehousing – Amazon, THG opportunities. HMRC customer services WFH – 6 months DWP work coaches. • Many firms had brought staff back to work, the Growth Company survey shows that 65% still have staff on furlough and of these 65 of firms said they have furloughed more than half of their workforce. • The sectors still furloughing high proportions (50 or more) of staff are in Hospitality Leisure and Tourism, Creative and Cultural, Retail, Manufacturing and Services sectors. <p><u>Offer for 16-19 year olds</u></p> <ul style="list-style-type: none"> • NEET figures for Manchester are running at 49% of NEET and unknown. This is normal for this time of the year as all destination hasn't been captured including the Colleges. Better position than this time last year. 	<p>departments etc. Agencies are actively engaged with these organisations and are ready to develop bespoke packages of support as and when required - anticipated over the next month.</p> <ul style="list-style-type: none"> • Work will continue with partners to ensure that the support available complements other GM wide programmes such as Kickstart and JETS. <p><u>Offer for 16-19 year olds</u></p> <p>A link between We Love Manchester Charity and MMU colleagues at the First Generation Project has been established to explore potential to provide some financial support to 2021 graduates (first cohort to graduate from the project) to support access to labour market or post graduate study. Being led by manager at WLM and project strategic lead at MMU.</p> <p>Working with DWP & youth organisations to look at bringing offers together for the youth hubs. Will need some DWP funding.</p> <p><u>Youth unemployment</u></p> <p>Kickstart 31 employers going live – majority of jobs are Tesco who are testing their system. First vacancies expected first week in November.</p> <p>Kickstart - Continue to support the pre-roll out of Kickstart, working with employers and gateway organisations to develop their wrap around support and progression offer for our young people in the City. Some offers are better</p>

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		<p>developed than others at the moment.</p> <p>Skills and employment support for adults</p> <p>Digital inclusion - Extended the number of volunteers to be able to offer support to residents with digital access. Have been asking questions to get a good baseline. 40 VCSE organisations on board offering digital support.</p> <p>There are 400 devices and data to be distributed to residents without digital access next week and a further 400 residents supported to effectively use digital devices. A flexible model has been developed, which can be built on with other partner organisations. MMU will carry out an evaluation of the scheme and a steering group is inputting to ensure that we get the right intelligence which can be used to adapt /extend the scheme if needed.</p> <ul style="list-style-type: none"> • DWP are offering digital devices & support to unemployed adults who need them to access work and /or take up employment opportunities that involve working from home • This week has been "get online" week which has seen a big rise in messages being shared online and via social media. <p>Social value and local benefit</p> <p>Proposed changes to Social value Policy to reflect Think recommendations are working their way through the approval processes and are due to be discussed at SMT and EMG in November. W&S are also supporting the</p>

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	<p data-bbox="376 759 1025 794"><u>Business Support, Sustainability & Growth</u></p> <ul data-bbox="421 836 1115 1426" style="list-style-type: none"> <li data-bbox="421 836 1115 1018">• 37% of UK employers plan to make staff redundant over the next three months, according to a YouGov poll of more than 2000 managers commissioned by the Advisory, Conciliation and Arbitration Service. <li data-bbox="421 1059 1115 1426">• Salary & Vacancy Trends Source: Growth Company– Vacancy details from Adzuna. -The average Manchester salary is £36,582 -Currently there are 17,794 live job ads in Manchester, out of 645,604 jobs nationally. This is up from the 16,496 live job ads in Manchester on October 8th -The top companies hiring in Manchester are: The Hut Group, Tesco, Spires Online Tutoring, HC One and MITIE. 	<p data-bbox="1149 252 1989 395">development of a lottery funding bid by ANTZ to pilot a social value brokerage platform in Manchester. This was received positively by the Social Value Strategic Group on 8th Oct.</p> <p data-bbox="1149 437 1989 654">The W&S Team are working to maximise local benefit from major developments, focusing on Northern Gateway and North Manchester General Hospital at the moment. A Social Value Framework has been drafted to cover both developments with work ongoing to develop the operation detail that ensures outcomes are delivered.</p> <p data-bbox="1149 695 1989 877">The team are also working with the Business Growth Hub to develop an intelligence led approach to local procurement that may be piloted on Northern Gateway. Meetings with the procurement team at FEC have been arranged for the next reporting period.</p> <p data-bbox="1149 919 1836 954"><u>Business Support, Sustainability and Growth</u></p> <p data-bbox="1149 995 2002 1394">Work & Skills officers are engaged with Rates service to support the design and development of the emerging grant system for businesses in Tier 3 areas. Liverpool has still not received the details despite Tier 3 having been imposed 2 weeks ago. Briefing with Cities and Local Growth Unit on Localised Restrictions Support Grant (LRSB)- now triggered by Tier 3 held 22/10. Awaiting guidance. First payments will be made to businesses after 2 weeks of closure, based on rateable value. LAs asked to share estimated number of businesses affected by closures to then agree allocations asap.</p>

