



Executive

Date: Wednesday, 9 December 2020

Time: 2.00 pm

Venue: Virtual meeting: Webcast at <https://youtu.be/V6g-IWOpuLY>

This is a **Revised and Supplementary Agenda** containing a further item of business (item 12) that was not listed on the main agenda and additional information about the business of the meeting that was not available when the agenda was published.

The Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020

Under the provisions of these regulations the location where a meeting is held can include reference to more than one place including electronic, digital or virtual locations such as Internet locations, web addresses or conference call telephone numbers.

To attend this meeting it can be watched live as a webcast. The recording of the webcast will also be available for viewing after the meeting has ended.

Membership of the Executive

Councillors

Leese (Chair), Akbar, Bridges, Craig, N Murphy, Ollerhead, Rahman, Stogia and Richards

Membership of the Consultative Panel

Councillors

Karney, Leech, M Sharif Mahamed, Sheikh, Midgley, Ilyas, Taylor and S Judge

The Consultative Panel has a standing invitation to attend meetings of the Executive. The Members of the Panel may speak at these meetings but cannot vote on the decisions taken at the meetings.

Revised & Supplementary Agenda

1. Appeals

To consider any appeals from the public against refusal to allow inspection of background documents and/or the inclusion of items in the confidential part of the agenda.

2. Interests

To allow Members an opportunity to [a] declare any personal, prejudicial or disclosable pecuniary interests they might have in any items which appear on this agenda; and [b] record any items from which they are precluded from voting as a result of Council Tax/Council rent arrears; [c] the existence and nature of party whipping arrangements in respect of any item to be considered at this meeting. Members with a personal interest should declare that at the start of the item under consideration. If Members also have a prejudicial or disclosable pecuniary interest they must withdraw from the meeting during the consideration of the item.

3. Minutes

Minutes of the meeting held on 11 November 2020. **(Previously Circulated)**

4. COVID 19 Monthly Update Report

The report of the Chief Executive was to follow and is now enclosed

All Wards
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5. Spending Review Announcement

Report of the Deputy Chief Executive and City Treasurer is to follow.

6. Revenue Budget Monitoring to the end of October 2020

Report of the Deputy Chief Executive and City Treasurer is to follow.

7. Greater Manchester Transport Strategy 2040

Report of the Strategic Director (Growth and Development). **(Previously Circulated)**

8. HS2 Phase 2b Western Leg Design Refinement Consultation Response

Report of the Strategic Director (Growth and Development). **(Previously Circulated)**

9. Purpose Built Student Accommodation

Report of the Strategic Director (Growth and Development). **(Previously Circulated)**

10. Withdrawal from school catering provider market

A revised version of the report of the Strategic Director – Neighbourhoods is enclosed, now including Trade Union

All Wards
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comments.

11. Amendment to Hackney Carriage Fare Card

Report of the Strategic Director (Growth and Development).

(Previously Circulated)

12. Children's COVID Winter Grant

The report of the Strategic Director of Children and Education Services is enclosed.

All Wards

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Information about the Executive

The Executive is made up of nine Councillors: the Leader and Deputy Leader of the Council and seven Executive Members with responsibility for: Children Services & Schools; Finance & Human Resources; Adult Services; Skills, Culture & Leisure; Neighbourhoods; Housing & Regeneration; and Environment, Planning & Transport. The Leader of the Council chairs the meetings of the Executive.

The Executive has full authority for implementing the Council's Budgetary and Policy Framework, and this means that most of its decisions do not need approval by Council, although they may still be subject to detailed review through the Council's overview and scrutiny procedures.

The Council wants to consult people as fully as possible before making decisions that affect them. Members of the public do not have a right to speak at meetings but may do so if invited by the Chair. If you have a special interest in an item on the agenda and want to speak, tell the Committee Officer, who will pass on your request to the Chair. Groups of people will usually be asked to nominate a spokesperson. Speaking at a meeting will require a telephone or a video link to the virtual meeting.

The Council is concerned to ensure that its meetings are as open as possible and confidential business is kept to a strict minimum. When confidential items are involved these are considered at the end of the meeting and the means of external access to the virtual meeting are suspended.

Joanne Roney OBE
Chief Executive
Level 3, Town Hall Extension,
Albert Square,
Manchester, M60 2LA

Further Information

For help, advice and information about this meeting please contact the Committee Officer:
Donald Connolly
Tel: 0161 2343034
Email: donald.connolly@manchester.gov.uk

This supplementary agenda was issued on **04 December 2020** by the Governance and Scrutiny Support Unit, Manchester City Council, Level 3, Town Hall Extension (Lloyd Street Elevation), Manchester M60 2LA

This Covid19 Monthly Update Report of Manchester City Council has three parts

(a) Residents and Communities Situation Report

(b) Economic Recovery Situation Report

(c) Future Council Situation Report

Covid-19 Sitrep Summary

Residents and Communities Workstream

Date: 20 Nov 2020

Workstream	Impact / challenges experienced	Key planning and recovery activity being undertaken**
Residents at risk		
<p>Shielded Residents and the Food Response</p>	<p>Whilst shielding hasn't been re-introduced, guidance has been sent via a national letter to all those that that are defined as Clinically Extremely Vulnerable. This is being followed up by a local letter sent via GPs with more detail about how to access support locally via the Covid Helpline.</p> <p>There is a move away nationally from direct food provision to supporting self sufficiency. Those who are CEV will be able to register on line to obtain a preferential supermarket slot and request to be linked in to a local support offer. We are very mindful that there will be a number of residents that are digitally excluded and will not be able to access this offer. The helpline will be available to offer support needed</p> <p>Small increase in demand due to National / Local Clinically Extremely Vulnerable instruction letters.</p>	<ul style="list-style-type: none"> • Numbers coming through to the food response are slowly increasing, but for now we are confident in the capacity within the system to meet need • The food response will continue to support people with either a clinical or financial vulnerability • The focus for the food response will remain on providing access to a holistic support offer which looks at issues beyond food support needs / root causes. Key referral pathways established with CAB, Be Well Service, Early Help, Digital Volunteers and other provision • Demand is being monitored daily and appropriate measures put in place to scale up as required, there is the potential for this to have implications on resources. • Call Handlers have been pro-actively contacting identified CEV residents / households to provide food support if needed (based on intelligence from PRI).

			<p>26 residents have been contacted so far, with 4 requiring immediate food response support</p> <ul style="list-style-type: none">• Work is underway to ensure that digital support is integrated so that more residents can benefit from online options• The New Smithfield Market function is on standby subject to demand increasing – a project and finance plan has been drafted and can be stood up quite quickly. However, ongoing discussions with providers has suggested that capacity can be met through additional volunteer and (les significant) financial support• The new Food Response Team is now largely in place – the final role (Volunteer Manager) will be filled 25/11• The Our Manchester Food Partnership has launched, and 3 themed webinars have taken place. The objective of this is to increase skills and knowledge of food providers, and to help make food providers make connections with other support services.• Planning for Christmas period has begun, and we are mapping provision and referral pathways to services (some providers have a cut-off point for Christmas referrals). Call Handlers will where appropriate signpost to additional
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			<p>Christmas VCS provision as well as general brokerage and allocation</p> <ul style="list-style-type: none"> As well as calls to CEV residents re food, calls are also being made to those who have registered on the National Shielding website and asked to be connected into a local support offer.
Domestic Violence & Abuse	<p>Domestic abuse community services are working at and in some cases over capacity. Previous lockdown saw a steady increase in referrals to DA services apart from the IRIS services which links GPs directly to the DA advocate.</p> <p>Staff resilience continues to be a risk given the length of previous and new restrictions. Consideration to be made as to what support providers may need to maintain staff wellbeing in order to continue with service delivery</p> <p>At a meeting with providers, they report there has not been an immediate increase in demand since the new lockdown measures, however most DA providers are now seeing higher than pre-covid referral levels.</p>	<p>MWA to continue to support high risk referrals from MARAC until 31 March 21.</p> <p>Additional covid funding provided to the MCC IDVA service to provide a further temporary manager post and a temporary IDVA post to manage demand and support the staff team.</p> <p>Comms have been reviewed to reinforce message that services are still open and victims can leave the home to escape an abusive relationship. This includes messaging in relation to the IRIS service</p>	
Welfare Provision	Half-Term Free School Meals	The WPS Team administered the Council's Free School Meals replacement scheme for the half-term week. The scheme was open from 23/10/20 to 13/11/20. We made payments for 6,616	

		<p>Test and Trace Support Payments</p>	<p>children at a total cost of £99,240. There may be some final adjustment to the reported numbers following a data cleansing exercise.</p> <p>At 16 November we have:</p> <ul style="list-style-type: none">• Received 2,616 eligible applications• Paid £356,500 to 713 main scheme applications• Paid £105,500 to 211 discretionary cases• Declined 1,433 applications (615 main scheme and 818 discretionary)*• Pended 261 cases while awaiting further information• Allocated all applications received <p>*The main reasons for refusals are where the income is above the threshold based on the agreed AGMA model</p> <p>The government estimated that the scheme would generate 12 applications per day for an authority the size of Manchester. We are receiving an average of 53 per day. Consideration is being given at a senior level to contacting the DWP to request an increase in the discretionary budget (£227k) provided within the scheme and the amount provided to administer the scheme. Based upon the DWP position there is limited confidence that the discretionary budget would be increased.</p>
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		Covid Winter Grant Scheme	<p>The DWP are providing a budget of up to £2.6m to Manchester to deliver a Covid Winter Grant Scheme up to 31/3/21. The details of the scheme are being worked through at strategic and operational levels. The primary focus is to provide food support for families with children during the Christmas and February 2021 half-term holidays. Flexibility is also offered to allow support for families without children and single people. DWP require authorities to provide data returns to show how the fund is being directed and the total grant received is dependent on the assurance provided by these returns. Current thinking / activity to deliver the scheme includes:</p> <ul style="list-style-type: none"> • Vouchers to a value of £15 per week provided to schools to allocate • Up to 34,000 vouchers available per holiday period to meet estimated need • A rapid tender process to identify partner supermarkets with a view to achieving an element of uplift to the value of the voucher • SMT colleagues involved in identifying and implementing preferred options for providing support across other key groups that may include care leavers; homeless families; carers; college students: and may include food / utilities / other key needs support.
	Homelessness	Increase in presentations to pre-Covid levels has continued, presenting additional pressures as access to move-on and temporary accommodation	Working with partners to maximise access to move-on accommodation, including targeted interventions in the private rented sector. This will

		<p>remains limited. Re-start of s21 evictions not being seen as a major factor yet, but this process has only recently re-started and pent-up demand will be seen in the system again soon. Increases in domestic abuse presentations has been sustained. Currently in the process of identifying arrangements for winter provision for people who sleep rough. Numbers have shown a slow but consistent trend of increase. Commitment to not use night shelters wherever possible, but concern as to the availability of self-contained accommodation, its cost and the availability of adequate staffing and support services, including a food offer.</p> <p>Concerns with finding sufficient suitable accommodation for people who are positive, and a testing process for people who sleep rough</p> <p>Challenges with more staff testing positive, or needing to self isolate</p>	<p>remain a significant challenge, particularly in light of national lock down.</p> <p>Regular meetings with partners are considering the options for the city for winter. There is a strong view that shelters should not be used though an absolute commitment to this cannot be made, it is a shared aspiration. The scale of provision required and the additional cost will be continuing challenges, as will the availability of adequate staffing should a prolonged period of provision be required.</p> <p>Working with contract tracing steering group to agree processes. Public Health have agreed for homelessness to have access to testing kits. Working with Salford City Council to identify an accommodation site for people who are covid positive.</p> <p>Contingency plans are in place to ensure sufficient staffing across the portfolio, this may include increase in overtime or agency.</p>
Resilient communities			
	Resilient Communities		Calls into the helpline have not seen an overall increase since the lockdown period began on 5 th November. Lots of calls are about general

			<p>queries eg covid guidance, how to access test and trace isolation payment.</p> <p>The partnership approach at a neighbourhood level continues to work well, with the Team around the Neighbourhood working collectively to engage with residents re Covid in hotspot areas as well as supporting those most at risk.</p> <p>MCRVIP continues to promote opportunities for volunteers to support with the covid response.</p>
	<p>Libraries, Galleries and Culture</p>	<p>National lockdown has resulted in Museums, Galleries and Cultural venues being closed across the city including Manchester Art Gallery. Currently planning for reopening 3rd December in line with future government guidance and restrictions.</p> <p>We have temporarily closed the following libraries:</p> <ul style="list-style-type: none"> • Arcadia Library (Levenshulme) • Barlow Moor Community Library • Burnage Library • Central library (City Library on the lower ground floor is open) • Fallowfield Community Library • Hulme High Street Library • Miles Platting Community Library 	<p>Following government guidance, the range of services at our libraries has been temporarily reduced. The following libraries remain open:</p> <ul style="list-style-type: none"> • City Library (part of Central Library) • Abraham Moss Library • Avenue Library • Beswick Library • Brooklands Library • Chorlton Library • Didsbury Library • Gorton Library • Longsight Library • Newton Heath Library • North City Library • Withington Library • Wythenshawe Forum Library

		<ul style="list-style-type: none"> • Moss Side Powerhouse Library • New Moston Community Library • Northernden Community Library <p>Expected Impact of New national lockdown measures. All cultural venues closed to the public and those with reopening plans have been suspended. It is understood venues as places of work can remain open allowing for the rehearsal of work and performance for broadcast.</p> <p>Financial impacts on cultural organisations will include loss of income from audience based and participatory activities that were planned. Costs in terms of cancellation fees and loss of income from hospitably services.</p>	<p>Libraries can remain open to provide access to IT and digital services - for example for people who do not have it at home - and for click-and-collect services.</p> <p>Some organisations have benefited from Cultural Recovery Fund Grants which for may would have included income assumptions based on being open and delivering a reduced, but emerging, public facing programme. We expect ACE to apply flexibilities to the grant management process, but losses of projected income will impact on financial forecasts.</p>
	Parks, Leisure & Events	Significant closures of sports and leisure centres and cancelling of events in line with covid restrictions currently in place.	<p>Sport & Leisure</p> <p>The following permitted activities are currently operating:</p> <ol style="list-style-type: none"> 1. Elite Training Centre sites are open for elite athletes only – this includes sites such as the National Cycling Centre, the National Taekwondo Centre and the Manchester Aquatics Centre. 2. Some facilities are open or are being mobilised for the provision of NHS activities such as COVID testing, vaccination and general support – This

			<p>includes sites such as Denmark Road, Abraham Moss, Wythenshawe Forum and the Tennis Centre.</p> <ol style="list-style-type: none">3. Dual use leisure/ education sites are open for use by the Schools for curriculum PE – This includes sites such as Abraham Moss (temporary sports hall), Whalley Range and Belle Vue.4. Northcity Family & Fitness Centre is open for access to formal child care provision only.5. Swimming Pools are open for Primary School Education Swimming only. <p>Parks</p> <p>Services that remain operational are as follows:</p> <ul style="list-style-type: none">· Play areas· Cafes (as a takeaway service only)· Ice cream vendors (as a takeaway service only)· Toilets· The Garden Centre at Heaton Park· Allotments (access to outdoor areas only, with limitations on individuals meeting in line with guidance) <p>Services that remain closed are:</p> <ul style="list-style-type: none">• Athletics tracks• Formal baseball, cricket, football and rugby pitches.
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			<ul style="list-style-type: none"> • Heaton Park boat hire. • Heaton Park Tree Top Trek. • Wythenshawe Park Horticultural Centre • Flat and crown green bowling greens • Golf courses • Stables (livery services and animal care can still continue) • Outdoor gyms • Multi use games areas, tennis courts, BMX and skate parks • Voluntary activity that is not essential (i.e. linked to health and safety of visitors or providing care to animals). <p>Events Event companies are permitted to progress construction and planning activities. Events such as Lightopia at Heaton Park are continuing to progress lighting installations with the expectation that restrictions will lift and their activity will be permitted over the Christmas period.</p>
Youth		<p>1. Following the Government announcement on 31/10/2020 – all youth provision operating inside buildings will have to close.</p> <p>2. Reports of increased numbers of young people congregating on the streets due to the closure of youth, leisure and sports facilities.</p> <p>3. Challenge of providing support to young people following incidents in the area – effective youth</p>	<p>1. We are working closely with the 4 hubs to understand what 1:1 & support provision they will be providing; supporting with risk assessments and interpretation of the guidance. Monthly meetings planned with the sector to ensure they have the support needed to continue providing provision for young people.</p>

		<p>work versus management of restrictions.</p> <p>4. Closure of provision could increase the financial risk for youth and play partners – furloughing of staff members, reduction in donations and income.</p>	<p>2. We will support partners to increase their detached / street work provision. Support provided around risk assessments and virtual training.</p> <p>3. We are working closely, particularly in the North, with Police, Youth, CSP, and community to leaders to ensure young people have the support they need following a fatal incident, but also to ensure providers can still be covid compliant.</p> <p>4. We will meet regularly with partners to understand and support with the furlough process, as well as, understanding the financial impact on organisations. Our funding to partners will continue as planned. Mapping process will continue to understand the 'state of the sector' during and post lockdown.</p>
	Children's Services	<ul style="list-style-type: none"> • Referrals to both early help and children's services have seen incremental increases in the past month and the past two weeks • Performance has slightly dipped in terms of visits set against national performance indicators • Marginal increase in respect of residents requesting immediate financial assistance • In this lockdown period we have re-established our family time services • Impact of track and trace on workforce availability 	<p>Requirement to flex the early help offer to address increasing requests for parenting support These are generally still high – child protection 91% Looked after children 96% - there is significant performance management activity to track the gap and remedial action identified</p> <p>Ongoing maximisation of the third sector offer in this regard</p> <p>Adherence to public health messages, limitations on offer due to restricted availability</p> <p>Although not a major concern less staff available impacting on morale within the service</p>

	<p>Schools and settings</p>	<p>Half term 1 attendance data shows that excluding children who are required to be at home self isolating attendance was 94% for this period which is much higher than anticipated.</p> <p>Requests for elective home education are continuing to rise with 30 new requests last week.</p> <p>W/b 16th November process for tracking and tracing with schools and Early years settings was reviewed and brought in house – this has been successful in week and positive feedback from schools.</p> <p>1 secondary school closed last week due to high staff absence and high numbers of positive cases for pupils – children accessing remote learning.</p> <p>Starting to see increases in perm exclusion from secondary schools since half term – mostly persistent disruptive behaviour.</p> <p>Schools concerned about impact of last week of school term on Christmas leave.</p>	<p>Planning for FSM support over Christmas holidays using COVID Winter grant.</p> <p>Working with schools leaders and TUs re end of term arrangements. Asking DFE for clarity on what they are planning./allowing schools to do.</p> <p>Monitoring impact of new T and T processes and what the data is telling us. Ensuring schools/settings access advice when requests to support decision making and have ouybreak meetings in response to closures.</p> <p>Monitoring school exclusions and roll out of training on wellbeing and Manchester Thrive model.</p> <p>Discussions about testing in schools.</p>
VCSE		<p>Ongoing communication and engagement with the VCSE sector around Covid response and recovery plans, particularly around current lockdown restrictions and guidance.</p> <p>Impact of Covid 19 on the VCSE sector (and those that they serve) – Winter lockdown / Tier restrictions</p>	<p>Following on from a session held on 04.11.2020 with VCSE venue groups around the latest lockdown guidance, Macc released a bulletin across their mailing list and channels on the 06.11.2020 containing further information and guidance for groups and latest MCC and NHS comms material.</p>

	<p>VCSE future funding (both MCC and external) - Good range of emergency Covid response funds made available during first wave but concerns around longer term funding of the sector e.g. MCC OMVCS grant</p> <p>Covid Health Equity - communication and engagement and key messages to communities of identity</p> <p>Overall strategic leadership of the work with the VCSE - work takes place across a number of officers, teams and departments. This can create communication issues, duplication of effort and lack of clarity around priorities, accountability and progress and what is being expected of Macc and other VCSE partners.</p>	<p>The high-level plan around next steps for the OMVCS grant fund is underway and will include the undertaking of an Equality Impact Assessment. This is being aligned to the VCSE funding (across the Council) mapping work currently being conducted to help support future budget discussions and decisions.</p> <p>Further scoping work taking place at pace around the development of VCSE Covid Winter Fund focussed supporting mental health and wellbeing and reducing isolation. A targeted engagement and grant approach is being considered to ensure that these funds are able to be released quickly using thematic areas and forums for Disability, Mental Health and Older People. A summary of this proposal is being shaped by the Head of Neighbourhoods and OM Funds Programme Lead to request a funding allocation to support this work. This will form part of the wider request to SMT Gold covering the 4 key areas identified for the Tier 3 funding allocation from central government.</p> <p>Covid Health Equity Manchester (CHEM) group-partners (including the VCSE sector) across the city working together to improve experiences of and outcomes for communities that suffer disproportionate adverse impacts from Covid-19. Local sounding boards involving VCSE organisations, local people, Health Development</p>
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		<p>Coordinators and MHCC comms and engagement have been set up for Black African and Black Caribbean and Pakistani communities. This has been supported by the release of engagement grants (£500 – £2000) aiming to strengthen the Covid messaging and challenge some of the myths/information being shared in communities, utilising local people and leaders. This work is being progressed and will continue to be monitored via the Covid Health Equity workstreams (new normal)</p> <p>Strategic conversation with the VCSE sector meeting scheduled to take place at the end of the month with senior officers across departments and VCSE leaders in the city. This will be managed by BAU arrangements with Policy, Performance and Reform.</p>
<p>Equalities and Inclusion</p>	<p>Equality impacts related to the response to lockdown and the winter effects of Covid need to be managed through BAU processes (i.e. EIAs and actions in response). These will interplay with the Council’s budget decision making (also subject to EIAs) and will need to be considered in the round.</p>	<p>Need refreshed commitment for any new activity related to response to be equality impact assessed on the Covid-19 EIA template, across workstream areas.</p> <p>Budget options EIAs are being championed by SMT . Revised budget-specific Equality Relevance Assessment and EIA templates have been produced and shared with SMT, uploaded to the intranet and promoted through internal comms. These require a further push before the end of Nov.</p>

		<p>It has been agreed that the equality analysis process will run concurrently with assessments of poverty impact: these are associated pieces but do not lend themselves to coming together as one combined one. In January, the two processes will be brought together to provide a cumulative assessment of poverty and equality impact.</p>
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** There is clear evidence that COVID-19 does not affect all population groups equally. Many analyses have shown that older age, ethnicity, male sex and geographical area, for example, are associated with the risk of getting the infection, experiencing more severe symptoms and higher rates of death (*Beyond the Data: Understanding the Impact of COVID-19 on BAME Communities, PHE, 2020*). It remains vital that those who are frequently the most disadvantaged in society do not then take a 'double hit' from decisions taken to mitigate the impacts of COVID-19. Please include detail of the activity you are planning to undertake to ensure recovery activity considers the impact of COVID-19 on different population groups. For example, undertaking an Equality Impact Assessment to support the planning for longer term changes to service delivery.

Economic Recovery Workstream- Sitrep Summary

As at 03/12/20

For Economic Recovery Meeting on 4/12/20 Changes since last updated highlighted in yellow. Updated fortnightly.

Issue/theme/activity area	Impact/ challenges experienced	Key planning and response activity being undertaken
<p>General overview</p>	<p>Tier announcement (25/11) GM in Tier 3 from 02/12- Major concerns re severe impact on hospitality and cultural sectors.</p> <ul style="list-style-type: none"> • Hospitality venues must close- such as bars, pubs, cafes, restaurants, except for delivery and takeaway services. • Spectator sports cannot resume. • Indoor entertainment venues- such as bowling alleys, museums, galleries, cinemas and theatres must close. • People are advised not to travel to and from Tier 3 areas. • Leisure and sports facilities may continue to stay open, but group exercise classes (including fitness and dance) should not go ahead. Saunas and steam rooms should close • There should be no public attendance at spectator sport or indoor performances and large business events should not be taking place. Elite sport events may continue to take place without spectators • Large outdoor events (performances and shows) should not take place, with the exception of drive-in events. <p>Spending Review and Economic Forecasts (25/11) Economy: ONS estimates output fell 25 % between Feb and April as the economy entered the largest recession on record.</p>	<ul style="list-style-type: none"> • 'Powering Recovery: Manchester's Recovery and Investment Plan' launch event held on 25/11. Event outlined the plan and how businesses can engage in helping to deliver objectives. Four investment priorities around: innovation; city centre and urban realm; residential retrofit programme; and North Manchester regeneration. Seeking govt funding for over 50 projects of £798.8 m. The plan can be accessed here. • United City business-led campaign launched 22/11 and supported by MCC. New campaigning and research group to help drive recovery and bring vibrancy back to the city. Members of Business Sounding Board leading this. Positive response received. Over 1,700 followers as at 01/12. Advertising campaign underway in city centre calling on govt to review the tier allocation weekly rather than fortnightly. • Joint MCC/Cityco webinar held 30/11 to brief businesses on grant system, latest position on Tiers and any regulation implications. 500 businesses attended and was well received. Main issues- confusion on grants and eligibility criteria. Officers explained the process and stressed importance of providing the required evidence in support of applications. • Weekly newsletter issued to over 9,000 businesses with updates incl business support, grants and latest guidance.

Issue/theme/activity area	Impact/ challenges experienced	Key planning and response activity being undertaken
	<p>Office for Budget Responsibility's (OBR's) forecast expects UK GDP to shrink by 11.3 per cent in 2020. The economy is not expected to reach pre-crisis level until the end of 2022. OBR forecast the economy will be 3% smaller in 2025 than previously expected - this is based on "the equivalent of England's pre-lockdown Tier 3 until the spring".</p> <p>By mid-2021, the OBR expects the unemployment rate to peak at 7.5%, equivalent to 2.6 million people out of work.</p> <p>Fiscal: The public sector deficit is expected to peak at 19% of GDP (£394bn) in 20/21 falling to 3.9% of GDP (£101.8bn) by 25/26. The OBR have pointed out that the government is cutting non-virus spending in 21-22 by £10bn versus Budget 2020 plans.</p> <p>Levelling Up Fund- £4bn across CLG and DfT open for bids of up to £20m from next year (with £600m available in 2021/22). The combined money for the new Levelling Up Fund and UKSPF appears to be lower than that previously available under EU funds and the Local Growth Fund.</p> <p>UK Shared Prosperity Fund (UKSPF)- will 'at least' match receipts from EU structural funding (reaching £1.5bn a year) with funding profile set at the next SR. <i>(see also Funding section below)</i></p> <p>Labour Market: National Living Wage to be increased for individuals aged 23 and over by 2.2 per cent from £8.72 to £8.91, effective from April 2021. The new 3-year long £2.9 billion Restart programme to provide intensive and tailored support to over 1 m unemployed people - work search support measures announced in the Plan for Jobs.</p>	<p>Spending Review - Details on many of the announcements are to follow. Implications and opportunities for Manchester to be further considered. <i>(See also Report to Dec Executive)</i></p>

Issue/theme/activity area	Impact/ challenges experienced	Key planning and response activity being undertaken
	<p>£2 billion Kickstart Scheme to create new, fully subsidised jobs for young people. This settlement confirms funding for over 250,000 Kickstart jobs.</p> <p>Local Government Funding Settlement: an increase of around £500m in core grant in 2021-22, in addition to £3bn of one off spending in 2021-22 to meet Covid-19 pressures.</p> <p>Intracity transport settlements: £4.2bn for Mayoral Combined Authorities is going ahead from 22/23 - plus £50m to develop in 21/22.</p> <p>National Home Building Fund: £7.1bn which includes the already announced Brownfield Housing Fund and the Single Housing Infrastructure Fund.</p> <p>UK Infrastructure Bank: to be based in North of England and operational from Spring. Will support and lend to both local and combined authorities.</p> <p>New Green Book: published with more focus on strategic case, looking across departmental silos and new guidance on appraisal of transformational projects.</p> <p>Overall R&D funding: £14.6bn, including increases for UK Research & Innovation core science and Innovate UK programmes and infrastructure.</p> <p>Monthly economic update headlines (Dec- Mancr) - number of residents on furlough in Mancr reduced by over 70% between July- Sept. 22,500 at Sept.</p>	

Issue/theme/ activity area	Impact/ challenges experienced	Key planning and response activity being undertaken
	<p>-total Universal Credit claimants continue to exceed 70,000 (approx double Sept 19)</p> <p>-20-34 year old represent fastest cohort of UC claimants.</p> <p>-city centre rents remain resilient.</p> <p>-over 10,000 homes on site across the city, incl 900 affordable homes. Over 10,700 new homes expected over next 3 years.</p> <p>-a minimum of 6,400 affordable homes to be delivered by 2025, 445 expected to complete this year.</p> <p>-195,000 m2 of office space on site (85% in city centre)</p> <p>-2,739 hotel rooms under construction</p> <p>-total business rate charges fallen by 37% from £378 m to £237m since April.</p> <p>Footfall figures- City Centre (Springboard)</p> <p>Sun 8th – Sat 14th November</p> <p>% Year / % Week</p> <p>Total -86 -47</p> <p>St Ann's Sq -86 -38</p> <p>Exchange -86-56</p> <p>King St -86 -21</p> <p>Market St -85 -57</p> <p>New Cathedral Street -86 -51</p> <p>By comparison: UK (City) -74</p> <p>Manchester wide figures (excluding city centre)-</p> <p>Week 48/ week commencing 2311/20.</p> <p>+2.3% week on week (UK +4.2 %)</p> <p>Footfall for the year to date is 24.1% down on the previous year.</p>	

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	<p>District Centres Week on Week/ Year on Year</p> <p>Cheetham Hill -0.1 % -22.4%</p> <p>Chorlton -1.7 % -42.6%</p> <p>Fallowfield 7.9 % 2.5%</p> <p>Gorton -2.1 % -38.4%</p> <p>Harphurhey -3.8 % -15.7%</p> <p>Levenshulme -0.8 % -42.3%</p> <p>Northenden 8.4 % -36.4 %</p> <p>Rusholme -1.0 % -30.1%</p> <p>Victoria Avenue -1.5 % -28.9%</p> <p>Withington 3.5 % -25.8%</p> <p>Retail- Major announcements on future of large retailers- Debenhams (12,000 jobs at risk across UK following failed rescue) and Arcadia into administration (13,000 jobs at risk). 01/12</p> <p>Only 3 weeks remain of the 'golden quarter'. Shops and other non-hospitality businesses will be able to reopen from Weds 2nd Dec.</p> <p>Retailers are still expecting large demand over Dec, particularly across the three remaining weekends before Christmas.</p> <p>Government announced 30/11 that retailers will be able to extend their daily opening hours from Mon to Sat in the run up to Christmas and through Jan.</p> <p>Book and art shop Magma (Oldham Street) is closing after Christmas.</p>	<p>Retail- Daily reviews taking place following re-opening of non-essential retail. No major issues reported as at 03/12.</p> <p>Retailers are extending their opening hours in many cases, with both an earlier start, and later closing. Includes core retailers at Manchester Arndale, Boots, TK MAXX, Top Shop, NEXT, Selfridges, Primark, M&S, Adidas, Debenhams, Harvey Nichols, Nationwide, Barclays, Lloyds Bank.</p> <p>MCC teams been working closely with CityCo and partners to plan safe return to trading. Regular contact with the largest retailers. Marshals will be in place on the streets to help manage queues.</p> <p>Christmas plans- plans in place to ensure the city centre is as attractive as possible. Lights switched on this week. Father Christmas in place outside Central Library. Viewing tower on hold due to Tier 3 restrictions. Discussions continuing on the possibility of tower in place for the new year. Winter Gardens plans on hold- keeping under review.</p> <p>Comms campaign underway with festive messaging to welcome people along with health and safety messages. Electronic messages at key</p>

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	<p>Analysis underway to understand impact of Tax Free Shopping changes due in Jan 21. Airport and Marketing Manchester campaigning on this issue.</p> <p>Hospitality and Night-Time Economy Under Tier 3 hospitality venues must remain closed. Take away, delivery and click and collect can continue. Due to staff costs and low demand, many are offering a reduced service, predominantly weekend only.</p> <p>Many operators are trading as insolvent or close to it.</p> <p>Uncertainly re tier review. Tier 2 would only give venues one full week of trading before Christmas at short notice. Even those who are wet-led have confirmed they will look to offer food this time around as they need to begin to trade again.</p> <p>Govt announced additional £1,000 one-off grant for wet-led pubs across Tiers 2 and 3 in lieu of Christmas trade. To be paid on top of the existing £3,000 monthly cash grants for businesses. LAs to administer. For the month of December only. 01/12.</p> <p>Tourism and Leisure- Natwest North of England Tourism Barometer ran for 16 weeks up to end of Oct. Significant parts of the sector that have been closed since March and cities such as Manchester have borne the brunt of additional lockdown restrictions.</p> <p>– Half of hospitality and leisure businesses across north of England were trading at a loss of over 60% for 10 weeks out of</p>	<p>outdoor sites in the city centre. All retailers have in-place Covid secure regimes, including compulsory mask wearing for customers, one-way systems and enhanced cleaning regimes. Plans have been made for external queuing outside stores, with 'Safe Distancing' floor stickers being provided by the BID, and Manchester Arndale to its tenants.</p> <p>Hospitality- many businesses planning for possibility of Tier 2 later in the month. Keeping in regular contact with businesses.</p> <p>Tourism and Leisure- Tourism and Hospitality Support Hub remains available to ensure that businesses have access to the most up to date information including reopening standards and guidance, as well as support services and practical advice.</p> <p>GM Tourism, Hospitality and Leisure Support and Recovery plan launched to provide a roadmap. (23/11 Marketing Manchester)</p>

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	<p>16-week survey</p> <ul style="list-style-type: none"> – Businesses expect revenue to recover in January 2022, compared to previous outlook of July 2021 at start of study, as a third of businesses report forward bookings for first quarter of 2021 are significantly down – A fifth of businesses surveyed unsure that they will be trading next summer – Roundtable event saw North West tourism board leaders and NatWest representatives discuss the 'tectonic shift' confirmed by the study and need for collaboration to ensure sector recovers (23/11 Marketing Manchester) <p>Culture</p> <p>Local Restrictions Support Grant & Discretionary Additional Restrictions Grant - Cultural sector companies are included in those that can benefit from the government support. The discretionary scheme has been made available to the wider supply chain.</p> <p>Entering Tier 3 and the restrictions on public use of cultural venues – Government requirements prohibit the reopening of cultural venues (excepts as a workplace inc rehearsals & pre-production). Entering 2nd National Lockdown 5/11 forced venues with productions that were about to start to cancel. Uncertainty about future likelihood of reopening combined with financial risks will delay the return of productions when they are permitted. It is especially frustrating that museums and arts galleries are unable to operate despite having highly Covid-safe measures in place. For the council this includes an extended delay to the opening of the Grayson Perry's Grayson Art Club Exhibition at Manchester Art Gallery which is being profiled on C4 on Friday. Details here https://manchesterartgallery.org/exhibitions-</p>	<p>Marketing Manchester and Manchester Central partner for the publication Conference News Government Edition- With GM business tourism sector worth £826 million to our local economy each year, the sector has been decimated by Covid-19 but has the power to lead the region's economic recovery. The latest edition aimed at MPs, sets out the case to help them understand and appreciate the value of the sector as we build back post-Covid. (23/11)</p> <p>Culture</p> <p>Culture Team officers doing a targeted reach-out and providing 1-2-1 support to cultural businesses applying to the Local Restrictions Support Grant & Discretionary Additional Restrictions Grant.</p> <p>Govt urged to rethink restrictions to cultural venues (26/11). Statement from Cllr Rahman and open letter from HOME Director to all GM MPs - on disappointment and frustration re Tier 3 and impact on cultural venues. Urges govt to rethink unjustifiable restriction. Combined impact on region's cultural venues is huge. It will leave organisations unable to recoup losses and will have a massive impact on freelance staff. View letter here</p> <p>Whilst museums and galleries are required to remain closed, the Manchester Art Gallery shop will be open from Saturday with a range of merchandise from the new Grayson Art Club Exhibition. The exhibition runs until early April and is installed ready for public visitors as soon permitted.</p> <p>HOME economic impact report released this week detailing the £26 m contribution it has made in the last economic year, including a £1 m saving to the NHS. 02/12</p>

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	<p>and-events/exhibition/graysons-art-club/</p> <p>Aviation- 1st Dec usually marks the start of busy Christmas period. Last weekend (Friday-Monday) the Airport welcomed 19,300 passengers, just 7% of the passengers on the same weekend last year (264,000). 02/12</p> <p>As the International Travel Ban is lifted at 00.01 on 02/12, the Airport hopes to see those numbers slowly start to increase. They also look forward to sharing further details later this week on the rollout of an airport testing programme. The ability to reduce quarantine time to five days will make travel easier and start to give people confidence to book trips in the weeks ahead.</p> <p>In terms of food and drink outlets, the Airport has been given an exemption for airside units thanks to a great deal of lobbying from colleagues across the business. This means that food and drink units can remain open for both sit in (table service only) and takeaway, and alcoholic drinks can be served if a substantial meal is ordered between 5am and 11pm.</p>	<p>Aviation Work and Skills alongside MAG, The Airport Academy, DWP and the Growth Company and other key partners are working behind the scenes to ensure there is a high quality offer and level of support for those people whose jobs are affected.</p> <p>Role of the Work and Skills Team (Manchester focus) In advance of MAG's announcement re job losses, the team has been in discussion with the Communications Director at MAG, alongside colleagues in the Neighbourhood Team to prepare for this scenario. Local elected members have been fully briefed by MAG, in advance of the National news breaking. Work and Skills team has provided a summary of the support on offer to MAG</p> <p>Next Steps</p> <ul style="list-style-type: none"> • Officers across work and skills, DWP and AA are liaising directly with MAG's HR representatives to develop a better understanding of the roles and demography. • Officers will ensure Neighbourhood colleagues and local elected members are regularly appraised of the situation. • Working with MAG and the AA, the W&S team will support them to develop a plan to ensure all people affected are provided with a level of outplacement support including training, advice, guidance and support around employment, skills and financial support. • As part of these discussions the team hope to ascertain with MAG if there might be wider supply chain implications that the taskforce partnership could support with.

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	<p>Higher Education Institutions Relatively high numbers of students retained. Higher international student numbers than anticipated at UoM.</p> <p>Inward investment-</p> <ul style="list-style-type: none"> MIDAS responding to new enquiries and investment pipeline is strong (particularly in advanced manufacturing and tech sectors). Brexit becoming a key concern for some overseas investors particularly in relation to labour market access. 	<ul style="list-style-type: none"> The Hut Group has offered its support to do what it can to support as many people with the right skills to move them into opportunities. Work and Skills officers will continue to work in partnership with BGH, and their manufacturing and aviation advisers as a GM level who have links with many supply chain businesses to continually gain local intelligence. <p>Current focus for all three universities (Man Met; UoM and RNCM) is rolling out testing for students, and ensuring safe travel home for the holidays, and safe travel back for the new term.</p> <p>Inward investment-</p> <ul style="list-style-type: none"> MIDAS working closely with prospective investors with updates on Manchester's economic recovery plan and resilience messages- that we are very much open for business. Developing north shoring proposition ie messages around quality of life. Hosting a Managing Partners forum on 16/12 on north shoring within professional services. Aimed at senior leaders- messages around benefits of a Manchester hub. Working closely with govt depts on potential relocation projects.
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 	<ul style="list-style-type: none"> MCC has now entered into contract with Homes England for £51.6m Housing Infrastructure Fund (Forward Fund) grant award for Northern Gateway and procurement processes are commencing to deliver civil engineering / core infrastructure works that will unlock development plots for c5,500 new homes in the Redbank neighbourhood. Infrastructure works must be delivered by March 2024 and housing delivery will commence from that point onwards. The framework for the £600m regeneration of North Manchester General Hospital was approved by the Executive on 11th November. The plans include investment in hospital

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	<p>to bid for apartment led residential schemes has been significantly impacted in the short term due to issues in 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>facilities, improvements to training facilities and public realm and the creation of a wellbeing hub and residential accommodation</p> <ul style="list-style-type: none"> ● 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 to conclude by 30/10) The final terms for Mayfield have now been agreed and initial works on the park started on 9th November. Publicity on the start of works on Mayfield Park being planned for December/January. ● 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 a revised closing date of 8/12. A number of schemes are being worked up with partners for submission, focusing on Northern Gateway, Eastern Gateway and affordable housing schemes. Decision awaited on the bid for an additional 10% allocation. ● Key shovel ready schemes are included within Economic Recovery Plan. Projects to be progressed against the recent Spending Review announcements. ● 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. ● MCR Property Group have submitted plans for 1,200 new homes on the Former Gas Works Site (Gould Street), part of the New Town neighbourhood of The Northern Gateway

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		<ul style="list-style-type: none"> ● Band on the Wall is progressing its plans for a £3.5m expansion. City Build have been appointed to deliver the plans to expand capacity to 500 people, with work expected to be completed by Autumn 2021. ● Renaker have completed 180 homes at Crown St & continue work on a further 1,500 homes across the Great Jackson Street Masterplan Area, including the final 2 towers at Owen St, a 51 storey tower at Crown Street and the 52 storey Blade & Cylinder towers. ● An additional 57,500m² of office space was signed off by Executive on 11 November as part of the updated Strategic Regeneration Framework for NOMA. The updated masterplan outlines proposals for a further 150,000m² of office space on a number of sites across the NOMA Campus. This includes 200k sq ft of net zero carbon speculative development at 4 Angel Square, which is now on site. Deloitte to take 35,000 sq ft. in the Hanover Building at NOMA. ● The Eastlands (Coop) Arena is due to start on site in January 2021.
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. ● 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 	<ul style="list-style-type: none"> ● Extra Care facilities in development: 4 schemes under construction 257 apartments 3 RP schemes 1 MCC (PFI scheme) ● 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.

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	<ul style="list-style-type: none"> • 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. 	<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 project viability. ○ 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. <p>The sites have been broken down into 3 phases and RP's have been allocated to work up individual designs</p> <p>All members have been contacted to outline development plans in their wards and follow up meetings are being planned where necessary</p>

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		<ul style="list-style-type: none"> ● Entering into formal agreement with Homes England and signing an MOU to take a partnership approach to accelerated development. Complements similar arrangements with GMCA. <p style="background-color: yellow;">The GMCA proposed partnership has been delayed so this will have a knock-on effect to the Manchester Collaboration.</p> <p style="background-color: yellow;">Once the GMCA approach is signed off the Manchester collaboration will be agreed and a series of outputs and outcomes will be set out in a shared vision</p> <ul style="list-style-type: none"> ● 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 ● Working with One Manchester to deliver the regeneration of the Grey Mare Lane Estate, which will lead to the reprovision of 124 existing homes, the retrofit of 169 homes and the delivery of 166 new homes. Masterplanning / community consultation currently underway and a masterplan will be taken to MCC Executive for endorsement in early 2021 in advance of the scheme commencing. ● Work progressing on a mixed tenure scheme on the former Manox site in East Manchester. This will 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.

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		<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 guidance issued for Tier 3- Public transport services continue as normal and that people can and should travel in GM for work, to shop, to socialise outside in public spaces and for many other reasons. Advised to reduce number of journeys where possible. Avoid travelling out of or into GM except where necessary. Messaging about Christmas bubbles– re: longer travel/journeys, taking care and Student Travel – about returning home.</p> <p>Bus reform consultation opens 02/12 and closes 29/21</p> <p>University travel window- Students being asked to return home during 3 to 9 Dec. This excludes students who have tested positive or been notified by the NHS test and trace system.</p> <p>Manchester (LA) Transport Usage Data (for w/e 22/11)</p> <p>Bus Patronage, (955,690) reduced by 0.53% on the previous week and was -50% on pre Covid levels.</p> <p>Metrolink Network patronage, (195,242), increased by 0.86% on the previous week and was -76.9% on pre Covid levels.</p> <p>Highway - Private vehicle trips, (26,255,225), increased by 1.8% on the previous week and were -24.6% on pre Covid levels.</p>

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		<p data-bbox="1162 268 1928 331">Rail - Passenger numbers, (175,014), increased by 3.2% on the previous week and were -77.1% on the same period last year.</p> <p data-bbox="1162 371 1928 435">Cycling - Cycle volumes, 541,838), decreased by 12.9% on the previous week and were -36.8% on the same period last year.</p> <p data-bbox="1162 480 1339 507"><u>GM Wide Data</u></p> <ul style="list-style-type: none"> <li data-bbox="1308 515 1805 719">○ Metrolink 9/3/20 122,613 14/7/20 37,834 18/09/20 57,144 11/10/20 27,197 13/11/20 33,714 17/11/20 33,622 <li data-bbox="1308 727 1805 932">○ Bus 9/3/20 515,309 14/7/20 192,181 18/09/20 333,220 11/10/20 119,760 10/11/20 274,267 17/11/20 273,394 <li data-bbox="1346 940 1805 1144">Rail 9/3/20 104,795 14/7/20 28,257 18/09/20 47,871 11/10/20 34,910 13/11/20 28,381 20/11/20 28,729 <li data-bbox="1339 1152 1839 1356">GM Highway 9/3/20 5,082,000 14/7/20 4,221,209 18/09/20 4,838,128 11/10/20 3,378,133 13/11/20 4,230,726 20/11/20 4,255,985

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		<p>Face Coverings- Face covering compliance is around 90% on buses, 83% on Metrolink and 87% on trains. (as at 22/11)</p> <p>NCP are offering £5 for 24 hours parking at central car parks to encourage shoppers.</p> <p><u>City Centre Transport Strategy</u> consultation launched 23/09 and closed on 4/11/20. Initial analysis indicates overwhelming support for the proposals within the draft strategy.</p> <p><u>Active Travel Fund (ATF)</u> GM awarded £15.9m. Manchester detail to follow. We submitted business cases for the city centre 'triangle' and Wythenshawe for pedestrian and cycling routes.</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 ● Maintaining our roads at business as usual levels by inspecting them and making repairs

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		<ul style="list-style-type: none"> ● 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.</p> <ul style="list-style-type: none"> ● 151% rise in claimant count in Manchester during from April to September – 73,709 claimants in September ● affects every LSOA in the City & all age ranges. The area with the highest number of claimants is Harpurhey with 3714. ● The city centre (Piccadilly & Deansgate) has seen an increase of 480% - 230 claimants in April;1334 claimants in September. ● Particular impact on young people which has seen an increase of 136% - 12,261 claimants in September. Highest levels are in Moss Side with 639 claimants. <p>Furlough and newly unemployed Extension of furlough to end of March will offer more protections to workers who would otherwise be at risk of redundancy.</p> <p>Arcadia announcement – Job Centre Plus are offering local support for Arcadia employees. HR1 submission has slowed down. Job postings remain buoyant, however seasonal vacancies are for shorter term contracts than previous years.</p> <p>Up to mid Nov the number of vacancies advertised across GM were approaching 29,000 (up 3,000) on the previous week</p>	<p>Furlough and newly unemployed Comms campaign is being expanded and a partner pack will be available to help disseminate the offer.</p> <p>We are experiencing a timelag in people wanting to take up support as they are taken through the redundancy process.</p> <p>Extra support is in place for all those being made redundant as part of large scale redundancies.</p> <p>An immediate access offer has been developed to allow residents to book directly onto training courses and webinars alongside the support</p>