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	<p>-Most live job ads in Manchester are for IT Jobs and Teaching Jobs.</p> <p>-Salaries in Manchester have gone up 10.0% year on year while the national annual change is 4.3%.</p> <ul style="list-style-type: none"> Concerns remain about the implications as a result of a no deal Brexit and officers will work with comms to develop a social media campaigns to promote GM Chamber and Business Growth Hub. At present according to BGH survey data Oct 2020 just under half (47%) of firms said that the impact of EU exit will have a 'neutral effect' on their business, 12% said 'negative effect', 41% said they are 'unsure'. Suggesting that there is still uncertainty. Future challenges facing the business <ul style="list-style-type: none"> -Getting access to new domestic sales opportunities (32%), -managing the business finances (17%) -the impact of the end of EU transition period (11%) and getting access to new markets overseas (11%). 	<p>In addition to LRSG, £60 m enhanced business support offer to be issued as one lump sum and allocated to LAs based on per capita population. To be defrayed by end financial year 2021.</p> <p>SME Restart & Recovery and Kick-Starting Tourism grants (£1m for GM)- formal approval is currently awaited from MHCLG, before BGH and respond to those having expressed an interest can move to the next stage of the process.</p>
Funding	<p>No specific known impacts on current external funding bids caused by C19 as yet. Known bids progressing through funding approval processes as expected.</p> <p>Team in City Policy developing a funding action plan</p>	<p>The City Policy team is continuing to track new funding opportunities from a range of sources including Government and European programmes which remain open to UK applicants. The main funds of note this week are:</p> <p>1.Public Sector Building Decarbonisation Fund (BEIS)</p> <p>1. 100% grant funding for eligible projects</p>

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	based on C19 recovery and Corporate priorities	<ol style="list-style-type: none"> 2. No maximum or minimum 3. Grant scheme delivered via Salix finance 4. Eligible applicants include LAs, NHS Trusts, FE and HE, Emergency Services, Maintained Schools (inc. Academies, LA etc.) & other public bodies 5. Key Dates: Opens - 30th September 2020. 5 bidding rounds between October and January 6. Assessments will be done inc. allocation of funds on a rolling basis, first come first served. 7. 3 week turnaround time for projects to be approved. 8. Completion of projects by March 2021 (or where not possible by September 2021) 9. GMCA proposing a GM bid. MCC officers (City Policy and Estates) working with GMCA on that. <p>A briefing note has been provided following the last sit rep update.</p> <p>Work is now progressing on a GM bid with a plan to submission by 23rd Nov.</p>
Strategy & Economic Narrative Review	C19 has necessitated a review of existing strategies to understand whether they are fit for purpose given the predicted exacerbation of existing inequalities. This will inform the Economic Recovery Plan & Our Manchester Strategy reset. Formal refreshes would not take place until 2021 when the Our Manchester Strategy has been reset and the full impact of C19 is known.	<ul style="list-style-type: none"> • Business webinar being planned for November on Economic Recovery Plan with Business Sounding Board. • Our Manchester Strategy Reset- Engagement concluded at the end of Sept with 3,680 people engaged along with partnership boards. Discussions have taken place at SMT and with Executive Members with a further report to Resources and

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		<p>Governance Overview and Scrutiny Committee in Nov. The draft strategy will be considered by the Our Manchester Forum in Dec and a number of areas are emerging as potential priorities to be considered for inclusion within the reset:</p> <ul style="list-style-type: none"> • Equality and inclusion - equality of opportunities for all residents; being bold to try and address structural inequalities; focusing on 'closing the gaps'. • Young people - particular focus of ensuring equality across the city, and ensuring good access to education and opportunities in the labour market. • Economy- ensuring local residents can access local jobs; good employment that is fairly paid. • Environment - more and better green space; ensuring we achieve our zero carbon ambitions. • Digital- inclusion including skills, infrastructure, devices and access to services. • Housing- access to affordable housing in all of the city's neighbourhoods. • Transport - increase active transport; affordable and accessible public transport. • Health- equal access across the city to good services; tackling physical and mental health inequalities. • Pride in the city and its people- reflecting Manchester's vibrancy and diversity, and wanting it to be the best it can be for its residents. • Manchester Family Poverty Strategy - a reprioritisation exercise has been undertaken with the Core Group which Cllr Craig attends.

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		<ul style="list-style-type: none"> • Strategic Review of Social Value - a presentation will be considered at SMT 27 Oct and with Executive Members on 11 Nov. This sets out the suggested changes to the approach to Social Value to respond to the challenges of Covid-19 and also other challenges such as Climate Change.
External Influencing & Lobbying	The Government's economic response to C19 has been fast moving and feeding in Manchester's priorities has required a coordinated approach.	<ul style="list-style-type: none"> • Verbal update to EMG Economic Recovery Meeting on 23/10.
Economic Intelligence	<ol style="list-style-type: none"> 1. Need to engage with Manchester Businesses and Key sectors to understand current status re Covid related impacts. 2. Understanding of businesses in rented spaces and analysis to support the Business Rates Discretionary Grants. 3. Need to understand status of development pipeline across the city. 4. Need to update population modelling (MCCFM), reflecting both the impacts on and from the economy. 5. Demand appraisal for residential lettings market in Manchester post pandemic. 6. Challenge re the scale of analytical capacity required to support this, other Covid-19 workstreams and Business as Usual activities. 	<ol style="list-style-type: none"> 1. Ipsos Mori large scale survey results to inform MCC priorities. Ongoing dialogue with business community to understand latest issues and impact. 2. Tracking underway - pipeline used to support Financial Resilience work - including forecasting potential council tax & business rates revenues - drafts for forecast CT / BR revenues from new development with Finance colleagues for comment 3. Update of the MCCFM is in progress, more difficult and time consuming than normal due to macro uncertainties. ONS Mid Year Estimates released recently to support this work. 4. Data sweep complete - work now underway to collate trends across sub-sectors (mainstream, students, short term lets) to contribute to overall appraisal. 5. Ongoing discussions to re-prioritise work areas and understand where the gaps may be. Risk we could run out of internal capacity. Future format for economic monitoring currently being considered.

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