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	<p>Sectors advertising the most openings are tech (particularly in the city of Manchester); healthcare and nursing; teaching. Logistics and warehousing vacancies are particularly prominent in areas such as Bolton, Oldham, Rochdale and Wigan.</p> <p>Offer for 16-19 year olds Social Mobility: The main challenge is that the universities are an ever changing situation and that they are likely to see the impact of retention after Christmas. Ongoing dialogue with universities.</p> <p>Risk of an increase in NEET and those unknown.</p> <p>Schools and colleges being able to continue to deliver a high quality offer for 16-18 year olds due to the numbers of days lost to Covid break outs and isolation</p>	<p>from Citizens Advice Bureau, National Careers Service and The Growth Company. Info on MCC website.</p> <p>Development of an immediate retail sector specific response is underway. This will include a webinar co-hosted by Cityco and retail transferability workshops. In addition a bespoke comms package is being pulled together and will be shared with colleagues in Arndale management and City Centre licencing.</p> <p>A bespoke resident facing e-bulletin is being disseminated as required to residents who have registered to help promote support available.</p> <p>Offer for 16-19 year olds Meeting took place 17/11 with Leads of Widening Participation at MMU/ UoM and GM Higher to understand current issues around recruitment and retention of WP students, issues around finance and digital and concerns re loss of work experience etc and impact on employment outcomes. Further mtgs scheduled to stay. Identified need to support HEIs with employer engagement opportunities.</p> <p>As at 26/11 Combined NEET / Unknown figures for academic years 16 /17 were 10.1% (6.4% Unknown, 3.7% NEET) this is approximately 2% higher than this time last year. Due to restrictions, methods of tracking young people have been adapted and there has been a greater reliance on social media and partners working with at risk young people.</p> <p>Colleges and schools all have an effective remote learning offer in place and students levels of engagement and attendance has remained high across the term. Robust systems in place to keep staff and students safe and to deal with outbreaks. Support services available for students experiencing poor mental health. Digital access and inclusion</p>

Issue/theme/activity area	Impact/ challenges experienced	Key planning and response activity being undertaken
	<p>Youth unemployment Work with partners to roll out the Kickstart Scheme</p> <p>Develop a range of quality Kickstart Gateway Organisations in the city.</p> <p>A key challenge is due to the pressures faced by the universities as a result of isolation of students and blended learning. We are taking time to build strong relationship for the future.</p> <p>Skills and employment support for adults Tackling the digital divide during the second lockdown. Mobilising action through the Manchester Adult Education and Skills Plan.</p>	<p>continues to be an issue. Schools and colleges making laptops available to loan or use at College, no or poor wifi / data is a barrier to some learners.</p> <p>Youth unemployment GM Kickstart Board recently convened. Board comprises partners from GM local authorities, in addition to public and private sector organisations.</p> <p>Currently working closely with the BW3 committee and employers in South Manchester to develop both Kickstart placements and a robust wrap around support offer.</p> <p>Planning underway to implement the recommendations to support graduate retention in the city: a 'Roundtable' event with HE partners and employers will lead some of the discussion on this work - working to establish the strong relationships with the best placed HE partners. Working in partnership with HE regional partners and GMCA to understand the labour market issues facing graduates.</p> <p>Skills and employment support for adults</p> <p>400 digital devices have been distributed to residents. Over half of residents receiving a device have reported they have a disability or long-term health condition. Feedback has been hugely positive. MAES have also provided learners who have no access to digital devices, with Chromebooks and will have distributed 600 by the end of the week ahead of their online learning week. Manchester Adult Education and Skills Plan are planning a celebration/ awards ceremony event to celebrate learners and providers during a challenging time.</p>

Issue/theme/activity area	Impact/ challenges experienced	Key planning and response activity being undertaken
	<p data-bbox="394 603 779 627">Social Value and Local Benefit</p> <p data-bbox="394 639 1106 735">Change approach to Social Value to ensure Manchester residents most affected by economic consequences of Covid are able to access employment and training opportunities.</p> <p data-bbox="394 1011 936 1035">Business Support, Sustainability & Growth</p> <p data-bbox="394 1048 1128 1144">The 'Local Restrictions Support Grants' (LRSG) for businesses forced to close or have been severely impacted by local restrictions</p> <p data-bbox="394 1193 1115 1358">The 'Additional Restrictions Grant' (ARG) is provided by LAs on a discretionary basis and went live on 27/11 and will close for application on 9 Dec. For businesses not required to close but face hardship as a result of the closures or for those without a rateable value in a shared space.</p>	<p data-bbox="1167 268 1552 292">Total of 854 referrals for devices.</p> <p data-bbox="1167 341 1995 580">Reconnecting Manchester Adult Education and Skills Plan to providers - comms campaign launched Dec 2nd in partnership with NCS. New Skills New Future. Cultural Consortium - growing to expand reach into the wider creative and digital sector. Recruited a member of Business Growth Hub to be seconded to The Factory for one year and work directly with cultural creative and digital organisations on skills and business development.</p> <p data-bbox="1167 630 1538 654">Social Value and local benefit</p> <p data-bbox="1167 667 1984 794">While required policy changes are going through relevant governance processes officers have started work to update relevant guidance and documentation. There will be significant cross-departmental effort to update and implement changes.</p> <p data-bbox="1167 844 1989 976">The Work and Skills Team are reviewing local labour agreements on major developments to see where we can extract and pool an offer for residents. The team are also working with Capital Programmes to do the same for other MCC projects.</p> <p data-bbox="1167 1026 1733 1050">Business Support, Sustainability and Growth</p> <p data-bbox="1167 1062 1995 1158">Scenario and preparation work with Rates to ensure communication to Business reaches those that will be eligible for the Local Restriction grants.</p> <p data-bbox="1167 1208 2007 1335">Targeted comms is taking place using MCC key channels and key partners including – GM Chamber of Commerce, GC Growth Hub, FSB, Pro-Manchester, CityCo, local business networks to assist in getting key messages out.</p>

Issue/theme/activity area	Impact/ challenges experienced	Key planning and response activity being undertaken
	<p>As at 02/12 a total of £4.7m has been paid out in business grants.</p> <p>Brexit- deal unlikely, implications in relation to trade is becoming an issue. MCC will continue work with GMCC/BGH to push messages around "Preparation for Brexit" but this could get lost with lockdown and businesses in survival mode. Feedback from businesses is that they still do not know what they are preparing for – not huge details about potential tariffs. BGH and GMCC will soon deliver webinars and will be fully promoted via MCC channels.</p> <p>Sectors at greatest risk in Mancr continue to be aviation, arts, cultural and creative industries and parts of the leisure and hospitality industry and associated supply chains.</p> <p>GM business outlook- The three main impacts facing businesses remain decreased sales (64% vs 43% previous report) cashflow problems (33% vs 31% previously) business travel to visit clients (25% vs 28%). 52% of firms report that they have cash reserves to last over 6 months, up from 51% previously. Sharp increase in firms reporting decreased sales over the last 2 weeks- most prevalent in hospitality/leisure/tourism, creative and cultural industries, parts of administrative professional services, and retail/wholesale. 85% of firms said they were not planning to make redundancies at all – this could be as a result of the Extension of the JRS Furlough scheme till March and resonates with the</p>	<p>W&S leading data / intel work with key stakeholders including Growth Company, The Business Growth Hub and GM Chamber of Commerce, GMCA and PRI to inform the development of a Manchester economy dashboard.</p> <p>Work and Skills officers will continue to work in partnership with BGH, and their manufacturing and aviation advisers and Cultural team at a GM level who have links with many supply chain businesses to continually gain local intelligence.</p> <p>MAG - Work and Skills alongside MAG, The Airport Academy, DWP and the Growth Company and other key partners are working behind the scenes to ensure there is a high quality offer and level of support for those people whose jobs are affected.</p>

Issue/theme/activity area	Impact/ challenges experienced	Key planning and response activity being undertaken
	<p>number of HR1's being reported.</p> <p>8% of businesses said they have made redundancies but no more are planned</p> <p>48% of firms are continuing to trade at their usual workplace.</p> <p>17% are continuing to trade remotely and at the usual place of work.</p> <p>27% only trade remotely.</p> <p>The sectors most likely to report a temporary cease of trading are creative and hospitality/leisure/tourism.</p> <p>The main challenges are currently seen as: getting access to new domestic sales opportunities (68%, up from 60% previously), managing the overall finances of your businesses (32%, up from 23%) and developing new products and services (31%, down from 33%).</p> <p>20% of firms are currently recruiting new staff (17% previously), however, 3% of all respondents said they don't think they have the right skills to meet their business plan objectives for the year ahead.</p> <p>52% (52% previously) of firms said that the impact of transition and exit from EU had a 'neutral' effect on their business, 12% (13% previously) said 'negative', 34% are 'unsure'.</p> <p>Anecdotally, the extension of Furlough means that some businesses are refocusing /realigning their focus away from compulsory redundancies and looking at re-furloughing skilled staff with a view to reviewing staff structures post lockdown</p> <p>Furlough by Sector Arts, entertainment and recreation industry and</p>	<p>Retail is very likely to be severely affected given announcements about Arcadia Group. Alongside the newly unemployed workstream a concerted effort will aim to reach retail businesses and residents</p>

Issue/theme/activity area	Impact/ challenges experienced	Key planning and response activity being undertaken
	<p>accommodation and food service activities industry had the highest proportions of their workforce on partial or full furlough (CJRS), at 34% and 22% respectively.</p> <p>The ICT and professional, scientific and technical activities industry had the highest proportions of their workforce working remotely instead of at their normal place of work, at 77% and 65% respectively. The ICT industry also had the lowest proportion of their workforce at their normal place of work, at 19%.</p> <p>UK Hospitality - Government lobbying continues around a rent moratorium extension, a VAT reduction extension beyond March 2021, and clarification on the CJRS bonus and grant support</p> <p>Insolvency Risk Data shows little change in risk in GM during the last fortnight. The highest volume of 1-3 red flags was prevalent in the retail and wholesale sector</p> <p>Growth Company Restart & Recovery and Kick-Start Tourism grant- 101 businesses have now progressed to application stage, with 42 applications now submitted</p>	<p>affected.</p> <p>Progress is still being made in contacting all those businesses that were not successful and offering supported to identify other options that could address their business needs. To date, contact has been made with 720 businesses of the 1,923 called, 201 of those businesses have now been referred for other support.</p>
Funding	No specific known impacts on current external funding bids caused by C19 as yet. Known bids progressing through funding approval processes as expected.	<p>1) Public Sector Decarbonisation Scheme (PSDS) - £22.9m bid submitted by MCC into a combined GM bid of £80m Decisions expected from Salix before Christmas. MFT and RNCM have both joined the GM bid. To date, UofM and MMU have chosen not to bid.</p>

Issue/theme/activity area	Impact/ challenges experienced	Key planning and response activity being undertaken
	<p>Team in City Policy developing a funding action plan based on C19 recovery and Corporate priorities</p>	<p>2) Green Recovery Fund - 2 bids successful with Manchester components. Groundwork GM (total bid: £1.5m) including work in Wythenshawe Woodlands (£205k) and Lancashire Wildlife Trust with work on greening Rochdale canal in the city centre (c. £100k)</p> <p>3) ERDF – our 3 projects have successfully completed the approvals process: GM Clean Energy (£17,233,000), Bio Health Accelerator (£5,523,516) and Build a Business in GM (£3,399,776). Resource and Programmes will be undertaking the financial management for these 3 projects.</p> <p>4) UKSPF - The Government has announced more details about the UK Shared Prosperity Fund</p> <ul style="list-style-type: none"> • The government will ramp up funding, so that total domestic UK-wide funding will at least match current EU receipts, on average reaching around of £1.5 billion a year • A portion of the UKSPF will target places most in need across the UK, such as ex-industrial areas, deprived towns and rural and coastal communities. • The government will develop a UK-wide framework for investment in places receiving funding and prioritising. • A second portion of the UKSPF will be targeted differently: to people most in need through bespoke employment and skills programmes that are tailored to local need. • A framework will be published in the Spring. • To help local areas prepare over 2021-22 for the introduction of the UKSPF, the government will provide additional funding to support our communities to pilot programmes and new approaches. This additional funding will be delivered UK-wide, using the new financial assistance powers in the UK Internal Market Bill. Further details will be published in the New Year.

Issue/theme/ activity area	Impact/ challenges experienced	Key planning and response activity being undertaken
		<p>5) Government Green Industrial Revolution Government announced Ten Point Plan for a Green Industrial Revolution. The ten point areas included in this plan are as follows -:</p> <ul style="list-style-type: none"> • advancing offshore wind • driving the growth of low carbon hydrogen • delivering new and advanced nuclear power • accelerating the shift to zero emission vehicles • green public transport, cycling and walking • 'jet zero' and green ships • greener buildings • investing in carbon capture, usage and storage • protecting our natural environment • green finance and innovation <p>We will seek additional details on what specific programmes and funding opportunities may emerge from this programme in 2021 as currently there is insufficient detail to suggest specific funding bidding opportunities at this time.</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"> • Draft Our Manchester Reset considered by SMT on 24 November and is being discussed at the Our Manchester Forum 9 December. • Draft Manchester Digital Strategy presentation discussed at Economy Scrutiny Committee 3 December. • Powering Recovery: Manchester's Economic Recovery & Investment Plan launched and published- aligns to existing Our Manchester Industrial Strategy.
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"> • Letters from members of SMT to senior civil servants have been drafted to summarise the Economic Recovery &

Issue/theme/activity area	Impact/ challenges experienced	Key planning and response activity being undertaken
		<p>Investment Plan specifically highlighting the 4 strategic themes and any projects which are relevant to their department.</p> <ul style="list-style-type: none"> • Key messages are about Manchester’s track record of delivering and the opportunities for Government to support the city’s economic recovery and levelling up. • Further influencing and lobbying will be done through ongoing conversations, meetings and speaking engagements using a pack of information containing key messages and a summary of the Plan and its outputs.
<p>Economic Intelligence</p>	<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 the status of the 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. Provide economic intelligence to support the LDV 	<ol style="list-style-type: none"> 1. On-going work for the Work & Skills Board to develop an integrated approach to economic monitoring. New quarterly sheet incorporates welfare and work & skills data to create a single, holistic product that responds to and better supports emerging priorities against the backdrop of Covid 19. Currently addressing key data gaps, working with colleagues at the Growth Company / GM Chamber of Commerce including jobs, inward investment, imports / exports and vacancies by sector. Dashboard going to Economy Scrutiny in December. 2. Supporting businesses to access all available grants at a national and local level - providing research and intelligence on businesses related to sector / size / rateable value / number of employees etc in order to better target grants / support SMT in their decision making around the delivery of grant schemes. 3. Pipeline tracking - used to support Financial Resilience work including forecasting potential council tax & business rates revenues. <p><u>Expected completions:</u></p> <ul style="list-style-type: none"> • Residential pipeline (2020/21): Over 3,500 new homes expected to be completed including c.440 affordable homes • Commercial pipeline (2020/21): 63,700m2 office space,

Issue/theme/activity area	Impact/ challenges experienced	Key planning and response activity being undertaken
		<p>12,900m2 retail, 27,900m2 industrial, 644 hotel beds, 140,000m2 other.</p> <ol style="list-style-type: none"> 1. Latest output from MCCFM, W2020, is due for release before December; it attempts to model for some of the likely impact on growth due to both Brexit and Covid19. For 2020, a zero net migration assumption has been made because of travel restrictions. 2. Work on-hold due to analytical capacity issues, carried over into 2021 work programme. 3. Market appraisals (rents & sales values) for Phase 1 LDV sites shared with CBRE to inform rent settings and aid financial modelling work. Maps of site boundaries for Phase 1 & 2 sites provided to Legal for use in collating title information. Work underway to understand demand for market and affordable housing in locations under considerations for Phase 1 schemes including an analysis of the void rate across the city - to be shared with the Project Board.

Future Council Sit Rep Report - Monday 30 November 2020

Milestone plan

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S
1	Future Council: High Level Milestone Mapping																		
2																			
3																			
4	Area	Milestone / activity	Nov	Dec	Jan	Feb	March	April	May	June	July								
13	<i>Identifying/refining the service offer requirements (how)</i>	2.5 Design principle development and refinement																	
14		2.6 Define and refine future way of working (what MCC will and won't do)																	
15		2.7 Development of a future OD plan to transition to new ways of working																	
16		2.8 Specific focus streams to enable future TOM tbd																	
17	3. Our Transformation - OWOW - workforce, culture, estates, health and safety; risk assessments																		
18	<i>Workforce</i>	3.1 Completion of all risk assessments																	
19		3.2 Roll-out of working from home approach																	
20		????																	
21	<i>Estates</i>	3.3 Work to rescope and consolidate use of estate where possible																	
22	4. Our Transformation - Our Ways of Working - digital enablers																		
23	<i>Microsoft 365</i>	4.1 Completion of roll-out of M365																	
24	<i>Intranet</i>	4.2 Launch of new intranet																	
25	<i>End user device</i>	4.3 First order																	
26		4.4 Roll-out																	
27	<i>Network infrastructure</i>	4.5 LAN/wifi decision																	
28		4.6 LAN/wifi procurement and planning																	
29		4.7 LAN/wifi roll-out																	
30		4.8 WAN decision																	
31		4.9 WAN procurement and planning																	
32		4.10 WAN roll-out																	
33	<i>Telephony</i>	4.11 Roll-out																	
34	<i>Corporate systems</i>	4.12 Other proposed projects detail to follow																	
35	5. Our Transformation - Strengthening Accountability and our processes																		
36	<i>Phase 1</i>	5.1 Constitutional changes, changes to HR and finance/procurement/shared service processes																	
37		5.2 Development of Good Managers Guide and related support																	
38		5.3 How Do I Guide & suite of tools to support more efficient Finance &																	
39		5.4 Streamlining of approvals																	
40	<i>Phase 2</i>	5.5 Review of m people process																	
41		5.6 Roll out of management development programme																	
42		5.7 Embedding of How Do I Guide and tools																	
43		5.8 Input into spec for new systems, enabling more digitised approach																	
44	6. Our Transformation - Resident and business digital experience programme																		
45	<i>RBDXP</i>	6.1 Design and implementation of new customer service centre model																	
46		6.2 Implementation of new income management system																	
47		6.3 Design and engagement exercise on CRM approach																	
48		6.4 Resident, business and member engagement																	
49	7. Corporate Staff Engagement																		
50		Development of the Organisation's Development Plan																	
51		All Staff Survey																	
52		Awards for Excellence 2020 (Celebrating Excellence)																	
53		Leadership Summit																	
54		Listening in Action																	
55																			

<p>Workforce Update</p>	<p>Latest Position Workforce</p> <ul style="list-style-type: none"> ● As of 25 November, low overall levels of staff off sick 3.3% non covid related 243 staff and 1.26% staff absent with covid 19 symptoms 93 staff. ● 40.33% of workforce working from home 2,969 staff ● 51.55% of workforce on site BAU 3,795 staff ● 1.06% redeployed 78 staff ● 2.05% not in work but unable to work from home 151 staff
<p>Risk and Compliance Assurance Report</p> <p>Overview</p> <p>All building risk assessments have been completed and assurance checks are being carried out. Face coverings are now required in shared areas.</p> <p>Where service and risk assessments are outstanding staff cannot come into the office until completed.</p> <p>Requirements for individual risk assessments have been updated to include the new categories for vulnerable. The additional requirements will be completed asap but targeted at staff that are working on site.</p> <p>Guidance sets out that those who were previously shielded should be treated as clinically extremely vulnerable and not come into the workplace.</p>	<p>Latest Position</p> <p>All building and service risk assessments now in place. Assurance in place that individual assessments have been completed where required by all services.</p> <p>Positive response provided to Health and Safety Executive following anonymous concerns raised with them in respect of family contact (children’s services) – Health and Safety Service and Children’s Services are confident in the approach being taken. Updates to TUs on this also provided by HROD.</p> <p>Updates and assurance to be provided to MFT following concerns raised in respect of Gorton District Office – does require some remedial works and actions to improve Covid secure arrangements on site</p> <p>No other issues arising from compliance visits by Estates and Health and Safety Teams.</p> <p>Health and Safety Service designed management compliance self assessment surveys to be issued via Directorate Leadership Teams w/c 30 November to supplement Health and Safety audits of high risk premises / services.</p>

<p>Finance and Budget</p> <p>Overview</p> <p>NO CHANGE FROM PREVIOUS REPORT</p> <p>COVID-19 Related costs - Overview as at October MHCLG Return data - submitted 6.11.20.</p> <p>Net impact of COVID-19 on MCC General Fund is £152.8m in 2020/21, made up of: £23.8m in costs, and £129.0m income loss (Council only) also: £2m HRA</p>	<p><u>Latest Position</u></p> <p><u>Spending Review 2020 – Announced 25 November</u></p> <p><u>Local Government finance announcements from 2021/22</u></p> <p>It is not possible to provide an accurate assessment of the impact as the individual authority allocations will not be known until the Finance Settlement is released. The announcements could mean a further £8m to £9m support for adult social care and c£40m to £50m in other measures. This will be sufficient to remove the threat of S114 and should remove the need to come back for further cuts for 2021/22.</p> <p>The main announcements impacting Local Government Funding can be summarised as follows:</p> <ul style="list-style-type: none"> • Core spending power is to rise by 4.5% next year which equates to an estimated additional £2.2bn in funding as follows: <ul style="list-style-type: none"> ○ 3% increase in Council Tax Adult Social Care precept (the referendum limit for the Council Tax precept remains at 2%); ○ £300m social care grant (£150m of this is new funding); ○ New Homes Bonus scheme will continue for 2020/21 for additional homes delivered, this will not attract legacy payments; ○ An inflationary increase (0.55%) to Revenue Support Grant • All other existing social care funding will continue at 2020/21 level including IBCF. Better Care Fund will rise in line with NHS settlement 5.5% • Additional support for COVID-19 losses: <ul style="list-style-type: none"> ○ £1.5bn unringfenced grant for expenditure pressures (tranche 5) ○ Continuation of the Sales, fees and charges reimbursement scheme for first 3 months of next year • Council Tax and Business Rates
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- Unringfenced £670m in relation to Council tax losses including the impact of the increase in numbers receiving Council Tax Support
- 75% of irrecoverable 2020/21 Collection Fund losses will be reimbursed treasury resulting in a smaller deficit to be smoothed over three years. The details of this are not yet available, will be based on actual losses and not cover the whole Collection Fund deficit.
- The 100% Business Rate Pilots will continue for another year (including Greater Manchester).
- There will be no Business Rates reset in 201/22
- The Business Rates multiplier will be frozen with Local Authorities compensated through Section 31 grant.
- There are currently no plans to extend the Business Rates Extended retail relief scheme beyond this year.
- Pay rises in the public sector will be restrained and resources targeted as follows:
 - Approve a pay rise to nurses, doctors and others in NHS
 - Pay in the remainder of the Public Sector frozen next year
 - Public Sector workers earning less than median pay (£24,000) will see an increase of £250 in 2021/22
 - National Living Wage (NLW) to increase to £8.91 an hour (up 2.2%). previously expected to be £9.21
 - The LGA's view is that the Government cannot automatically impose a pay freeze in local government unless it uses a legislative route to do so.
- Other
 - Funding for Troubled families scheme of £165m will continue on a roll over basis
 - Funding of £254m was announced to reduce rough sleeping and homelessness. Of this £103m had been announced earlier this year for accommodation and substance misuse support.
 - Levelling up - this is a bidding process and must be spent within this parliament term.

	<ul style="list-style-type: none"> ○ The government will reform the Public Works Loan Board (PWLB) lending terms, ending the use of the PWLB for investment property bought primarily for yield, which the paper states is a risk for both national and local taxpayers. The government will therefore PWLB lending rate cut back to 100 basis points from 26 November but with additional restrictions. ● Settlement target date - before Christmas recess on 17th December
<p>Our Transformation Digital Enablers</p> <p>Overview</p> <p>Digital Enablers Current ICT Position: 5,200 staff working remotely with c. 200 remote telephony users. Part way through data centre migration.</p> <p>Challenges: Parts of Infrastructure at capacity Reduced risk to live services including contact centre telephony and public computer access in Libraries, and not putting at risk current live services Capacity in key areas (servers and networks) is a particular issue.</p>	<p>Latest position</p> <p>Office 365 - User Migrations Completed. Shared mailboxes 50% complete. On course for Google and Lotus Notes to be fully decommissioned by end of December. A number of challenges with Microsoft</p> <p>EUD (End User Device) - End User Device-Business case to December Capital Board. Roll out process and prioritisation being developed. Subgroups preparing to be established. Service redesign being planned and is critical. Concern on supply chain.</p> <p>Data Centre Migration/ Additional Direct Access Capacity - All Telephony moved to UK Fast. All of Connections from remote organisations migrated. R2 remote access being migrated over next two weeks, delayed as issues identified. Internet cutover planned for 27th November. All services migrated by end of November. Decommissioning during December, option for space being considered</p> <p>Telephony - Planning for migration of users underway. Migration of all users planned during Jan to March. WAN and Wifi connectivity needs improving for some sites.</p> <p>Wifi / LAN /WAN - LAN/Wifi evaluation completed. WAN evaluation complete. WAN Business case being finalised</p>
<p>Our Transformation - Our Ways of Working</p> <p>Overview</p>	<p>Latest position</p> <p>Intranet</p>

<p>Work is underway to reshape the Future Ways of Working plan. HR, Estates and ICT will support services to review their ways of working, learning from arrangements during Covid and tying together physical move, ICT projects including End User and Service Reviews.</p> <p>The Council's intranet is now live.</p>	<p>The intranet is now live. 3,823 unique users (3,397) - 51% of all users have accessed intranet, up from 45% last week. Over 55 offline users have accessed the site with more work planned to encourage offline users to log on. At present Directorates are not doing any extra engagement with services around the Intranet until the issues around MS365 are resolved. Focus will then shift to promotion of the intranet in the next couple of weeks.</p> <p>Future Ways of Working</p> <p>Work is underway to reshape the Future Ways of Working plan with 2 main timeframes</p> <p>Nov 20 – April 21 - Response to Covid:</p> <ul style="list-style-type: none"> • Work to support workforce in current arrangements (ie. 50% at home and 50% on site) • Resilience to change ways of working to meet government guidance • Support to staff working from home with money towards equipment • Testing FWOW in line with Estates and Redesign timelines: <p>Key Timeline:</p> <ul style="list-style-type: none"> • Now to March 21: In order to deliver the exit of Universal Square (notice to be served 8th December), timescales are extremely tight. We are working with all impacted teams immediately (Legal, Finance, Elections in the Town Hall Extension as well as teams at Universal Square) to get all plans agreed and in place prior to Christmas for layout changes and moves to take place in the new year. This will be delivered alongside the move of staff from City Road East to Alexandra House. • By March 2021: We know that bringing more teams into the Town Hall Extension will require more access to flexible space. A priority (by March) is to create bookable co-working space on level 7 Lloyd Street to enable teams to come together in a more flexible way than meeting rooms currently allow. • January to October 2021: In the new year, we will also start to engage with teams impacted by Bridgewater House exit (teams across level 4 as well as those teams in Bridgewater House – Highways, MASH, MLCO).
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	<ul style="list-style-type: none"> • September 21 to March 22: All remaining teams across the Town Hall Extension will need to be rebalanced to support Future Ways of Working and to create additional flexible space, particularly for those who attend meetings in the Town Hall Extension but normally work elsewhere. This will include dedicated bookable space for focussed / individual working and additional dedicated group working space. • Future Projects include a review of district offices and creating HSQ HQ in THEx
<p>Revenues and Benefits</p> <p>Overview</p>	<p>Latest position</p> <p>Covid Winter Grant Scheme</p> <ul style="list-style-type: none"> • DWP providing a budget of up to £2.6m to Manchester to deliver a Covid Winter Grant Scheme running from early December up to 31/3/21 • The primary focus is to provide food support for families with children during the Christmas and February 2021 half-term holiday periods • Flexibility is also offered to allow support for families without children and single people <p>Current thinking / activity to deliver the scheme includes:</p> <ul style="list-style-type: none"> • Vouchers to a value of £15 per week provided to schools to allocate • Up to 34,000 vouchers available per holiday period to meet estimated need • A rapid tender process to identify partner supermarkets with a view to achieving an element of uplift to the value of the voucher • SMT colleagues are identifying and implementing options for providing support across other key groups that may include care leavers; homeless families; carers; college students: and may include food / utilities / other key needs support. <p>Housing Benefit / Council Tax Support:</p> <p>New claims received (includes Universal Credit New Claim Records indicating a possible new claim for CTS, not all result in a paid claim)</p> <p>W/E 24/11/19 = 551 Total received 1/4 - 24/11/19 = 21,877</p> <p>W/E 22/11/20 = 634 Total received 1/4 - 22/11/20 = 24,196</p> <p>Changes in Council Tax Support Scheme caseload:</p> <ul style="list-style-type: none"> · Between 1/4/19 - 1/11/19 the overall CTS caseload fell by 2.08% · Between 1/4/20 - 1/11/20 the overall CTS caseload has risen by 5.28%

The latest estimated Collection Fund shortfall for 2020/21 is £15.9m, reflecting the expected 6% reduction in collection (from 96.5% in 2019/20) and increased CTS claimants.

Test and Trace Support Payments

The Test and Trace Support Payment scheme provides a lump sum payment of £500 to support those on low incomes if they cannot work while self-isolating for 14 days and will suffer a loss of income as a result. The scheme is available to people who meet the criteria from 28/9/2020 up to 31/1/2021. The core scheme is governed by strict criteria set by the government with a discretionary element incorporating government and AGMA level parameters.

As at 23 November we have:

- Received 2,971 eligible applications
- Paid £417,000 to 834 main scheme applications
- Paid £118,500 to 237 discretionary cases
- Declined 1,559 applications (617 main scheme and 942 discretionary)*
- 192 cases pending awaiting further information
- 108 applications awaiting allocation

*The main reasons for refusals are where the income is above the threshold based on the agreed AGMA model.

School Meals

The Welfare Provision Scheme Team administered the Council's Free School Meals replacement scheme for the half-term week.

- The scheme ran from 23/10/20 to 13/11/20.
- £15 per child paid into bank account or PayPoint
- Payments made for 6,616 children to a total cost of £99,240

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**Manchester City Council
Report for Resolution**

Report to: Resources and Governance Scrutiny Committee – 1 December 2020
Executive – 9 December 2020

Subject: Withdrawal from school catering provider market

Report of: Strategic Director - Neighbourhoods

Summary

The purpose of this report is to inform the Executive of the current financial and operating position of Manchester Fayre, which provides catering services to 80 sites across the City. The report outlines the forecast cost of the service in the current year and the additional budget requirement that will be needed to continue operating the service.

The Council is not required to provide a school meals service and the subsidy now required to continue to operate the service to a minority of Manchester schools is significant. This subsidy would have a consequential impact on other service reductions that would be required.

The market for school meal providers in Manchester is competitive and alternative providers can service the demand without the subsidy that would be required for Manchester Fayre.

Recommendations

It is recommended that Resource and Governance Scrutiny endorse the following recommendations to the Executive.

It is recommended that the Executive:-

- (1) approve the withdrawal of Manchester Fayre from the school meal provider market by no later than September 2021.
 - (2) agree that the potential to assign the current Service Level Agreements held by Manchester Fayre to an independent provider can be progressed.
-

Wards Affected - All

<p>Environmental Impact Assessment - the impact of the decisions proposed in this report on achieving the zero-carbon target for the city</p>
<p>There are no tangible changes anticipated as the current services will continue to be provided by alternative operators in future.</p>

Our Manchester Strategy outcomes	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.
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	

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

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

Financial Consequences – Revenue

The withdrawal from the school catering provider market will negate the requirement to subsidise Manchester Fayre to enable it to continue operating. It is projected to cost an additional £600k in 2021/22 to continue operating the service. This is projected to increase in every future year of operation, as economies of scale continue to decrease.

Financial Consequences – Capital

None.

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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.

1.0 Introduction

- 1.1 The provision of school lunches to pupils eligible for Free School Meals (FSM) is the responsibility of each individual school. The Department of Education guidance states that a school lunch must be provided for pupils where a meal is requested and either the pupil is eligible for free school lunches, or it would not be unreasonable for lunches to be provided.
- 1.2 Manchester Fayre is the in-house school catering function that historically provided school meals across the majority of Manchester schools. Manchester Fayre is a traded service and is expected to operate without any subsidy from the Council.
- 1.3 As budgets and responsibilities have been delegated to schools many have taken the opportunity to either provide the service themselves or to commission a third-party provider as an alternative to Manchester Fayre.
- 1.4 This has led to a diminishing market share for Manchester Fayre, it currently provides a service to 80 establishments, including 76 schools which represents approximately 37% of the total schools in Manchester. There has been a constant decline in the number of schools purchasing the service with an average reduction of 1 school every two months over the last two years.
- 1.5 The service can no longer provide meals at a cost-effective price without a subsidy from the City Council. Continuing to operate would effectively result in the City Council subsidising the meal provision within the 76 schools currently buying the service from Manchester Fayre.

2.0 Background

- 2.1 Schools commission a meals service provider to provide a free and paid offer for pupils. They have the duty to ensure nutritional standards are followed by their chosen service provider and they are responsible for ensuring that the staff employed by the provider are subject to reasonable terms and conditions of employment.
- 2.2 Manchester delegated the free school meals funding to schools many years ago, which ensured that the schools had full control over the decision making in relation to school meals. This also meant that any financial savings as a result of the non-attendance or take up of free school meals accrues directly to each individual school.
- 2.3 Schools therefore have both the budget and freedom to subsidise the price charged to them by any provider, including Manchester Fayre, as a result of these arrangements.
- 2.4 There are several established independent providers of school meals operating in Manchester who have demonstrated that they are able to provide the service at a lower cost than Manchester Fayre. There are also a number of schools who have successfully taken over the provision themselves. As

Academies are becoming more common it is likely that we will see provision being procured by Trusts for a number of schools over broader geographic areas. This may require operators to function across Local Authority borders which also places Manchester Fayre at a comparative disadvantage.

3.0 Current Operating Position

3.1 The Manchester Fayre offer was reviewed in 2018 and has subsequently been focussed on the additional social value that it provides. It guarantees nutritional meals and, through the use of specialised staff, can ensure that all dietary needs can be accommodated. However, the service remains comparatively expensive and is facing constant reductions in the economies of scale as schools opt for alternative providers.

3.2 Manchester Fayre currently employs approximately 430 staff and operates across 80 separate sites, 69 primary schools, 4 high schools, 3 special schools, 2 Pupil Referral Units and 2 adult day centres. The number of schools served by Manchester Fayre has continued to decline over time as schools increasingly choose alternative providers. Over the past two years an average of around one school every two months has opted to make alternative provision. The table below summarises the changes since April 2018.

Year	Meals per annum ¹	Schools
18/19	3,848,000	90
19/20	3,602,000 (-6.4%)	85 (-5.6%)
20/21	3,286,000 (-14.6%)	74 (-17.8%)

3.3 The reduction of 16 schools since 18/19 is despite the meal price having been held at £2.25 through the utilisation of reserves that had been built up within the service in previous years. These reserves have been used to offset inflationary increases in supplies and services whilst the staff pay awards have been funded corporately. Some of the schools that recently left provided feedback on issues ranging from variety and choice, to wanting more control (moved the service in-house).

3.4 Costs within the service were further reduced following the last review in 2018 through streamlining management and administration arrangements, reducing them to a minimal level, and through reintegrating the management of the service with Facilities Management. No further savings are achievable within the service.

4.0 Budget Position

4.1 The expected income from the service has reduced considerably since the last

¹ Excludes high schools and day centres

review in 2018. The net budget for the service at that point was income of £620k with provision being made to 90 schools. The budgeted net income has reduced to £4k in 2020/21. However, this net surplus includes a budgeted contribution from reserves of £64k, which means the service was budgeted to cost the Council £60k to operate in 2020/21.

- 4.2 However, due to the impact of Covid on meal numbers since September the forecast outturn position for 2020/21 is an overspend of £293k after the full utilisation of all remaining reserves (£605k). Therefore, a total in year cost of £898k.
- 4.3 The meal price was increased (by 2.2%) to £2.30 from September 2020 to cover the inflationary costs of supplies and contribute towards other cost increases.
- 4.4 The balance remaining in reserves is now forecast to be nil at 31/03/2021. Therefore, an increase in the Manchester Fayre budget of **c£600k** will be required to balance the budget in 2021/22 assuming a return to normal meal levels.
- 4.5 Inflationary costs can be met in part through an annual increase in the meal price. However, a 5p increase (c.2%) in the meal price, based on approximately 3.3m meals, equates to additional income of only £165k per annum.
- 4.6 The cost pressures in relation to the main areas of inflation for the current year total £281k, split between:-
- 2.75% pay inflation (budget c£6.3m) = £173k
 - 3% supplies inflation (budget c£3.6m) = £108k
- 4.7 This results in a deficit within the service of at least £116k per annum plus the increased costs from other ancillary services such as waste disposal and transport.
- 4.8 Therefore a further, minimum, **£230k** of additional funding is likely to be required in 2022/23 assuming there are no further losses in the number of schools choosing the service. The data from the last 3 years would indicate that this is unrealistic and that further allowances will need to be made for further losses in economies of scale.
- 4.9 The alternative would be to significantly increase the meal price. For 2021/22 an increase of around 18p per meal will be required to address the forecast deficit, plus a further increase of at least 9p per meal to address the in-year inflationary pressures.
- 4.10 It is therefore realistic to assume that a meal price of at least £2.57 per meal would be required from September 2021. An increase of this magnitude will almost certainly lead to a large number of schools reviewing their options and choosing an alternative, cheaper, provider. This will further increase the

financial pressures on the service and result in an in-year deficit for 2021/22.

5.0 Staffing Implications

- 5.1 In the event that Manchester Fayre ceases to operate the vast majority of staff would be subject to TUPE, as the requirement for school meals would continue to exist. Therefore, the current staff would transfer to either the school, if they took the service in house, or to the new operator appointed by the school. Staff would transfer with their current terms and conditions and the new provider would be required to gain admitted body status to the GMPF to enable their current pension arrangements to continue.
- 5.2 A number of independent operators within Manchester already have admitted body status into the GMPF due to the dispersed nature of the service provision that already exists.
- 5.3 There are 5 staff where TUPE may not apply as they work proportionately across the service. These staff would be subject to the mpeople process.
- 5.4 In the event that the majority of schools moved to a single provider, there is the potential that all current staff would be subject to TUPE.

6.0 Transition

- 6.1 The transition arrangements would be managed by a project team to ensure that the information required by schools is provided in a timely manner.
- 6.2 As part of this process a document will be produced and circulated to school setting out the potential options available to them for their future arrangements. These would include:-
- Operate the service in-house as a single entity and transfer the staff to the school.
 - Operate the service in-house as a group and transfer the staff to a 'lead' school.
 - Commission the service from an external provider.
- 6.3 A list of resources will also be provided including details of the current suppliers used by Manchester Fayre to enable them to make contact quickly and setup contracts where they choose to take the service in house.
- 6.4 Procurement can potentially be undertaken through the Schools Buying Hub (North West)– a DfE funded resource. There are also a number of independent consultants operating in this market that can either fully manage or support / advise on the procurement process for a school. The contact details for those known to the service will be provided.
- 6.5 The alternative to this, to ensure continuity of provision and provide greater assurances for staff, would be to explore the potential to assign the current service level agreements held by Manchester Fayre to an independent

provider.

- 6.6 There has been a degree of interest from providers and it is considered feasible from a legal and procurement perspective. This option is potentially attractive to current competitors within the school meals market as it would add to their existing portfolio of schools and contracts in the area.
- 6.7 Any assignment of the service level agreement would require assurances from the provider in relation to existing terms and conditions for staff, fulfilment of the existing SLAs with schools and their social value offer. All schools would still have the option to provide 3 months notice, as per the existing SLA, and make alternative arrangements. It would however provide assurance to all the current customers of Manchester Fayre that the provision could continue with the same staff group as they have presently and negate the need for them to either undertake a procurement exercise or take the service in-house. In these circumstances the Council would have no involvement in the overall contract management other than for the two adult day care sites that could potentially transfer.
- 6.8 Consideration has been given to the service being provided in conjunction with one or more other Local Authorities. However, the position within Manchester is more closely aligned to that of private providers given that all the funding has been delegated directly to the schools. Other Local Authorities have retained the free school meal funding which is used to part fund their provider services.

7.0 Summary

- 7.1 The provision of school meals is the responsibility of each individual school. The majority of Manchester schools have already chosen an alternative provider to Manchester Fayre.
- 7.2 Manchester Fayre is a traded service which operates in a competitive market as a school meals provider. It is expected to recover all costs of service provision from the income it generates. The service has reached the point where it is no longer sustainable on this basis due to the reduced economies of scale that have resulted from a majority of schools choosing alternative providers.
- 7.3 The service is in a position of continuous decline, losing an average of 6 schools per year. This leads to increased unit costs resulting in either unsustainable price increases or an increasing subsidy from the Council which will impact on other service provision.
- 7.4 Manchester Fayre can withdraw from the provider market and allow schools to make their own alternative arrangements. Manchester Fayre can also explore the potential to identify a suitable independent operator to adopt the existing Service Level Agreements as an alternative for all existing sites. The focus on any agreement with an independent provider would be around the continuity of service for staff and the social value offer.

8.0 Contributing to a Zero-Carbon City

- 8.1 There are no changes to the strategy or contribution as a result of this decision. Meals are likely to continue to be provided on-site using similar supply chains to those that are currently in place. There may be opportunities for schools to explore opportunities with smaller, more local produce providers which could reduce the carbon impact of the service.

9. Key Policies and Considerations

(a) Equal Opportunities

- 9.1 An Equality Impact initial assessment has been undertaken and has found no impact on equal opportunities as a result of this decision. Any equalities issues related to the provision of any future service will be considered by the individual schools, as the commissioners.

(b) Risk Management

- 9.2 There is a potential risk that schools will be unable to commission an appropriate service provider by the time the service is withdrawn. However, as the majority of school in Manchester already utilise alternative providers there is both a mature market of providers and a number of independent consultants who will undertake the procurement process for the schools.
- 9.3 The Council will provide advice around alternative providers, the current supply chain, independent consultants, pension and TUPE advice to all affected schools as part of the withdrawal programme.

(c) Legal Considerations

- 9.4 There are no specific legal considerations, the Council has no duty to directly provide meals.

10. Comments from Trade Unions

- 10.1 The following comments have been received from UNITE Trade Union

Unite the Union is very disappointed that the council has only focused its Equality Impact Assessment on the function of Manchester Fayre and has ignored the due regard that comes with the fact that 97% of the work force are female. Unite is not satisfied that the proposals as articulated by the report will guarantee all employees (namely relief employees) TUPE transfer or alternative employment. Many of Unite's members who are currently employed by Manchester Fayre have chosen this employment as it fits in with their children's school times and other employment that may have. The loss of any employment on these members would have a huge impact on their households and could plunge households into temporary poverty while benefits are recalculated.

Furthermore given the fact that Manchester Fayre provides calculated nutritional meals for children, who may only have one hot meal per day, Unite would urge members to ensure that any new providers or in house transfer matches the nutritional value of meals.

- 10.2 The attached documents have been received from GMB Trade Union
- Letter from GMB
 - Copy of February 2020 APSE report
 - Questions raised in TU meetings and responses



IN THE NORTH WEST & IRISH REGION

Dear Councillors,

Re: Manchester Fayre Response

Firstly, let me introduce myself, I am Michael Clark a GMB Regional Officer. I cover mainly local authorities including Manchester City Council.

After working in this area for many years, we, as a campaigning trade union, fought as hard as we possibly can for our members and especially to protect their terms and conditions, which as some of you are aware, have been hard won to put our members on better pay, pension rights and secure employment.

The decision made by Manchester City Council to disestablish Manchester Fayre and let the schools decide to either bring the service in-house or let the schools choose an external provider, will ensure that some of the hard fought terms and conditions will be changed in the future, or the new starter not enjoying the same terms and conditions as their compatriots working in the same kitchen's.

We have seen time and time again the attack on our members terms and conditions from these providers, such as a reduction of 20% of their working hours, a decision to make members redundant instead of furloughing them. These are only recent events which have been well publicised in the media.

I appreciate that the council must make relevant savings and make decisions on subsidy's to areas which cannot generate the profit required to cover their costs, however I would rather have a service such as Manchester Fayre subsidised that provides nutritional and healthy school meals to those schools and if given a chance to those other schools.

But what I cannot allow to happen to my members who, in the whole are 97% female workers and have a higher BAME representation and are employed in the main on either Grade 1 or 2 pay, be TUPE'd to schools or external providers without challenging robustly the decisions made by your officers over the last few years since the last review of Manchester Fayre, especially not to actively seek out schools to uptake the award winning service as highlighted in the responses to my questions and as stated in the APSE report.

Cont/d.....

G M B - BRITAIN'S GENERAL UNION

Regional Secretary: Paul McCarthy

Acting General Secretary: Warren Kenny

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You can see this in the accompanying questions that have taken place between myself and your officers that they have not gone out since 2018 to even ask a school to see if they would consider taking on Manchester Fayre as a provider. They may state that this is because, as an authority they are not eligible to do so. I have asked for clarity on why this did not happen, and the response was that this was in order to focus their attention on retaining the remaining schools at the time.

However, in the APSE report from February 2020, the same service is painted as a picture of how to retain a service in-house, yet just 10 months down the line it appears this picture is not what it seems. If the Manchester Fayre ethos and its reputation based on awards and social value was used to attract new business then it could have recruited more schools, yet it appears to have been left to wither on the vine.

This is unacceptable and I am requesting that you decide to either recommend that further options such as an arm's length company or joined up working with other GM authorities are explored to make the service work or to allow the service to remain in-house.

In closing, I keep hearing economies of scale being said by your officers, which to me mainly implies that these staff are too expensive. With the right decision and leadership and joined up working then these "expensive workers," mostly General Assistants and Cooks and mostly your constituents, our members and your staff's terms and conditions are protected going forward.

We were also provided with a breakdown of actual costings for the service area and I have requested that clarification is given as the actual costs are significantly far less than the planned costs. I hope this is provided for your attention.

Thank you for your time in considering this letter and the attached information.

Michael Clark
GMB Regional Officer

Selling services to schools

Facing the future



Selling services to schools

Facing the future



APSE (Association for Public Service Excellence) is a not-for-profit local government body working with over 300 councils throughout the UK. Promoting excellence in public services, APSE is the foremost specialist in local authority front line services, hosting a network for front line service providers in areas such as waste and refuse collection, parks and environmental services, leisure, school meals, cleaning, housing and building maintenance.

APSE member authorities have access to a range of membership resources to assist in delivering council services. This includes our regular advisory groups, specifically designed to bring together elected members, directors, managers and heads of service, together with trade union representatives to discuss service specific issues, innovation and new ways of delivering continuous improvement.



CIPFA, the Chartered Institute of Public Finance and Accountancy is the only professional accountancy body in the world exclusively dedicated to public finance. We champion high performance in public services, translating our experience and insight into clear advice and practical services. This includes guidance, courses, conferences, property and asset management solutions, consultancy and interim people for a range of public sector clients.

CIPFA Property is part of CIPFA. As a trusted partner to public finance and property professionals in their delivery of efficient asset management our property experts help clients to managing public sector property estates effectively.

Acknowledgements

APSE would like to thank David Bentley, Head of Asset Management at CIPFA Property and Wyn Jenkins, Malcolm Thomas & Jane Lowrie CIPFA Property Associates for their contribution in researching, writing and editing this report. Paul O'Brien, APSE Chief Executive commissioned the report and Mo Baines and Vickie Hacking both of APSE contributed to editing and commentary.

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1. Foreword

Over a number of decades the relationship between local authority services provided to schools has been fragmented through regulatory and financial changes, structural changes to local education authorities, the growth in new forms of school provision such as academies and free schools and increasing marketisation of provision. This changing relationship belies the value of local authority services to schools; providing value for money, flexible and responsive services, high quality standards and often accompanied by a more ethical, environmental and socially responsible means of delivering support services to schools which are vital to the functioning of a well-performing school environment.

In spite of these benefits the continued fragmentation of services has undermined the natural connections between high performing local authority support services to schools and the education sector itself. This publication therefore looks at the position regarding the provision of a selection of discretionary support services to schools by local authorities.

The aim is to disseminate information across the sector, highlighting some of the different approaches currently used in the provision of services and looking at what the future may hold.

Our research shows that a number of different approaches are being used in practice. This piece of research explores some of these different approaches and highlights the various issues faced by local authorities and schools whilst suggesting ways in which these might be addressed in the future.

We would like to thank all the local authorities and their officers who participated in this research study. We are very grateful for their time in responding to our survey, for providing additional information for our case studies and also for supplementing our findings through engaging in some very open and honest informal dialogue with us. Without that active participation research such as this would not be possible.

Cllr Mark Pengelly, *APSE National Chair*



2. Executive summary

The majority of local authorities with education responsibilities have traded at least some of their services to schools for many years.

However, changes in legislation, reduced funding and uncertainty regarding the levels and sources of future funding mean that if local authorities are to continue to provide these services, they need to ensure that they are fit for purpose, flexible, will deliver increased efficiencies and income, or at least be delivered either without subsidy or with a subsidy level agreed at a local level in support of social value outcomes such as tackling child nutrition issues through school meals.

The public sector landscape continues to transform, with education in particular having seen the greatest change for more than a generation. As a result, the relationship between local authorities and schools, in England particularly, has changed significantly, and with it the marketplace for the provision of non-statutory or so called 'discretionary services'.

The role of local authorities in running schools is now minimal, and many have seen a significant reduction in the demand for discretionary services from schools, as governors and head teachers exercise their new found freedoms to choose which services they require and from where.

Local authorities are now essentially the commissioners of educational outcomes rather than the de facto provider of education services, although they continue to provide statutory services such as the distribution of funding, school place planning, admissions and supporting schools forum. But whilst the provision of discretionary services are generally made available to schools and academies on a traded basis there is no obligation for schools to take any of these services from the local authority or indeed elsewhere.

Consequently, there has been an opening up of competition and a significant growth within the alternative provider market for services to schools. This has led to local authorities adopting a variety of approaches in the provision of these services at a local level.

Many local authorities have successfully retained in-house teams that provide a whole range of services to schools, whilst others have looked for solutions that are rather more radical, including:

- Transfer of school support services to another local authority
- Externalisation of certain services either individually or as a multi-service package
- Formation of council owned trading companies which provide services to schools
- Formation of Joint Venture companies with private companies, to deliver all or some support services to schools

This report identifies examples of these approaches and illustrates some in a little more detail in the case studies at the end of this document.

The uncertainty in the schools services marketplace means that if local authorities want to retain a large share of that market, they will need to keep an open mind as to the future shape of their service delivery model going forward. They will need to ensure that they are fit for purpose and able to meet future challenges including the demands of the schools.

Schools and academies are becoming ever more demanding, sometimes expecting the provision of services for less than it costs local authorities to provide them. They also continue to mature and the current trend for schools to work in clusters means that there is an increasing likelihood that they will look at alternative providers given their collective purchasing power. The marketplace is continually evolving and we are seeing new entrants both large and small.

The ever-increasing number of academy conversions has undoubtedly triggered a drop in demand for council services as a significant number look either to support themselves or look for provision elsewhere. Some multi-academy trusts (MATs) provide a core set of support services across all academies in their trust network, which is often seen as precluding the local authority from trading services into these schools, albeit local authorities do have wide powers to trade across boundaries and through collaborative inter-authority arrangements the geography of MATs can be problematic. Academies are often looking for alternative local, regional and national providers as they seek to make a clean break from the local authority.

In spite of the difficulties presented by Academies it is clear from research across a broad range of local authorities, that for many the relationship between them and their maintained schools remains strong, particularly within the primary sector. It is also evident that local authority General Fund subsidy is still widely used to support discretionary services to these schools. However budgetary pressures continue to increase year on year.

A new study by Grant Thornton (January 2019)¹ highlights that over a third of councils in England are at risk of financial failure over the next ten years and that a significant number could potentially run into trouble much earlier. As such, local authorities support services are under increasing pressure to be self-sustaining.

So whilst the main reason many local authorities provide, or attempt to provide support and services to schools is their commitment to educational outcomes, they will undoubtedly have to re-evaluate their financial models and level of service provision. This will entail looking at how to ensure this provision can be delivered in a financially sustainable way for the medium term.

Clearly, in the wake of the Carillion collapse early in 2018 and Interserve going into administration early in 2019, there is a robust ongoing debate about the risks associated with the outsourcing of services and the use of private contractors, and major outsourcing companies in particular. Local government continues to see a rise in insourcing in many of the services previously utilised by schools as part of the local authority support services to schools; these services include grounds maintenance, school meals and building repairs and maintenance services. This growing phenomenon could provide different and new opportunities to recalibrate the relationship between schools and local authority service providers and help to de-risk schools exposed to outsourced contractors.

Finally a worrying outcome of the research undertaken for this report has highlighted concern from a number of local authorities that schools that do not utilise the local authority's in-house or controlled contractor services may not be fulfilling health and safety legislation, regulations and recommendations.

¹ <https://www.grantthornton.co.uk/en/news-centre/a-third-of-councils-at-risk-of-financial-failure-in-the-next-decade/>

3. Introduction

Historically, by default Local Education Authorities (LEAs) provided a myriad of services to schools which up until the late 1980s were centrally funded. These services included: property services including emergency and planned repairs and maintenance; cleaning and caretaking; school meals; ICT provision and support; music and library services; governor support and training; insurance; legal and HR advice/support; waste and recycling services; grounds maintenance, payroll & other financial services and outdoor education facilities.

During the research undertaken to produce this report, one local authority stated that it was still offering over 92 service packages to schools, incorporating over 162 different service specifications designed to meet differing service needs and to offer flexibility on cost and accessibility.

Whilst local authorities continue to offer a wide range of so called discretionary services, the increased autonomy of schools has given them a significant degree of choice as to which services they wish to purchase and whether this will be from their local authority or elsewhere.

4. Project brief

The scope of this research project is limited to the following key service areas which we have loosely defined as FM Services:

- Catering (school meals)
- Grounds maintenance
- Cleaning/caretaking/site security
- Property related services
 - Repairs and maintenance
 - Statutory building compliance (health and safety)

The brief was to provide an overview of the general position on the current provision of services by local authorities, the level of buy-back by schools and the general trends for future service provision. The project also sought to highlight where possible examples of activity, best practice, innovation and/or unique ways of service delivery.

5. Initial Survey

An initial APSE survey of UK local authorities was supplemented with a further targeted mail-shot to authorities within the CIPFA Property Networks². This ensured the study included a mix of local authorities in terms of type, size and geography.

The initial APSE survey return provided a broad representation from county councils, unitary councils, London boroughs and metropolitan boroughs and the initial results suggested that:

- the majority of respondents currently provided the services via in-house teams but with a view to moving to a mixed model whereby some services would be delivered through an arms-length company alongside the in-house service teams
- charges for services provided are predominately via service level agreements (SLAs), either as packages or pick and mix type menus
- ad-hoc/one off services are offered by a number of respondents to maintained schools within their area

² <https://www.cipfa.org/services/property/about-cipfa-property>

However, the additional targeted research through the CIPFA Property Networks uncovered a slightly more complex market place and significant concerns particularly in respect of services related to day-to-day repairs, planned maintenance and property related statutory compliance actions and responsibilities.

6. Background

6.1 Schools - the changing landscape

The Education Act 1944 reformed and established a national system of primary, secondary and further education (the essential features of the Education Act 1944 of England and Wales were reproduced in the Education Act of 1947 in Northern Ireland and in the Education Act of 1945 in Scotland). The 1944 Act set out how the system would be administered by LEAs (based on the then counties and county borough councils), and set out their responsibilities for allocating resources to the schools, including staff, buildings, equipment and materials.

The first real significant change to this system of local authority control came about in the form of the Education Reform Act 1988 which granted schools in England and Wales a far greater degree of autonomy, including the introduction of grant-maintained schools which were independent of LEA control and funded direct from central government. LEA-maintained schools became responsible for managing their own budgets and the system became known as the 'Local Management of Schools' (LMS). Similar changes were brought about in Northern Ireland and Scotland in 1989 and 1993 respectively.

With delegated budgets came responsibility for matters such as finance, the management of premises together with the choice of where to purchase goods, equipment, support and services.

Whilst LEA-maintained school funding was still allocated to schools via the local authority, to a large extent the schools decided what to do with it, including having a choice as to which services, if any, they purchased back from the local authority.

In respect of property, schools would receive money intended to cover basic maintenance and for minor improvements, whilst major repairs and capital investment remained the responsibility of the local authority.

The next significant change came with the School Standards and Framework Act 1998 (England and Wales) which abolished grant-maintained schools and enabled the formation of foundation schools. Schools which successfully applied for foundation status generally became the owners of their land and premises and the employer of staff, rather than the local authority. However, the local authority continued to fund the school on the same basis as all other local authority maintained/controlled schools.

1999 saw the opening of the first Private Finance Initiative (PFI) schools. This procurement method, actively encouraged by the government of the day, introduced yet another category of responsibility, one where the local authority effectively became a tenant of the PFI Company. This model led to so called DBFO schemes (Design Build Finance and Operate) with the 'Operate' element leading to schools locked into repairs and maintenance and often catering and cleaning contracts within the PFI scheme. This in fact lessened the choice of contractors for schools rather than enhancing choice which the preceding schools and education policies had sought to do.

The introduction of the Children Act 2004 saw the functions of education and children's services combined under designated Directors of Children's Services, and the term LEA became obsolete.

There are now 207 bodies within the UK that have the strategic lead for the education of children and young people, and have funding responsibilities for maintained schools within their administrative areas. Of these:

- 27 are English county councils
- 55 are English unitary authorities (plus the Isles of Scilly)
- 36 are English metropolitan borough/district local councils
- 32 are London boroughs (plus the City of London Corporation)
- 32 are Scottish unitary authorities
- 22 are Welsh unitary authorities
- 1 Northern Ireland authority

The final significant change came with the Academies Act 2010 which has made it possible for all local authority maintained schools in England to become academies. Academies are directly funded by central government via the Education Skills and Funding Agency³ (ESFA) and are independent of local authority control and responsibility.

6.2 Current landscape

The rate of change in the education landscape since the Academies Act 2010 came into force has been considerable, and the latest government analysis highlights the challenges faced by service providers in this sector.

By January 2018, 27% of primary schools and 65% of secondary schools in England had become academies. These figures included converter and sponsored academies but excluded free schools (7%) and schools in the pipeline. Note: There are no academies in Wales, Scotland and Northern Ireland.

Number of state funded schools in England - January 2018⁴

Sector	Academies	Non-academies	Total
Primary	4,440 (27%)	12,315 (73%)	16,755
Secondary	2,220 (65%)	1,218 (35%)	3,438
Total	6,660	13,533	20,193

As at January 2018, a further 1,218 schools (931 primary and 287 secondary) were in the pipeline to become academies (excluding pupil referral units, special schools and nurseries).

This general trend for schools to become academies and move away from local authority administration has prompted a wholesale change in the way school estates are managed. The natural shift is towards a system that grants greater independence to schools, including how they manage and procure services for their land and buildings.

6.3 School categories

In order to better understand the issues around the provision of services to schools, it is useful to have an overview of the categories of schools involved. A brief summary is provided below to clarify the source of funding, land ownership and employer status.

3 <https://www.gov.uk/government/organisations/education-and-skills-funding-agency>

4 <https://www.gov.uk/government/publications/open-academies-and-Academy-projects-in-development>

- a. Maintained or community schools are funded via the local authority which also owns and maintains the land and buildings the schools occupy and is the legal employer of staff.
- b. Foundation schools are a category of local authority maintained school, funded on the same basis. However the governing body, rather than the local authority employs the staff and will usually own the land and buildings which the school occupies.
- c. Voluntary aided (VA) schools are generally faith schools, originally set up by a voluntary body (charitable foundation) such as the Church of England or the Roman Catholic Church. The school is funded partly by the local authority and partly by the voluntary body. The governing body employs the staff on behalf of the voluntary body and the land and buildings are normally owned by the voluntary body as part of the charitable foundation.
- d. Voluntary controlled (VC) schools are similar to VA schools in that they are generally faith schools originally set up by a voluntary body (charitable foundation) such as the Church of England or Roman Catholic Church. However, they are funded by the local authority which also employs the staff. The land and buildings are normally owned by the voluntary body as a charitable foundation although in some instances the local authority may own and be responsible for the school playing fields.
- e. Academies are schools run by an academy trust which can be responsible for a single school or a cluster of schools, the latter being known as a multi-academy trust (MAT). Academies are funded directly by the EFSA and are outside the control of the local authority. Academies which have converted from local authority maintained schools will generally hold their sites on long leases from the local authority, for a nominal charge. Academy trusts are usually responsible for all occupational and running costs and employ the staff.
- f. Free Schools are academies that have been set up in response to local demand (i.e. not converted from an existing school). They are funded directly by central government and are outside the control of the local authority. They are run by a company set up for the purpose of being the education provider, and will own the freehold or leasehold of the land and buildings that the free school occupies. They will also employ the staff.

6.4 School funding

Whilst this report doesn't cover education/school funding in any depth, it is helpful to have some understanding of how schools are funded and how it impacts on discretionary support services for schools.

Whilst 2018-19 saw the introduction of the new National Funding Formula for schools (NFF), local authorities in England continue to be responsible for distributing revenue money between schools in their area from a block Dedicated Schools Grant (DSG).

The local authorities set a funding formula, and decisions about the local formula are made in the Local Schools Forum (LSF), to allocate funding to both maintained schools and academies.

Academies and free schools are funded directly by the government, through the ESFA. However, they are funded in line with the locally agreed formula and academies must also be represented on the LSF. Funding for academies is then recouped from the DSG and paid to them by the ESFA.

The majority of school capital funding comes from the government and councils receive 'basic need' grants to provide new places to respond to sharply increasing demand.

With the agreement of the LSF, local authorities can retain funding centrally for some services

before allocating funding to individual schools through the formula. LSFs can also decide whether funding is pooled centrally, and held by the local authority, to cover the provision of school support services for maintained schools, otherwise termed as de-delegated services. Services that might be funded from centrally retained or pooled budgets could include:

- School admissions service
- Free school meals eligibility assessments
- Insurance
- Schools copyright licences

By default, funding for some of these services is delegated to individual school budgets, so there has to be a collective decision to centrally pool funds. For academies and free schools, funding for these services is routinely included in their individual budgets and schools can choose to 'buy back' these services from the local authority.

Whilst funding arrangements in Wales, Scotland and Northern Ireland may vary from those in England, the principle remains the same in that local authorities are allocated a budget from the devolved administrations which they then distribute to schools in much the same way as happens in England, that is, retaining some centrally but distributing the majority to individual schools.

7. Support services - provision to schools

7.1 Introduction

As previously stated, historically the local authority managed and controlled all state schools in its area. The local authority held the budget for its schools that had to ask for everything they needed. The local authority appointed the staff and generally provided all support and services. Those days however have long gone, as legislation has reduced the role of the local authority to:

- Ensuring sufficient school places are available by building or extending schools as required
- Balancing the supply of school places through reorganisation proposals
- Assessing and providing home to school transport
- Providing statutory support services for schools
- Allocating finance to schools

Whilst there are minor variances in funding schemes, charges and responsibilities across the four UK nations, the overall principle is generally the same: funding is delegated to schools and they have the freedom to choose which non-statutory services they pay for and with whom they contract to provide them.

Following on from this policy of delegating budgets and responsibilities some schools took the decision to distance themselves from their local authority because:

- They believed they could achieve better value for money elsewhere
- The board of governors/academy trust felt they could operate without any local authority support
- Schools felt the service offering failed to respond to their individual needs

However, it is evident that the majority of local authorities responded well to the challenge and effectively continued to support schools in a variety of ways.

7.2 Discretionary services

The term discretionary services for schools covers services that are non-statutory but assist schools to function. They include services to support management and governance, teaching and learning, extra-curricular activities, infrastructure and facilities, pupil-focused services and reputation.

The market for these services has changed noticeably in recent years and the research undertaken for this report confirms that the provision of such services is no longer the preserve of local authorities. Schools have almost total freedom to decide which, if any, services they wish to acquire and from where.

Support services such as music, outdoor education, ICT, HR and legal support often continue to be offered by trading units within local authorities, and take up of these services are generally high across maintained schools. However, the offer of services such as school meals, property services, grounds maintenance, cleaning, caretaking and security from local authorities tends to be subject to greater competition from the private sector.

Take-up of local authority provided services by academies, particularly those in the secondary sector, varies greatly but whilst there are clearly exceptions to the rule the overall trend would appear to be a move away from local authority support.

One of the consequences of this reduced demand is that local authorities are finding it increasingly difficult to balance the books. The less buy-back income they receive, particularly from the larger and more cost effective secondary school market, the more difficult it becomes to make service provision financially viable, especially when this is coupled with the ever increasing reluctance to subsidise services to schools from the General Fund.

Some local authorities however still seem to be bucking the trend and are currently able to retain in-house service units that provide a broad range of services to schools as well as to other service areas retained within the authority. Examples include:

- Derbyshire County Council⁵
- Hampshire County Council⁶
- Trafford Council⁷
- Knowsley Council⁸

A number of other local authorities have taken action to develop at least some of their education services into new organisations. Examples include:

- The London Borough of Sutton which formed a stand-alone company called Cognus Limited⁹ to support schools, families and children/young people.
- South Gloucestershire Council which established a traded services team branded as Integra, within which Integra Schools¹⁰ delivers specialist support services to schools and academies. Integra currently operates as a team within the Council with staff remaining as Council employees. There is, however, a desire to create an arm's length trading organisation in the future. (See Section 7.5 for further details regarding the provision of cleaning services by Integra).

Others have formed joint venture (JV) companies with private sector organisations or other local authority trading arms. Examples include:

- Devon County Council which has set up Devon Norse¹¹, a joint venture with the Norse Group (which is wholly owned by Norfolk County Council).
- Powys County Council which has set up a 50/50 JV with Kier Ltd for the provision of building repairs and maintenance. The Heart of Wales Property Services Ltd was established in 2017 to deliver responsive maintenance and building design services to council homes and corporate properties including schools.

Other local authorities have either simply ceased to provide support services or contracted them out to external providers (including to other local authorities). This includes:

- Essex County Council which outsources its Property and Facilities management services. The Mitie Group currently delivers the majority of these services including cleaning, security systems, catering and grounds maintenance. However specialist services such as lift maintenance are subcontracted.

5 <http://www.services.derbyshire.gov.uk/>

6 <http://www3.hants.gov.uk/servicesforschools.htm>

7 <http://www.traffordeducation.co.uk/Services>

8 <https://www.knowsley.gov.uk/business/schools-and-business-services>

9 <https://cognus.org.uk/>

10 <https://www.integra.co.uk/>

11 <http://www.devonnorse.co.uk/#>

7.3 School meals

In England and Wales, school governors of maintained schools and academies (in England only) are responsible for the provision of school food and for providing suitable facilities where food can be eaten. In Scotland, local authorities are responsible for school meal provision and in Northern Ireland it is the Education Authority.

Schools have a duty to provide a paid for meal on request and a free meal to those that are eligible which in England and Scotland now includes all reception and year 1 and 2 pupils in maintained primary schools. Nutritional standards, as defined by central government must be met, although it is acknowledged that there are gaps in English Academy settings on nutritional standards.

Traditionally local authorities throughout the UK have provided schools meals by way of in-house catering departments, and many have been fairly resilient in the face of the challenges such as:

- higher food standards
- increased costs, particularly as a result of 'job evaluation and single status' between the late 2000 – early 2010s and for some authorities a commitment to pay staff the 'real Living Wage'
- increasing competition from the private sector
- increasing food prices

An example is Shropshire County Council's in-house 'Shire Services'¹² which provides meals together with cleaning and facilities management services to over 100 primary schools and 15 secondary schools in the county. It also provides catering services to a total of 76 sixth form colleges and independent schools in North Wales, Telford, Herefordshire, Cheshire, Worcestershire and the West Midlands.

Southampton City Council and Plymouth City Council have both adopted a fairly unique approach with regard to school meal provision. 'City Catering Southampton'¹³ (CCS) became the UK's first charitable catering company whilst Plymouth's 'CATERed' became a local authority trading co-operative company owned jointly by Plymouth City Council and Plymouth Schools (see case study F).

However, whilst many of the traditional in-house services remain, a number of authorities are opting out of providing a school meals service.

For example, in Cambridgeshire, the overall number of schools receiving a catering service from Cambridgeshire Catering and Cleaning Services (CCS) has slowly but steadily declined and reduced from 202 contracts in March 2015 to 174 contracts in November 2017. This represented a drop from 54% of the Cambridgeshire market for schools catering to 46%.

In response, in February 2018 Cambridgeshire County Council announced¹⁴ that it would cease to be a provider of catering to schools by the end of 2018. Instead it would focus more on supporting and advising schools to serve good, nutritious meals, and less on competing to provide them in an increasingly competitive marketplace.

For those local authorities that no longer provide a school meals service which directly employs catering staff, research has identified the following service delivery models and examples:

- Former in-house service now operating as an arms-length local authority owned company:
 - Newydd Catering and Cleaning (Flintshire County Council) – See Case Study B

12 <http://www.shropshirefoodcentre.co.uk/shire-services>

13 <https://citycateringsouthampton.co.uk/>

14 <https://www.cambridgeshire.gov.uk/news/changes-planned-to-school-meal-provision-in-cambridgeshire/>

- CATERed (Plymouth City Council) – see case study F
- Educaterers¹⁵ – Catering (Warwickshire County Council)
- Norse16 (Norfolk County Council and JVs with numerous other local authorities)
- Service externalised and staff transferred to a private company who either contracts with the local authority or with schools directly:
 - Chartwells (Staffordshire County Council and Newport City Council)
 - Engie (Wakefield Council) As well as school meals, this company also includes the provision of facilities management services such as property and asset management, building cleaning, building services and buildings-related architectural design
- Schools go direct to the market place to purchase a service from the private sector:
- See Cambridgeshire County Council detailed above
- Schools purchase a service from an adjoining local authority:
- North Lincolnshire Council¹⁷ provides meals to numerous schools in adjoining local authority areas
- Schools employ catering staff directly. Whilst this generally tends to be a model used within the secondary sector and academies, there are some examples in the primary sector too:
 - Thornford CofE VA primary school in Dorset employs staff to provide its own in-house meals but also provides services to the nearby Yetminster and Bradford Abbas school. It also provides a once a week ‘meals-on-wheels’ service to the local community
 - Lydgate infant school in Sheffield employs its own catering team to provide all school meals cooked fresh each day on school premises. Parents and carers can use the service to enjoy a school dinner with their child.

Without doubt, the introduction of The Requirements for School Food Regulations 2014¹⁸ has seen not only the quality of school meal provision improve but also the quality of kitchen facilities. There has been significant capital investment nationally to bring kitchens up to standard, and in some cases to build new kitchens in schools that had previously relied on transported in meals.

School meals are generally far healthier, offer more choice and are more attractive to pupils of all ages than they were say ten years ago, and there does appear to be a trend for an increased take-up of both free and paid for meals.

To ensure the viability of the service, a number of local authorities with retained in-house or arms-length trading companies providing schools meals also utilise the service to provide meals on wheels or a meal at home service to their communities, and to provide corporate catering services.

7.3.1 Highlighted school meal/catering issues

The most common area of concern expressed by the local authorities officers we spoke to was, that despite the fact that ‘School Food Standards’¹⁹ were introduced in 2015, there are no checks

15 <https://educaterers.co.uk/#>

16 <http://norsegroup.co.uk/about-us/>

17 <https://www.northlincs.gov.uk/schools-libraries-and-learning/schools-colleges-and-further-education/school-meals-in-north-lincolnshire/>

18 http://www.legislation.gov.uk/uksi/2014/1603/pdfs/uksi_20141603_en.pdf

19 <https://www.gov.uk/school-meals-healthy-eating-standards>

or inspections undertaken to ensure that these were being achieved, in fact there was significant anecdotal evidence that they were frequently not being met largely because of an absence of any form of statutory monitoring.

Ofsted inspection criteria does now include a review of the School Food Plan and should look for evidence that there is, amongst other things, independent verification that school food standards and relevant Government Buying Standards are met across the school day but not to undertake or check any verification. A number of officers within the local authorities we spoke to believe the Ofsted criteria should be extended not only to cover the potential benefits good quality food can bring but also to check the standards of food offered.

Currently any independent validation of menus meeting the 'school food standards are self-policed with schools relying on expertise such as the in-house dieticians at Knowsley Council or organisations such as LACA (Lead Association for Catering in Education)²⁰ or Food for Life.

Research undertaken by the University of Hertfordshire in early 2018 indicates that Schools, particularly those in poorer areas, could be doing more to entice young people to eat at school, by making the eating areas more attractive places to socialise and by treating pupils more like customers at lunchtime. The study concluded that young people are more likely to eat within the school environment if the school cafeteria is seen as a space to socialise in and they are consulted over the menu.

The relationship between school staff and pupils also affected young people's food choices. In areas of lower socio-economic status pupils described wanting to escape the school environment at lunchtime and although school meals should meet school food standard requirements, many of the teenagers interviewed as part of the study perceived the food to be unhealthy and shunned school meals due to long queues and inadequate seating and social areas within the schools.

7.4 Grounds maintenance

Governing bodies and trusts are responsible for the maintenance of the school grounds. This may be carried out by a local authority in-house team or DLO, by a private contractor under a contract administered by the local authority, by a contractor employed by the school or alternatively by person/persons directly employed by a school.

In a small school, the latter of these options may often be the case, with either the caretaker having a responsibility for the grounds or a separate grounds person/ gardener being employed.

Some local authorities have ceased to provide a grounds maintenance service to schools or have contracted it out. However a number of authorities, particularly those which also maintain an extensive network of parks, highway verges and other green spaces, have retained either an in-house DLO or trading arm, that offers a ground maintenance and arboriculture service to schools. This can either be as an individual service or as part of a larger package, for example:

- Derbyshire County Council provides a comprehensive one-stop shop for all school and academy traded and support services via its Services for Schools (S4S)²¹. This includes a comprehensive grounds, landscape and tree maintenance service as part of its premises management package.
- West Sussex County Council provides schools with access to its comprehensive grounds maintenance (GM) contract²². The contract is open to schools and academies as well as other public sector organisations in West and East Sussex and Brighton.

20 <http://laca.co.uk/laca-menu-checking-service>

21 <http://www.services.derbyshire.gov.uk/Services>

22 <http://schools.westsussex.gov.uk/Services/3153>

- Somerset County Council provides a property and grounds maintenance service to maintained schools, academies and other education providers as part of its Support Services for Education (SSE)²³. SSE is a traded service within Somerset County Council.
- Reading Borough Council provides a comprehensive grounds maintenance service to schools through Reading Commercial Services (RCS)²⁴, a not for profit organisation operating as a trading name of the Council. With service being primarily taken up by primary schools in the borough school managers procure these services as local clusters and meet quarterly to specify needs to facilitate negotiation of terms. Whilst RCS currently struggles to secure potentially more lucrative work with high schools and academies it does feel that it can offer benefits that are not always apparent, nor offered by other contractors, through its 'one stop- shop' approach. These benefits include:
 - The ability to access and utilise council property records, including boundary responsibilities
 - Operatives have a lot of historic knowledge and know the school sites intimately
 - Understanding of school operations and the ability to be more flexible to work within school operational constraints
 - Use of a permanent local workforce
 - Offering a rounded advice service whilst on site
 - Ability to offer flexible packages to suit the needs and wishes of individual schools
 - Grounds maintenance work is undertaken on the basis of annual rolling contracts. In the absence of a specification from the school, RCS will advise on the scope of work required for a particular site, and tailor contract terms and conditions for individual customers.

The ongoing challenge for RCS is to expand into the wider schools market, which will require a robust commercial approach and perseverance.

Other local authorities offer schools access to contracts that they manage on the school's behalf. This offers schools the opportunity to buy into contracts which are set up and managed by the local authority eliminating the need for the school to get involved. Examples include:

- Hertfordshire County Council administers a number of contracts for grounds maintenance. These are currently split into various geographical areas that schools can buy into.
- Lancashire County Council has a team to assist with the arrangement and management of grounds maintenance service delivery contracts or agreements, and provides technical support and advice on all aspects of grounds maintenance or grounds development related issues.

7.5 Cleaning/caretaking

Whilst numerous local authorities have in the past retained in-house cleaning services, there is a growing trend for them to out-source cleaning operations to either arms-length trading companies or private contractors. The main reasons for this are the delegation of budgets to schools; increased costs and the increasing number of academy conversions.

APSE undertook an online survey of local authorities in May 2017 to explore how cleaning services are provided to schools and academies. Of the 40 respondents, 24 (60%) were from England; 13

23 <http://www.supportservicesforeducation.co.uk/>

24 <http://www.reading.gov.uk/commercialservices>

(32.5%) from Scotland; 2 (5%) from Wales and 1 (2.5%) from Northern Ireland.

The survey provided the following insight:

- 34 (85%) of respondents were responsible for cleaning school buildings. This showed a 2.7% reduction from 2016
- 29 (72.5%) of respondents offer cleaning together within a central facilities management (FM) service (including either soft and/or hard FM). 11 (27.5%) of respondents offer cleaning as a standalone service
- The majority of responding authorities operate commercially with 45% selling to academies and/or free schools. This showed an increase up from 34% in 2016

Examples of in-house local authority cleaning services include:

- South Gloucestershire Council delivers cleaning and other specialist support services to schools and academies through a traded services team branded as Integra²⁵ (as referred to in Section 7.2).
- Warrington Borough Council provides professional cleaning services to approximately 130 public sector establishments throughout the borough, including 62 primary schools and 6 high schools/academies.

Examples of arms-length trading companies providing cleaning services include:

- Cormac²⁶ is an arm's length management organisation formed in 2012 and forms part of the Corserv group of companies which are wholly-owned by Cornwall County Council. It provides a wide range of services to schools, including facilities management and cleaning services.
- Public Realm Services Ltd (PRS Ltd)²⁷ was established in December 2016 by the London Borough of Newham to provide a wide range of cleaning and ground maintenance services to both the public and private sectors within the borough and beyond. This includes the provision of cleaning and other services to schools.

However it is clear that simply establishing an arms-length arrangement is not a panacea solution to providing an efficient and effective service provision as a number of arms-length companies have failed to deliver either the savings or income generation envisaged at set-up and continue to struggle to establish a sustainable model going forward. For example Greenwich's GSPlus reported a loss of £2.8m in the year ending March 2018 having already sustained a loss of £1.2m the previous year.

Whilst many local authorities no longer provide a cleaning service to schools, they will often offer schools help, support and training, particularly with regard to health and safety.

There also appears to be increasing trends for schools to, either directly employ their own caretaking and cleaning staff, or manage an external contract themselves.

7.6 Property services – repairs, maintenance and statutory compliance

7.6.1 Responsibilities – statutory compliance/health and safety

The local authority, governing body, academy trust or proprietor (the employers) as appropriate, have a duty to ensure that school buildings under their control comply with appropriate statutory, regulatory and corporate standards.

25 <https://edocs.southglos.gov.uk/integra/>

26 <https://www.cormacltd.co.uk/>

27 <http://www.publicrealmsservices.co.uk/>

The employer is responsible for health and safety, though tasks may be delegated to competent staff. The task of managing compliance is complex, onerous and costly which is particularly the case with single school academies and academies generally. It is not the purpose of this report to provide detailed guidance in this area. In July 2018 CIPFA published 'Compliance monitoring for school premises management'²⁸ which provides more information about this complex area.

Whilst acknowledging the level of delegation that exists, local authorities should, as a minimum, ensure that all maintained schools are complying fully with all premises requirements particularly with regard to statutory compliance.

Failure to undertake maintenance and monitoring that keeps premises users safe may constitute a criminal offence. The local authority, governing body and individuals with specific responsibilities may all be held liable and be subject to claims for compensation as well as facing criminal charges.

Of particular importance is the responsibility for the management and control of asbestos in schools, and the government has published guidance²⁹ to help develop better understanding of obligations and duties in relation to asbestos management in schools.

7.6.2 Repairs and maintenance funding

As detailed in 6.4 above, governing bodies receive delegated funding from the DSG to fund all revenue repairs and maintenance work required to all parts of the school site and buildings. This includes day-to-day repairs, non-capital planned maintenance programmes together with health and safety and compliance issues such as water hygiene, testing and servicing of electrical wiring and emergency lighting systems and fire alarm systems. Schools must make proper financial provision from delegated revenue resources to achieve this.

Maintenance of a capital nature is generally funded from the local authority's capital allocations, the schools Devolved Formula Capital (DFC) which governing bodies are allocated each year, or by a combination of both.

Generally expenditure may be treated as capital only if it fits the definition of capital used by the local authority for financial accounting purposes, which is in line with the CIPFA 'Code of Practice on Local Authority Accounting'³⁰.

The ESFA can also provide separate grants such as the School Condition Allocations (SCA) and The Condition Improvement Fund (CIF) to local authority schools and academy trusts for building maintenance, refurbishment and rebuilds, based on priority need.

Of the services we have researched, property maintenance and premises compliance is perhaps the most complex and concerning from a local authority perspective.

7.6.3 Maintenance options for schools

All school premises require regular maintenance and effective management of the estate if they are to be kept in good repair and operate well. Without maintenance the quality of school buildings will rapidly decline, potentially resulting in frequent and sudden breakdowns as well as increased future costs.

All schools, including academies, have a number of options for managing repairs and maintenance, servicing and testing of building services and premises related statutory compliance.

Generally, schools can choose to:

- Buy-back into a full package of maintenance services from the local authority. This

28 https://www.cipfa.org/policy-and-guidance/reports/compliance_monitoring_for_school_premises

29 <https://www.gov.uk/government/publications/asbestos-management-in-schools--2>

30 <https://www.cipfa.org/publications>

might include the ability to access a local authority's contract with an external contractor, arms-length trading company or JV company.

- Buy-back from a local authority's 'Pick and Mix' menu. This would give schools the option to buy all or just some services from the local authority whilst others may then be procured from alternative suppliers e.g. buy back an energy management service from the local authority but procure the servicing and testing of equipment from a private contractor.
- Buy-back an advice only package from the local authority and procure services elsewhere based on the advice received.
- Manage in-house using staff employed directly by the school or trust. Some larger schools and academy trusts may employ a dedicated premises manager or a site manager/caretaker who will be responsible for minor repairs and for procuring other services as required from private contractors.
- Procure the whole property maintenance service from a private contractor.

A survey was recently undertaken by a County Council currently offering the option of either a full buy-back package for property maintenance and compliance, or an advice only package. Their survey generated 119 responses from a combination of nursery, infant, primary, secondary and special schools. 15 of the respondents were academies.

The survey identified the following:

- 93 of the respondents currently buy into a full package, 8 buy into an advice only package and 18 managed their own repairs and maintenance.
- Of the respondents that currently buy into the full repairs and maintenance package, 23 (25%) did not believe that it provided them with value for money. However, 18 (80%) of those said that the scheme did provide them with peace of mind.
- Of the respondents buying into an advice only package, 4 (50%) indicated that it gives them peace of mind. One respondent commented that a 'pay as you go approach' for advice may have proved more economical for them.
- Of the respondents not in the scheme and managing their own repairs and maintenance, over 70% commented that they did not buy-back as they do not believe it would provide them with value for money. 57% also indicated that they prefer to undertake their own repairs and maintenance in-house.

7.7 The schools estate

A recent survey, carried out by the Times Educational Supplement (Tes) and the Association of School and College Leaders (ASCL) in the latter part of 2018, found that of the 221 state schools surveyed:

- 70% of head teachers had buildings they stated were not fit for purpose.
- Almost half (46%) said they had been forced to close part of their school over the past 12 months because of maintenance issues.
- 88% indicated that funding pressures were preventing them from carrying out essential and routine maintenance.

The Department for Education (DfE) recognises that there are challenges in not only addressing the condition of the school estate, but also in tackling how the estate is managed and being clear about who is accountable for ensuring that buildings are safe and well maintained.

The National Audit Office reported³¹ that the first DfE property data survey, commissioned in 2011

31 <https://www.nao.org.uk/wp-content/uploads/2017/02/Capital-funding-for-schools.pdf>

and completed in 2014, estimated that it would cost £6.7 billion to bring all school buildings to a defined satisfactory or better condition. This comprised £5.5 billion to repair building elements that were exhibiting major defects and/or not operating as intended, and £1.2 billion to repair parts of buildings that were life-expired and/or at serious risk of imminent failure. The survey furthermore estimated that it would cost an additional £7.1 billion to bring those parts of school buildings exhibiting minor deterioration from a satisfactory to good condition.

The DfE now estimates that based on current levels of funding, the cost of returning all school buildings to satisfactory or better condition will have doubled by 2020-21. In 2016, DfE commissioned a second property data collection programme – the Condition Data Collection (CDC) programme to further assess the rate and nature of change in the estate over time and enable a fairer distribution of capital maintenance funding. At the time of writing, the CDC programme is still underway, although the results were expected in late 2019 they are yet to be published

This position, combined with weak accountability for the condition of the school estate and few if any incentives for schools to prioritise spending on building maintenance, creates a significant risk that defects will go unrepaired and consequently will cost more to address in the future. So where does responsibility for preventative maintenance lie? As schools quite rightly focus on providing learning and teaching services, spending on building maintenance is often seen as a relatively low priority. As a result, insufficient investment in preventative maintenance is becoming an increasingly major concern.

Local authorities for their part may need to consider how they can more robustly manage any repairing covenants in leases with academies. Clearly this will be dependent on the terms of individual leases, but they are likely to contain clauses that define tenant (the academy trust) obligations to maintain the buildings in a suitable and safe state of repair. They will also provide rights to the local authority as landlord to inspect the premises to ensure that any such obligations are being met and potentially give the right to serve notice on the academy as tenant, to undertake repairs that they deem to be necessary in-order to safeguard and maintain the condition of these public assets.

Schools throughout the UK vary in their condition and age, ranging from those built in the 19th century to others constructed within the last 12 months. Individual school premises themselves vary in size and complexity, ranging from a single-story rural school, to urban schools with 20 or more multi-story blocks spread over one or more sites.

There are limited mechanisms for holding local authorities, schools or academy trusts to account for keeping their buildings in good condition. While they all have defined statutory duties to comply with health and safety legislation and other regulations, there is less scrutiny of the general maintenance aspects of maintaining the school estate.

Alongside this, local authorities are losing staff with valuable knowledge and skills relating to estate management whilst academy trusts may not have the expertise and capacity to manage their estate effectively.

The DfE, local authorities and schools will need to meet these challenges at a time when their capacity to deliver capital programmes is under growing pressure. The DfE uses capital condition funding to address urgent needs, rather than to undertake routine preventative work which should be from revenue budgets.

Research has demonstrated that the costs incurred over the whole life of a building are considerably greater than the initial construction costs. Numerous studies show that focussing solely on driving down initial construction costs, whilst ignoring ongoing maintenance and operating costs is unlikely to achieve best value over the medium to long term.

There is little doubt that there needs to be a greater emphasis on managing planned and preventative maintenance of school buildings, as with every other area of the public estate. However there is a concern that the Academisation programme distracts from this, unless services are centralised there is less likelihood that the required specialist skills will be available within the organisation responsible for maintenance issues.

7.8 The importance of planned maintenance and premises compliance

'The good estate management for schools'³² initiative published by the Education and Skills Funding Agency in April 2018 outlines the policies, processes and documents that schools, academies and multi-academy trusts should consider when managing their estates. However, many commentators and local authorities argue that this is expecting too much from school leaders who lack the expertise and resources to put this recommended best practice into place, and that the DfE should strengthen incentives offered to all schools and ensure that accountability for managing the school estate is clearly defined and communicated. Fragmentation of responsibility to individual schools or multi-academy trusts does not support clear auditable lines of accountability.

A study³³ conducted by the University of Salford suggested that a good school physical environment can improve a child's academic progress by as much as 25% each year. Conversely, whilst buildings have the potential to enhance the delivery of education, they can also provide a significant distraction for staff and pupils when things go wrong.

Effective maintenance reduces the risks associated with premises and building services, helps to prevent the need for significant expenditure and disruption which can follow building failure and helps ensure that statutory obligations are met. There is however little evidence to show that sufficient resources and or skills are currently available to manage risk proactively through planned inspections and assessments of the building fabric and structure followed up with planned maintenance programmes. Research undertaken for this report would suggest that a significant number of schools are at best only actioning reactive repairs, ones that simply enable the school to remain open on a day-to-day basis.

Complying with health and safety legislation and regulations can be onerous and costly. Schools and academies must be aware of their legal duties, responsibilities and liabilities under all health and safety legislation, and take action accordingly. As highlighted in the executive summary above the research undertaken for this report has highlighted concerns from a number of local authorities that schools not utilising the local authority's in-house or controlled contactor services are often not fulfilling their statutory obligations. In July 2018, CIPFA published Compliance monitoring for school premises management³⁴ which provides more information about this complex area.

Local authorities should also be aware that even though the day-to-day running, of a maintained or voluntary controlled school is delegated to the governing body and Headteacher, the local authority remains the employer of school staff and as such is regarded as being the responsible person under health and safety legislation. Indeed, under section 29(5) of the Education Act 2002, local authorities have powers to direct the governing body and Headteacher of a maintained or voluntary controlled school on matters relating to the health and safety of persons on the school's premises.

32 <https://www.gov.uk/guidance/good-estate-management-for-schools>

33 <http://www.salford.ac.uk/cleverclassrooms/1503-Salford-Uni-Report-DIGITAL.pdf>

34 https://www.cipfa.org/policy-and-guidance/reports/compliance_monitoring_for_school_premises

As schools become more autonomous and sever links with local authorities, so the risk increases that they will lose access to comprehensive property records, and that over time these records will become outdated and unreliable. In addition local authorities are losing staff with extensive knowledge of school estates and premises, and in the majority of cases are not being replaced.

Taking into account current government policy the funding schools will receive in the future is likely to decline in real terms which will put even more focus on prioritising expenditure. Most schools will, understandably, prioritise spending on front line education functions and staffing rather than planned maintenance programmes. This will create a fundamental dilemma not only for schools, but also for local authorities and the bodies who own the school property as they have an on-going interest in the land and buildings. The big question remains – who will pick up the pieces and fund things as and when they go wrong?

7.8.1 Summary of school maintenance issues

The forecast of a general deterioration in the condition of the school estate nationally clearly presents a significant medium to long-term risk.

The responsibility for maintaining the school estate is now very much devolved to individual maintained schools or academy trusts but there are limited mechanisms for holding either to account for keeping their buildings in a good condition.

Local authorities, despite the devolution of funding, retain a significant level of responsibility for ensuring that school buildings are safe and conducive to effective learning. However local authorities are not only short of funds but are also losing staff with important knowledge and skills who are not being replaced.

A number of the local authorities we engaged with as part of our research expressed concern that:

- the lack of planned maintenance in schools will inevitably lead to significant emergency repairs being required to keep schools open
- schools often lack the skills to ensure that statutory compliance issues/responsibilities are being addressed/undertaken

8. The way forward

8.1 Services to schools - local authorities facing up to competition

As set out in Sections 6 and 7, there has been a wholesale change in the landscape of school property management and the delivery of estates services to schools in recent years. Local authorities historically provided most of the services to support schools in-house but are now much more empowered to make use of different forms of service delivery.

The combined challenges of reduced government funding and a declining demand for services from schools, have led to local authorities cutting back on delivering services. This has left the field more open to other agencies to provide premises support to schools.

Whilst there is a lack of comprehensive research on the details or pace of this change, anecdotal evidence suggests that this shift in the sourcing of school support is likely to continue, and as the available options for service provision in a local area grow, schools and academies are likely to purchase services from more than one provider.

A key influencer in the procurement process is the school business manager and wider school leadership team. Some MATs have set up their own hubs which sell services into schools, precluding the local authority or any other provider from competing.

A 2014 report by BDO titled 'The Future of Local Authority Discretionary Services'³⁵, foresaw the following scenario:

- In-house services are likely to come under even greater financial pressures
- Trading services will become the norm for providing discretionary services for schools
- Increased trading will mean increased competition
- Aggregate demand for services will decrease
- Fewer local authorities will continue to provide services for schools
- There will be new entrants into the market
- The customer base for services will continue to fragment

It is also evident that local authorities looking to improve their own commercial viability are increasingly willing to compete for business with other local authorities. In the future can we expect a greater number of schools to pick and choose the best deals from the providers in their local area. This will make the market much more competitive, and whilst this development is potentially good for schools, it will become much tougher for established players like the local authority.

Improvements to efficiency and increased productivity in local authorities have been the principal response to funding reductions in the immediate past, and these measures have been largely successful in minimising cuts to essential services. However this does mean that local authorities will face increasing pressure to reduce or remove subsidy to schools services? This raises questions around sustainability going forward, and local authorities must now explore their options regarding how they should, or want to support schools in the future.

Some local authorities, particularly in areas where there are large numbers of academies, have chosen to reduce their provision of discretionary services and simply leave it to external market forces. It is interesting to note geographical variations - the proportion of schools that are

35 <https://www.bdo.co.uk/en-gb/insights/industries/public-sector/future-local-authority-discretionary-services>

academies tends to be lowest in the north of England and in London.

Local authority powers and responsibilities were traditionally defined by legislation, but this changed fundamentally with the following:

- The Local Government Act 2003 S.93 and S.95 charging and trading powers
- The Local Government in Scotland Act 2003 which allowed Scottish local authorities to do anything that would, in the view of the council, promote or improve well-being in its area.
- The Localism Act 2011 which granted English local authorities the general power of competence and the ability to do anything that an individual can do that is not specifically prohibited.
- The Local Government Act (Northern Ireland) 2014 granted NI local authorities a similar general power of competence to that available to English authorities.
- The Local Government Act 2000 currently gives Wales the well-being power and it awaits the enactment of the Local Government (Wales) Bill currently in draft which is likely to grant a similar general power of competence to that available to English authorities.

Whilst previously local authorities were often wary or constrained from doing something because there was no law saying they could, many now are looking for potential commercial income under the freedom provided by these general powers.

Local authority trading companies are one way forward, but local authorities need to ensure viability not only in the immediate future but also over the longer term. In any event local authorities, particularly in England have a range of powers to charge and trade with schools for support services without the need for a company structure which can add complications and costs to provision. The provision of services and the development of a sustainable market is a difficult task where the market and policy environment are changing so rapidly.

Trading companies, joint ventures and other delivery vehicles will inevitably need to focus on providing agreed services to the local authority of their origin, although the more ambitious will seek to trade beyond their geographic boundaries in order to ensure their sustainability and commercial viability. However, as APSE as previously warned, given the prevailing conditions across the local authority sector collaborative approaches to cross-boundary working will always be preferable to more aggressive cross-boundary inter-authority tendering.

8.2 Local authority arms-length trading companies

Confronted with the period of austerity seen over recent years, many local authorities have set up arms-length trading companies in the form of wholly owned companies, joint ventures (JV) and social enterprises. There are in excess of 740 such trading arrangements throughout England, Wales and Scotland.

According to a 2015 survey³⁶ undertaken by Localis on behalf of CIPFA, 58% of councils already owned a trading company and a majority of councils (57%) operated a JV with the private sector. It has been projected that by 2020 almost a fifth of all local authority revenue will come from this source. Unless there is a fundamental change in how local authorities are funded, they will need to become increasingly more commercial, innovative and enterprising.

A 2018 report by Grant Thornton³⁷ highlighted that most of these trading companies are limited by shares which enable the distribution of profits. Many wholly owned trading companies have

³⁶ <http://www.localis.org.uk/research/commercial-councils-the-rise-of-entrepreneurialism-in-local-government/>

³⁷ <https://www.grantthornton.co.uk/insights/the-rise-of-local-authority-trading-companies/>

opened up their shareholding to other local authorities or to companies owned by other councils in order to scale up their operations. With so many local authorities setting up trading companies, there may well be increased merger activity as authorities seek efficiencies through scale and growth.

Wholly owned companies continue to be a very commonly adopted model, as local authorities retain the risk and reward. Examples include Oxford Direct Services³⁸ (Oxfordshire County Council); Norse Group³⁹ (Norfolk County Council and numerous JV companies with other local authorities); Vertas Group Ltd⁴⁰ (Suffolk County Council).

There are numerous local authorities who demonstrate an enthusiasm to compete and adopt a more commercial approach and who are flexible, responsive to customer needs and cost conscious. Some local authorities are working together to develop sustainable business models. For example the Orbis Partnership is a JV between Brighton and Hove City Council, East Sussex County Council and Surrey County Council and delivers business support services to over 600 schools and academies and over 30 MATs across London and the southeast. It claims to be the largest local government shared service partnership of its kind in the UK.

8.3 Local authority strengths

Significant numbers of Headteachers and governing bodies have sought the provision of services from alternative providers and there is a clear sense of concern as to the degree to which the services previously provided by local authorities are being completely decimated and are unlikely to be reinstated.

Despite a general willingness to continue supporting schools, the delegation of budgets and responsibilities along with the academies programme are making it difficult for local authorities to continue supporting schools as they once did. There are of course exceptions and some of these are set out in the case studies annexed to this report.

However, local authorities potentially still have an advantage over the private sector should they wish to exploit it. This includes recognising they have:

- An established knowledge base and experience
- Extensive building records
- A reputation for public sector integrity, assurance, reputation and political accountability
- A high quality of service and improving customer focus
- Comprehensive and specialist property and construction advice
- The ability to collaborate with adjoining and neighbouring local authorities
- The ability and potential to join up thinking in response to public policy issues
- The ability to offer property services alongside support for learning and teaching, school business management and SEND/safeguarding (a local authority 'one stop shop' service)
- Knowledge that the school is using a service provider who is able to offer assurances on ethical employment standards including in many cases staff employed on a real living wage with access to pensions

It could also be argued that private sector national contractors might be less focused on strategic estate planning which should lead to reduced maintenance costs going forward.

38 <https://www.oxforddirectservices.co.uk/>

39 <http://norsegroup.co.uk/>

40 <https://www.vertas.co.uk/>

There is an added incentive to local authorities to successfully sell their property services into schools commercially in that it can help ensure the provision of their corporate property function remains viable.

There is a distinct lack of research data on how schools have responded to the freedom to source and procure support services from suppliers other than the local authority but clearly, following the Carillion collapse early in 2018 and the financial problems being experienced by Interserve, there is a robust debate currently ongoing about outsourcing in general, the use of private contractors, and major outsourcing companies in particular as demonstrated by APSE research on the increased use of insourcing of public sector contracts.

Local authorities who are currently in the process of reviewing the delivery of services to schools could perhaps look for inspiration to those local authorities who have adopted new approaches as illustrated in this report. Options to consider include:

- Collaboration with adjoining local authorities, registered social housing landlords, housing departments and local university estates departments.
- Extensive and continual training of school staff to understand responsibilities, conduct routine inspections and carry out minor repairs and other preventative maintenance measures.
- Equipping operatives and staff with appropriate technology and equipment for mobile working and increased efficiency.
- Taking a proactive lead in partnership with schools in estate planning and planned maintenance which can then be linked to the school place planning process.
- Ensuring schools are aware that they are supporting the local economy by utilising a service provider in the local authority that is able to ensure ethical employment, environmental and social value outcomes at a local level

9. A simple 10 step approach to retaining/ winning the provision of discretionary services to schools

The financial pressures that local authorities have faced in recent years, and which are likely to continue moving forward, means that discretionary services to schools that were once provided as a matter of course have more recently come under a lot more scrutiny and focus. This in addition to schools freedom to seek services from sources other than their local authority means that some have seen a falling demand from their local schools, resulting in a fall in revenue and, ultimately, an increase in the net cost of these services, all at a time of unrelenting financial pressures. This all amounts to a potential threat to traded services.

Some local authorities are looking to expand their traded services because it can bring in more revenue, which in turn can increase contributions towards overheads. But it also means that local authorities will potentially enter into competition with external providers, and potentially each other, though as noted above APSE's view is that collaborative approaches are the best route forward on cross-boundary issues

Local authorities should now try to ensure that wherever possible these services operate, at the very least, on a sustainable financial basis with clarity around what services are being provided, to how many schools, and the fees being charged.

Below, and at the risk of stating the obvious, we have highlighted 10 simple steps that local authorities who wish to continue selling services to schools should follow:

1. Strategy

Local authorities should decide on a strategy and plan. It is essential that they have a clear agreed vision, supplemented by a business plan for its activities, particularly if this involves commercial/ income generating opportunities such as discretionary service provision to schools. A plan should clarify the direction, avoid priority disputes and assign ownership and roles to different activities.

2. Political Buy In

Engage at an early stage with members and ensure that any proposals are in line with corporate priorities and are supported by a robust business case that will instil confidence that goals can be achieved, targets met and services delivered to clients satisfactorily. This is particularly relevant if the aim is to establish any sort of trading unit or joint venture organisation.

3. Delivery Models

Local authorities must establish what services are to be provided, the extent of the existing or proposed client base and whether a separate trading company or joint venture is the best way forward, this is not automatically the case and consideration to the existing powers and benefits of a well-functioning in-house service team.

4. Current Service Provision

Local authorities should look objectively at whether the services they currently provide are regarded as being good? Are they cost effective, reliable, undertaken or provided by trained and competent staff that have a good reputation? If not then what improvement steps can be taken to ensure that they become good.

Local authorities must also recognise that reputation is a prized asset and that failure or poor service in one area is likely to have a detrimental impact on other areas.

5. Relationships

Local authorities should work hard on maintaining or establishing a good relationship with their schools. Governors and school leaders seek support services which are responsive, reliable and represent good value for money.

They should not attempt to dictate to schools what they require, they have a choice and whilst technically a large number of school governing bodies and converted academy trust are tenants of local authority owned property they should be treated as clients who can and often will look at alternative suppliers of services.

Local authorities should work closely with schools to establish what their requirements are and not assume they automatically know what their requirements and priorities are.

6. Highlight the Positives

Local authorities should promote themselves and shouldn't be afraid to extol the virtues that they potentially have. This might include:

- An established knowledge base and a pool of well-trained staff who have extensive experience of providing services to a wide range of schools
- Extensive records, data and information
- A reputation for integrity, assurance, reputation and political accountability
- A high quality of service and improving customer focus
- Comprehensive and specialist technical and strategic advice
- The ability to collaborate with adjoining and neighbouring local authorities
- The ability and potential to join up thinking in response to public policy issues
- The ability to offer a local authority based 'one stop shop' service integrating statutory duties such as school place planning alongside discretionary services/support which might include property services, cleaning, school meals as well as support for learning and teaching, school business management and SEND/safeguarding
- An ethical option for schools that wish to safeguard the pay, terms and conditions of support service staff, a focus on environmental matters and social value outcomes such as investment in training and skills. Many local authority staff will also be parents or grandparents of the pupils within the schools

7. Costs and Risks

Local authorities should know the true cost of providing services which should include accurate accounting of overheads and ancillary costs. Successful income generation requires having absolute confidence that projected costs and assumptions are accurate and credible. There should be a rigorous challenge process to costing assumptions, i.e. will fluctuations in demand affect costs and is the goal of at least breaking even dependant on attaining certain levels of take-up?

Economies of scale and efficiencies can be derived from combining the provision of services such as cleaning, catering and property maintenance to the local authority's corporate buildings and social housing where appropriate.

Local authorities should establish the level of risk associated with the services being provided as

well as establishing what their services are worth in the market place? They should benchmark with other authorities and have a clear pricing strategy for all services. APSE offers benchmarking reports across a number of services including school meals, property and grounds maintenance and building cleaning services which may prove to be a useful tool.

Note: It should also be recognised that establishing a separate company will involve additional administration and incur additional costs. This includes registration with a regulatory body – usually Companies House – accounting and audit requirements and potentially extra tax liabilities.

8. Skills and Capacity

Local authorities should ensure that staff in service areas are not only equipped with the right technical knowledge but also have appropriate commercial skills to operate in a competitive environment.

Whilst ensuring that services are of the highest quality possible local authorities should not provide services, or a level of service, that are/is not required, neither should they promise a level of service that can't be delivered.

Consider the appointment of specialist sub-contractors and consultants to help deliver the full range of services where it is more cost effective to do so.

9. Develop an extended customer base

If capacity allows local authorities should continually look to extend their customer base, providing services to other organisations and, where appropriate, other local authorities.

10. Monitor, Review and Adapt

Local authorities should continually review services and the systems being used to provide them with the aim of ensuring that these arrangements enable schools to access services in an efficient and effective way with the aim of continuously raising standards and improve the life chances for children and young people.

It should also ensure that financial targets are being met and that costs and charges are reviewed as appropriate.

10. Conclusion

The debate over school budgets and how money allocated is spent is not new, nor is it likely to disappear anytime soon. Unless there are significant improvements in funding levels schools will continue to struggle to meet demands placed on them, and will continue to seek out the most cost effective solution to meet their service needs.

However what is clear is that as the role of local authorities with regard to education is currently diminishing, the market place for the provision of support services to schools is evolving to meet demands.

Some support services have an impact on the longer term sustainability of the school estate, and any reduction of service in areas such as repairs, maintenance and premises compliance can have significant longer term financial and safety implications.

Given the likelihood that public sector funding will continue to be subject to increasing pressure, it is increasingly important that the DfE, local authorities and schools work together to meet the challenge of ensuring that high quality, cost effective services are available to schools. Equally importantly, schools need to understand their roles in providing adequately maintained, safe and secure environments for staff, pupils and community users and their wider role as part of the public sector family when make contracting decisions.

This report has summarised the evolution of the delivery of discretionary services to schools, and references a number of different models that are currently being used in practice. It is hoped that this will continue to stimulate discussion and debate about different approaches, to encourage innovation within local authorities and inspire the development of new options for schools to choose from.

11. Case studies

The research for this report involved engagement with numerous local authorities, and the input from the individuals involved has been invaluable in putting this together. As well as gathering information for the brief case studies included here, many comments were received from officers we spoke to which provides a valuable insight into the minds of those involved in these service areas. Some of these comments have been reproduced here to illustrate and supplement the findings of this report.

"We are lucky as we have, over many years, built up excellent relationships with our schools and they realise we will go that extra mile for them and not simply point to a contract and say – sorry you haven't paid for that"

"We are often being told by head teachers that being in charge of your own school maintenance budget sounds great in theory, but the reality is a bit of a shock"

"Headteachers are often running very successful schools and really have better things to do than to get minutely involved in the day-to-day operations of school lunches or repairs to buildings"

"The position regarding the status of schools, funding and responsibilities is so varied that unless you deal with it regularly it can be a bit of a mystery"

"Trading company status has given us a new lease of life as we can compete for new business inside and outside the council with more freedom"

"Schools don't buy into our service but still expect us to be there, be responsive and to pick up the pieces when things go wrong"

"Our internal overheads, staffing costs, legislation etc means that we often can't compete on price with the private sector, and with stretched budgets schools often don't care, or know enough to care, about the quality of service"

"As a property service, we have suffered because academies want a clean break from the council as an education authority"

"The increasing cost of both staff and produce is having a significant effect on the quality of school meals, having worked so hard to improve quality it would be a shame to see standards start to fall again"

"Because we have lost school business, we are losing experienced and knowledgeable staff and they will not be replaced"

"The issues around statutory compliance can be very confusing and to be honest, some schools do not have the expertise or fully understand their responsibilities"

Case study A: Flintshire County Council (Catering/Cleaning)

Flintshire County Council's catering and cleaning service has been taken out of the direct management of the Council and is now delivered via a Local Authority Trading Company (LATC).

NEWydd Catering & Cleaning Ltd was established in February 2017 with the aim of delivering

high quality, financially viable, sustainable, customer-focused catering and cleaning services which would be more responsive to the demands of the market. It would also potentially enable the business to grow whilst maintaining and enhancing the provision of valuable discretionary services.

The advantages of a LATC are:

- Safeguarding jobs by diversifying work and contracts
- Return revenue to the Local Authority through profitability
- Generate economies of scale and greater efficiency
- Retain people and knowledge within the organisation
- Create a commercial culture
- Trade in the wider market
- Retain control and a public sector ethos

The Council provided a start-up grant of £310,000 at the start of trading and all employees were TUPE transferred across to the new company. The current payroll stands at 445.

During its first year of operation, the focus for the new company was very much about retaining its existing business. A big part of this was to retain all Flintshire schools that were signed up to its school meals service and 100% of these schools did so. In addition, one school which hadn't taken school meals from the in-house provider for many years signed a contract with the new company in the first year. It also successfully tendered to provide catering services for a community café in one of the Council's leisure centres.

As with any new venture, cultural change amongst the workforce was always going to be a challenge. Newydd recruited a new team manager to support the introduction of change which has had a positive impact on the workforce and the company. There is now a culture of thinking and acting more commercially in what is a very competitive trading environment. Factors that have supported cultural change include:

- new uniforms designed and selected by the frontline staff
- a new head office at a council leisure centre

NEWydd has made good progress since it started trading with the main improvements to date being:

- uptake in primary schools increased from 43% to 53%
- uptake in secondary schools increased from 41% to 51%
- delivering efficiencies of £637,000 between the financial years 2014/15 and 2016/17
- creating new lines of business
- creating new employment opportunities

Case Study B: Knowsley Council (Building Cleaning Service)

Knowsley Council's Building Cleaning service is part of the Council's Commercial Services operation and forms part of the Council's Traded Service offer to schools and businesses which, in addition to cleaning, offers a wide range of support services such as catering, property maintenance, ICT and HR, predominantly to schools but also to other public bodies and businesses.

As the primary cleaning services provider for Knowsley schools and public buildings (offices, libraries, social care establishments and civic buildings) they currently manage contracts with a

value in excess of £4million a year. In addition, they currently hold the contract for the provision of building cleaning and other soft facilities services to Knowsley's seven state of the art PFI Secondary and Special Schools which, in addition to providing school facilities, also host an extensive range of community activities and events.

Background

Commercial Services decided to undertake a transparent and open review of Primary School cleaning charges following the Council's commitment to becoming a Living Wage employer from 1st October 2015, a decision which would see staffing costs increase significantly.

This review provided them with an opportunity to consolidate income through potentially longer term contracts/Service Level Agreements and, whilst potentially increasing cost, would also provide its school customers with a greater transparency with regard to budget commitments.

Until this review Knowsley's Primary School cleaning contract prices hadn't increased for six years - this had been a conscious decision taken in the face of potential competition, in what is a price led market.

However, it was clear that without a review of the charges the cost of providing the service was going to exceed income - the 'trading surplus' had dropped from 15% to 2% over the 6 year period and had the Living Wage been in place for a whole 12 month period that figure would have fallen to -5%!!

Prior to the review there was also an inadvertent subsidy already in place with staff paid £7.25/hour but charged out through the contract at £6.47/hour.

So what did Knowsley do? Firstly it reviewed the cost of service having regard to:

- Number of cleaning hours deployed in each building
- Cleaning material expenditure in each building
- Consumption of paper products in each building
- Type/specification of equipment deployed in each building

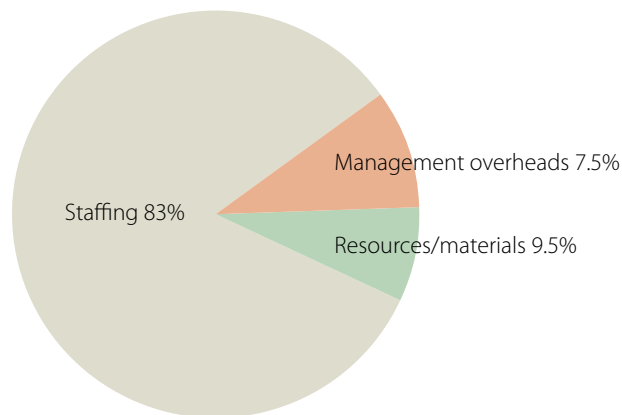
The Service also took the opportunity to enter into collaboration with Liverpool John Moores University School of the Built Environment. This resulted in both graduates and undergraduates participating in a one month work placement to conduct a survey of all primary school buildings (having regard to the accuracy of previously recorded floor finishes, fixtures and fittings which impact on productivity, equipment specification etc.) and undertake a desktop review of materials, paper product and equipment expenditure.

On completion of the review, a new set of charges was established that reflected the true cost of the service. In doing so however, it had to consider the size of contribution to corporate overheads having regard to price sensitivity in the market place and the potential risk of schools opting to deliver 'in-house' or to test the market.

As building cleaning is generally a low risk/high volume operation the addition of what potentially could have been a 15% overhead charge was considered too much for the primary school market to stand - particularly in light of the static charge over the previous 5 years.

The council therefore agreed an overhead charge of 7.5% for 2016/17 which ensured that the Service provided a competitive offer whilst generating a contribution of £0.116m to Council overheads from the primary sector. This figure has subsequently grown year on year.

Typical primary school cleaning cost breakdown



The Council's transparent approach to reviewing and revising its charges and to sharing this information with each school resulted in:

- An increase in income from £1.2m to £1.4m per annum; and
- Retention (at the time of the review) of the 57 schools in the borough who were buying the Building Cleaning service from the Council. This has since increased to 60 out of the 61 schools.

Case study C: Highland Council (Catering)

Despite the challenges of serving Scotland's largest council area, which includes some of the most remote areas of the UK creating additional challenges to the viability and success of the service, Highland Council has achieved the Soil Association Scotland's Silver and Bronze 'Food for Life Served Here' award in its primary schools and nurseries for the ninth year running.

'The Food for Life Served Here' award is a widely respected and independently assessed scheme which supports Local Authorities to put more local food on school dinner plates and serve healthy, sustainable meals. It recognises and rewards caterers that are serving food made from fresh ingredients, free from undesirable additives and trans fats, that meets UK welfare standards and complies with national nutrition standards. The Food for Life programme has also help to get more Scottish food on to plates, shorten supply chains and support local economies.

Highland Council's Catering Services forms part of the Property and Facilities management team and serves 10,740 meals a day across their 161 primary schools and nurseries. With menus updated every six months to cater for seasonal variance and regular consultation with pupils and staff to improve food choices and recipes, the freshly-cooked, nutritionally balanced meal choices on offer include many traditional favourites.

Magnus Swanson, owner and Managing Director at Swanson's Fruit Company, has stated that:

"From my own farming background and contacts from working with the Potato Marketing Board, followed by 27 years in this business, we at Swanson's are pleased to have long standing suppliers of locally grown, top quality produce from many farmers and growers throughout the Highlands and Moray. These are often in the school kitchens within one day of being picked! It is great to work with the Food for Life programme which shares our values of buying local."

Aoife Behan, Head of Food at Soil Association Scotland, has been quoted as saying:

"Huge congratulations to Highland Council on renewing their Food for Life Served Here award for the ninth year running. This is a testament to the hard work and dedication of everyone involved, from the catering staff to the Councillors. We're delighted to celebrate Highland's continued commitment to providing fresh and healthy school food, and their support of local producers."

Case study D: Plymouth City Council (Catering)

Prior to 2013 Plymouth City Council had made significant investment in its school meals service and infrastructure. This included the refurbishment of over 40 school kitchens and the installation of 20 new kitchens, where schools previously had no on-site facilities.

The Council's corporate aims and objectives include reducing child poverty, improving life expectancy and decreasing the rate of childhood obesity. Ensuring that children and young people from all backgrounds are able to access high quality, freshly prepared school food using seasonal local ingredients at a reasonable cost has been key to achieving these aims.

The Council's Education Catering Service was recognised nationally for its high profile work producing quality school food. The service was the first local authority caterer in the country to achieve the Soil Association's Food for Life Gold Catering Mark in 2012, and has subsequently received many other service related awards.

However, following School Funding Reform in 2013, school meals funding was delegated to individual schools and the previous success and investment was potentially at risk. Individual schools now received varying sums of money and were not able to continue to maintain their kitchens, maintain staffing levels or deliver the food of the same high standard.

The Education Catering Service worked closely and collaboratively with the Plymouth Association of Primary Head teachers (PAPH) and individual schools and academies to find a mutually acceptable solution to this funding issue.

All the schools and academies that were receiving services from the Education Catering Service agreed to a temporary pooling of the entire delegated funds for the financial year 2013/14. In this way they could support each other, share risk and ensure continued provision of high quality food at the same cost to all pupils, regardless of where they lived or which school they attended.

The City Council were fully supportive of the process and also provided financial support for the additional costs of job evaluation pending identification and agreement on a sustainable, viable city-wide service delivery model.

Following two years of planning, discussions and evaluation a School Food Steering Group comprising Head Teachers, Governors, School Business Managers and Council officers agreed that a local authority trading co-operative company be created. The company, called CATERed, was established in 2015 and jointly owned by the City Council and a collective of 67 schools (including Academies) on a 51%/49% split of shares respectively. The company operates with a Board of Directors and a Managing Director who was formerly the Council's Education Catering Manager.

To help maintain both a quality service and meet the City Council's corporate aims and objectives, CATERed works closely with its suppliers to ensure that animal welfare is a priority and as much food as possible is sourced locally. CATERed also works with and supports local growers and producers, such as sourcing free range eggs, for which they hold the Good Egg Award, beef from Cornish farms, seasonal fresh vegetables and locally caught and landed Pollack.

CATERed is a unique operating model with schools sharing their budgets and resources with each

other in an open, transparent and co-operative way for the benefit of children and young people. Plymouth City Council and CATERed are proud of the achievements made since the company was established. As a limited company they have been able to look at other sources for revenue and have re-entered the world of event catering and corporate buffets, an area previously lost to funding cuts and a directive to focus on the core school dinners service. All surpluses are reinvested to be used for the ongoing development of the company and they continue to be recognised nationally as being one of the best school meals providers in the country.

CATERed currently hold a number of national awards recognising their work including: -

- APPG (School Food): Excellence in School Food award 2018
- Cost Sector Catering: Education Award 2018
- EDUcatering: Education Excellence Awards: School Food Plan 2018
- Foodservice Catey: Education Caterer of the Year 2018

CATERed also work to tackle 'Holiday Hunger' across the City with 'Ed's Big Summer Food Tour' operating every Tuesday and Thursday in August and, together with colleagues in the Council's Library Service, 'Lunch at the Library' every Wednesday. Operating with CATERed frontline staff volunteering outside of their core contract and with food and packaging (zero plastic) donated by suppliers in August 2018 the team fed just short of 9,000 children and young people at nil cost to CATERed or the Council. This number was up from 1,200 in 2015.

Case study E: Derbyshire County Council (Catering)

'Derbyshire Catering Service' (DCS) is a national recognised award winning catering service for schools and other Council clients throughout the East Midlands in a mix of urban and rural environments.

DCS prides itself on providing healthy, nutritious, well balanced meals for around 57,000 pupils a day in approximately 380 education establishments.

Background

With over 70 years experience DCS not only understands the importance of investing in the health and wellbeing of children but also recognises that its people who are the backbone of developing, running and providing an excellent service. DCS believes it not only has a strong leadership and management team with many years experience in the industry at its head office in Matlock but also has equally dedicated supervisors and staff serving each of its delivery locations.

Some of the key elements of DCS's offering to schools are:

- They are a non-profit organisation
- They are an organisation with a good reputation and an excellent rate of business retention
- They offer effective and efficient delivery of meals particularly in rural areas where accessibility is often an issue as some of the smaller rural schools have no kitchen and rely on meals delivered from others in the area.
- They provide a nutritionally balanced and tailor made menu
- All ingredients used are responsibly sourced, traceable, and of assured quality
- Professionally trained kitchen staff are supported by a team of relief staff
- Maintenance of kitchen equipment is included
- Team of support professionals

- Telephone support
- Close working links with other council departments including Free School Meals Assessment and Corporate Property

The offer to school and academies also includes:

- Benefits of group membership – fixed costs over each 12 month trading period which offers stability and certainty for school budget holders regardless of food or labour cost increases
- Recommended selling price of a meal remains fixed per academic or financial year
- Implementation of legislation – Schools are reassured that any changes in legislation are introduced as smoothly and efficiently as possible
- Reinvestment of savings into food on the plate – DCS’s dedicated procurement team will negotiate better deals to reinvest savings to constantly improve the quality of food
- Repair and maintenance – A contract with Derbyshire Catering Service means DCS will undertake the repair, maintenance and replacement of all the schools catering & kitchen equipment
- Obesity Strategy – working in partnership with schools to follow Government plans and objectives
- Medical diets – Clear communication between families, on site catering staff and the menu development team enables every child’s individual medical requirement to be met
- Current menu has the Food for Life Silver Accreditation meaning a minimum 75% of dishes are freshly prepared using British Farm assured meat, reduced sugar recipes, whole grain products and no undesirable additive or artificial trans-fats
- DCS has strong links and contracts with local suppliers and distributors – including organic beef from a farm located in the Peak District National Park, fruit and vegetables from Matlock and the High Peak, potatoes direct from a farm in the adjoining County of Lincolnshire and sausages from a supplier in Chesterfield
- Making meals fun – DCS will provide theme days, Five for Life (fruit and vegetable road show), Farm to Fork visits where schools can visit Lower Hurst Farm free of charge for a fantastic day out to learn about the benefits of organic products, food security and the supply chain

Corporate Social Responsibility

DCS also recognises that as a business it impacts upon the environment and is actively undertaking to:

- **Reduce the use of chemicals** – by working closely with its suppliers to ensure that the chemicals used in its cleaning processes minimise damage to the environment whilst still being effective in ensuring safe food production. DCS have reviewed the number of chemical products used and been successful in reducing them by 30%
- **Reduce food miles** - DCS contracts are arranged so as to minimise the number of deliveries made to each kitchen. Our contracted suppliers commit to reducing their environmental impact in terms of mileage and vehicle emissions they produce, with many committing to the use of the introduction of hybrid vehicles during the life of the contract. Products produced in Derbyshire and surrounding counties being actively sourced to reduce the impact on the environment

- **Improve Waste Disposal, Recycling and the use of Compostable Products** - all the waste cooking oil generated by kitchens is collected by a contractor and converted into renewable biofuel for use in vehicles or for power and energy generation which helps reduce carbon emissions.

DCS work in partnership with all its school customers to reduce the amount of waste going to landfill. This is done through the use of recyclable and compostable products.

Business Challenges

With the Government's push towards Academisation and the subsequent emergence of Multi-Academy Trust (MAT's) there is no doubt that the market place has become much more competitive. In addition to this, the increasingly rapid conversion of schools to Academy/Trusts has resulted in shorter timescales for tender and bid deadlines to be met. This change has happened very quickly and communication has suffered as a result and often does not give Local Authority services the chance to build a relationship.

However DCS have been very successful in maintaining its portfolio of schools primarily based on its reputation for quality and service. This has been achieved by firstly improving our ability to compete with the private sector via a 'Bidding Team'. DCS have invested considerable time and resources into developing this team and procuring advice and assistance from appropriate professionals to assist with bid proposals. As a result of DCS being proactive with its bidding process it has recently been successful in winning a large bid with a Derbyshire based MAT.

Currently things are very unbalanced, MATs are developing largely in the east of the county where the towns and cities create a denser population whilst the west of the county is predominately rural which presents issues especially for small schools with no kitchens on site and rely on transported in meals. DCS however have gained an excellent reputation of ensuring that meals are delivered regardless of the weather!

As a consequence of DCS's quality service offering and competitive pricing structure it has recently added a number of school contracts from a previously untapped area of Derbyshire. Furthermore, there has also been additional interest from schools sited within the Derby City Council area who have requested information regarding DCS's services which has already resulted in a number opting to procure their services.

DCS communicate via its marketing brochure to individual targeted schools and follow these up with personal visits and development of quotes. DCS have recently added seven schools to its customer base which has compensated for the schools that have taken the decision to leave.

Finally, on the plus side DCS believe that it is generally able to take on any new contracts on improved trading terms and that in most cases it has found that although the price clearly has to be competitive it really is about the quality and breadth of the offer that entices and attracts both maintain schools and academies.

Case study F: Manchester City Council (Catering)

'Manchester Fayre' is Manchester City Council's in-house catering service providing over 25,000 meals in nursery, primary, secondary and special schools across the city each day. Manchester schools have one of, if not the highest, meal uptake in the North West, and since the introduction of Universal Infant Free School Meals have exceeded the Government target of 87% take-up of meals.

Manchester City Council operates its catering service on a Social Value model with the aim of providing a quality catering services that benefits its school customers and fits in with the City

Council's corporate aims of improving the outcomes and benefits for the residents of Manchester.

The food they produce has been assessed as being over 90% cooked from scratch, exceeds the nutritional standards for schools meals, and even have their own 'Manchester Fayre Food Standard' which goes beyond their 'Food for Life Served Here' award to ensure meals are culturally inclusive for their customers. They work closely with their suppliers and know where the produce they use is grown; more than 50% of the fruits and vegetables served to children are grown in the North West, their free range eggs are from a Lancashire farm and the majority of the milk drunk by children at lunch time comes from cows grazing less than 10 miles from Manchester city centre.

'Manchester Fayre' also work closely with their colleagues in Public Health to address the issues related to childhood obesity and dental health and engages regularly with both parents and pupils across the City to promote the benefits of good food and healthy eating. The activities include cooking clubs, nutrition lessons and workshops which all aim to engage and positively change eating habits of pupils and families. All these are provided free of charge and clearly go beyond the remit of simply providing a school meal. The provision of the activities is supported by employing two undergraduate Nutrition placement students from Manchester Metropolitan University, a scheme that has been successfully operating for the past ten years which provides mutual benefits.

As an employer 'Manchester Fayre' is committed to investing in training and development for their staff, to equip them with the skills to produce good quality school meals with a minimum NVQ level 1 Food Foundation qualification and also providing support for basic Maths and English skills as required. Development is also greatly encouraged with a structured Trainee Unit Manager programme in conjunction with a local college has successfully produced appointable Unit Managers over the last 5 years. Supporting local employment, all entry level staff are Manchester residents and receive the Manchester Living Wage in addition to good terms and conditions of employment.

'Manchester Fayre' are the very proud winners of many national awards, including LACA Change4life 2016, 'Educatering' Secondary School Caterer of the Year 2016 and for two consecutive years, the APSE Best Performer for Education Catering. It is also the recipient of the the LACA 2018 Nan Berger Memorial Award in recognition of the work and activities that the Nutrition Team have delivered to support the major health challenges faced by children in Manchester.

Manchester Fayre continue to develop methods of improving stakeholder engagement and strive for efficiencies that will help ensure that school meals can remain affordable without compromising quality.

Case study G: Hertfordshire County Council (Property)

Whilst its in-house team continue to provide ad hoc advice, training and support to schools and continues to manage and administer the Schools Condition Allocation Funding, Hertfordshire County Council made a strategic decision to devolve responsibility for maintenance to maintained schools and therefore do not currently offer any property related traded services to schools.

Approximately ten years ago, the Council outsourced its support for schools as part of a wider partnership arrangement, initially with Amey and subsequently with Mace and Mouchel consulting.

In 2012 the council moved from term contracts to frameworks. At that stage, Mouchel (now part of Kier consulting), had established its own Schools Direct service which the majority of schools, encouraged by the Council, bought into.

As a result of this the Council's in-house team shrank and has subsequently only been involved in delivering the schools capital programme.

For the controlled school estate there has been a national general trend towards greater autonomy and Hertfordshire schools have been supported to take responsibility for premises compliance, planned and preventative maintenance, servicing (all revenue costs) as well as asset management planning. A range of training offers were, and still are, made available to help schools take on these responsibilities. These include training in areas such as asbestos awareness and property management skills.

However the Council has retained an active interest in the land and buildings, particularly with regard to its Landlord responsibilities.

The Council takes ultimate duty holder responsibility for asbestos management and has continued to own, maintain and update asbestos management records and undertake surveys ensuring that these are held centrally on a corporate property database. Water hygiene risk assessments are also procured to ensure compliance in this key area too.

The Council has an in-house health and safety team which undertakes a planned annual programme of audits of all schools, based on risks. This will include advising and assuring schools around the main identified risks of gas safety, fire alarms, fixed wires, asbestos and legionella.

All schools are required to notify the council of alterations to the structure or layout of the school. The process of seeking consent or approval from the Council is widely known within schools, if not always followed.

The Council provides help to schools on request, or can intervene if it feels this is necessary. Occasionally, the council has to carry costs or take further action. This tends to be in respect of issues such as:

- water leaks
- boiler failure
- projects being managed by schools without the council's prior knowledge
- collapsed ceilings or walls

Case study H: North Yorkshire County Council (Property)

There are currently 325 maintained schools and 98 academies in the North Yorkshire area.

North Yorkshire County Council currently operates an insurance based model to provide building services to schools, based on the charge of an annual premium for different types of schools. It recognises that this model no longer serves the procurement needs of academies and maintained schools, and is about to review its trading service to schools.

There is recognised inconsistency in the way that premises related services are offered. Buy in of premises services from the council by all types of schools varies, depending on the particular service being offered. Academies in particular are seeking a pay as you go service. The council's aim is to review the model to be able to offer a consistent menu of choices to all schools.

One element of the maintenance and repair service that remains popular with schools is the 5 yearly building condition surveys along with a less detailed annual update. Periodic building condition surveys are a crucial source of information for good estate management, and the council is keen to encourage schools in this respect.

The council's in-house property team carries out the condition surveys on a rolling programme in accordance with Department for Education guidance. The schedule of rates is reviewed each year

in line with the Building Cost Information Service.

The survey data is collected by mobile devices and uploaded to the council's asset management platform (Concerto). Individual schools can subscribe to enable them to have online access to the data.

The surveys identify all required work for inclusion in the maintenance programme and help to inform investment priorities. The building sub-elements are reviewed annually by the council to identify any deterioration. Where an issue is identified, the property database is updated to reflect changes to the work, condition grading, priority or cost.

The condition survey programme has proved to be beneficial and is used as the basis for identifying and prioritising works to be carried out via the capital maintenance programme. Structures and systems identified as being in poor condition give an indication of higher running costs - prioritising those maintenance items can help reduce ongoing revenue expenditure. The regular condition surveys help to inform investment priorities for the delivery of capital maintenance.

The Asset Management Plan sets out the council's priorities for investment in schools. This takes account of issues such as the suitability of school premises to meet curriculum needs; the physical condition of premises to ensure continuous operation; the capacity within schools and the sufficiency of places across schools; water and energy consumption costs and asbestos records. This data and analysis must be shared with the schools to enable constructive solutions.

Case study I : Bridgend County Borough Council

Bridgend Council began its transition to an Integrated Corporate Landlord Model for property management in 2017 with the intention that a newly formed service would act as the landlord for all the Council's property assets, including the schools estate.

As with numerous other Councils, Bridgend had grappled with the split of responsibility between schools and the Council, with the schools having fully devolved revenue budgets, but with the Council remaining employers with overall responsibility for health and safety and capital budgets.

The Council had a long standing 'Buy-Back SLA Arrangement' in place with schools, to provide advice on maintenance activities, which had a strong subscription base amongst schools. Bridgend Council undertook a Strategic Maintenance Review and identified that historically the schools capital programme was providing poor value, as most of the works required were preventable e.g. roof repairs and water damage, and that these elements were being replaced far more often than planned. This was to a large part due to schools not undertaking a preventative maintenance regime generally through a lack of awareness and knowledge rather than wilful neglect. This lack of disciplined cyclical maintenance also gave the Council concerns over compliance issues within the schools estate.

This presented the Council with several issues; gaps in compliance, insufficient records, limited understanding of roles and responsibilities, poor channels for reporting, no forward works plan and an ever increasing maintenance backlog.

The Council embarked on a significant schools engagement programme, with project teams meeting Headteachers, Governors, Bursars, Site Supervisors and Managers, Caretakers and even pupils and parents in order to develop a solution that worked for the schools. The output of the exercise was a detailed understanding of what 'good' looks like to the Councils customers, rather than the Councils corporate interpretation.

Several key themes emerged:

- A responsive service that understands its customers.
- Trusted advice and good value for money.
- Understanding of roles and responsibilities.
- Simplification of the Councils numerous policies and procedures.
- Improve cost certainty.
- For the Council to take more responsibility.

Therefore, it was identified as essential to revamp the SLA and improve the way the Council worked with schools, whilst clarifying the relationship between Schools and the Council, through a Corporate Landlord Agreement (CLA).

The CLA was developed as a single, concise document which carefully explained how Buildings should be maintained, and how this was aligned to the Council's new Corporate Landlord delivery model. This document consolidated existing information in one place, whilst updating outdated policy documents critical to the compliance of the building. This involved 6 key sections:

- Roles and Responsibilities: A simple table outlining the division of responsibilities between the School and the Council acting as the Corporate Landlord.
- Reporting: The requirement, format and frequency of reporting expected of the schools to the landlord and vice versa.
- Audit: How the Landlord would audit the schools to confirm responsibilities and building related compliance was being met
- Escalation: How schools could escalate issues and complaints
- Intervention: How Corporate Landlord could intervene if roles and responsibilities were not being met.
- Landlord Consent: When and how the School would need to gain permission to make building alterations

The CLA was signed by all Schools, regardless as to whether they opted in to an SLA, to ensure there was a standardised agreed approach to operating and maintaining a building which was understood by both the Council and Schools.

Developed alongside the CLA were new tiered SLAs which were structured to allow Schools greater flexibility in choosing the level of support they required.

- Tier 1 acted as the 'as is' SLA. Whereby the School could access the Council's expertise and the Council would also manage and organise all compliance and repairs and maintenance works at the site.
- Tier 2, ensured the Council would manage, organise and fund all compliance related testing and remedial works at the School, (e.g. initial test of a fire alarm, and repair costs). However, the School would continue to fund all decorative and non-statutory works (e.g. repair to a toilet etc.).
- Tier 3 ensured the Council would also then fund all decorative and non-compliance related works at the site (e.g. including repairs to carpets, toilets etc.), in addition to the compliance items covered as part of Tier 2.

The flexibility offered by the Tiered SLA structure was well received by the Schools despite the significant increase in costs (for example, previous SLA cost around £2,000 but the Tier 2 compliance SLA cost between £10,000 and £20,000). In 2017 the Council had 48 Schools who signed in to the SLA, with 13 opting out. In 2018, there was a marked increase, with many Schools opting for the additional support offered by Tier 2; with 13 Schools opting for Tier 1, 40 for Tier 2, and only 8 opting out.

The success of this project was very much dependant on engagement with schools and designing buy back services that they wanted, not what council officers thought they wanted. It has resulted in a dramatic increase in the SLA income for Corporate Landlord, increasing by over half a million pounds. The Corporate Landlord service can now effectively prioritise and plan maintenance with these budgets, ensuring preventative and cyclical maintenance regimes are put in place. This in turn has vastly improved compliance in schools, generated savings for both the Council and the Schools and enabled the capital budgets to go further and be more productive and finally to make a start on reducing the backlog of maintenance across the estate.

Case study J : Durham County Council (Property)

There are currently 228 maintained schools and 39 academies in the County Durham area.

- Maintained schools buy back council services via an annual SLA
- Academies buy services by means of a more formal contract
- Building compliance services are offered as part of the SLA.
- 100% of maintained schools buy back the council's building compliance service
- 82% of academies buy the council's building compliance service

The council's compliance management team work closely with schools to develop a tailored and comprehensive annual servicing schedule, based on the requirements for the specific plant, equipment and systems fixed within the buildings on each school site.

In-order to improve the quality of the associated maintenance and repair offer, the council has developed an in-house mobile phone app to benefit customers, maintenance staff and operational managers.

The council initially searched the market for a phone app to improve the diary management and appointments system of their repairs and maintenance service. Officers evaluated software used by other local authorities and housing groups, but did not find a product which satisfied their needs or the needs of their service users.

As a result they embarked on the development of a bespoke app. Fundamental in the development was early engagement with potential users and customers to fully understand their needs, incorporate feedback and adapt the system outputs accordingly.

The key learning based on their experience is to:

- embed the idea amongst intended users before development gets fully underway
- adopt a phased approach to development and meticulously plan the roll out
- repeatedly train users with reliable support, and be able to offer ongoing advice and guidance
- offer different training methods such as video demonstrations

The current version of the app provides various functions to support the council's building compliance services team, and the service users. The main functions include:

- diary and appointments management
- customer notifications
- tracking of job details and status
- a dynamic risk assessment
- a materials request feature for operational staff

- details of works progress

Other functions include:

- a help function
- direction finding
- contact information
- job history
- note taking
- the ability to attach documents, photos, personalised dictionary and signature capture

Of particular importance, the app interfaces automatically with back office systems and customer web portals so it is always current.

The introduction and implementation of the app has delivered considerable benefits to users of the repairs and maintenance service and improved the quality of the service provided. Users of the service include maintained schools and academies as well as other corporate service users.

The main benefits achieved to-date includes:

- streamlining of the procurement process resulting in a shorter period between initial attendance on site and satisfactory job completion
- improved time keeping
- improved accuracy of billing and fewer customer queries
- reduced paperwork
- greater transparency

The repairs and maintenance service has also seen tangible improvements in customer satisfaction leading to the generation of higher levels of repeat business, reduced work in progress and lower costs.

Further developments are planned in the next two to three years, to continuously improve the app. This will incorporate automatic updates and the attachment of servicing documentation, operation and maintenance manuals and timesheets for operational staff.

The app has been so successful that the council hopes to be in a position to sell it commercially in the near future.

Footnote

Since completing our research programme we note that the London Borough of Redbridge is planning to set up a new education-services company in a joint venture business between the authority and a separate holding company comprising local schools.

This is a model not dissimilar to the catering model adopted by Plymouth City Council detailed in the case study above.

The London Borough of Redbridge has been exploring alternative delivery models for the work of its 200 full-time-equivalent education services team for well over a year and borough's cabinet has recently committed to a medium-term financial strategy target of saving £735,000 from the service by 2022 through the adoption of a new model.

Redbridge believe the proposed option presents a better opportunity than simply creating a stand-alone company owned solely by the council as in addition to creating a new identity

for Redbridge's traded services, it would allow local schools to take advantage of the Teckal exemption, freeing them from procurement constraints. A recent officer report to Cabinet also stated that the joint-venture model had the "greatest opportunity to protect existing capacity" and "promote the reputation of the council as an ambitious and innovative organisation willing to seek and deliver alternative responses to current local government challenges". The report added that the joint-venture model would protect the most jobs under the three options considered, and increase schools' commitment to buying education services from within the borough, and their engagement in developing the existing offer. It said 42 FTE jobs in education services were anticipated to be at risk if the council adopted a no-change stance on the service against the backdrop of its mid-term financial strategy savings target. The figure was 13 under the JV model.

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APSE Non-members	£40.00

1. Can I please have a full EIA assessment to be shared with all unions.

The Stage 1 relevance assessment template (attached) has been completed and reviewed by the equalities team. It concludes that any decision to withdraw from the provider market has no relevance to equality as the responsibilities for the function do not sit with the Council. This is still to be signed off by Fiona so please feel free to feed in any comments.

1A. As per Unite's response I look forward to the further information requested as a matter of urgency please, I also totally disagree with the idea that the responsibilities for the function do not sit with the council, given that you are the employer of this service which is in the main, low paid female staff, then a significant impact on the council workforce balance will occur when these staffs are potentially TUPE'd from the council. I am requesting that a **FULL STAGE 2 EIA ASSESSMENT** takes place as per the process.

2. The unions where first briefed on the 21st of October given that this decision was not made on that date, in fact the report states the 13th of October, my view this decision was made many months before, given the effect on our members why wasn't the unions involved earlier and I require a timeline of the decision process that led to the report.

No decision has been taken yet, the Executive will not consider the proposal until December.

The budget position for Manchester Fayre was reviewed in September 2020 in line with the normal budget setting process. This identified the likely impact on the meal price for September 2021 in order to generate a balanced budget in line with the requirements of the trading services. A briefing paper around the options was drafted and an initial meeting with the relevant Executive Members and the Leader took place on the 30th September. The financial position was outlined, the forecast implications for the budget over the next two years and the activity data. All of which was subsequently summarised in the briefing note that was circulated to members and the unions.

2A. Noted

3. What have the management team of Manchester Fayre being doing to stop this happening?? i.e. what have they done to attract new schools? Stop schools from leaving.

Manchester Fayre have adopted several different strategies to retain schools, these have included:

- Offering bespoke SLA with competitive charges and fixing the SLA for 2 years rather than the standard 1 year.
- Offering flexible menus to meet the needs of individual schools. These menus still comply with the nutritional standards for school meals and our Food For Life Standards and cater for a range of dietary requirements based on both cultural and medical needs. There isn't a special dietary requirement that we haven't be able to provide.
- More recently we have positioned ourselves as the largest Social Value catering provider of schools meals in the City. Manchester Fayre's (MF) social value model which aims to benefit the customers, clients and those teams that deliver the catering service and is evidenced by the following holistic approach to our catering service delivery: o **Local ingredients, local suppliers, local people.** Great

tasting food starts with quality ingredients and skilled staff to produce appetising and nutritious food. We work closely with our suppliers to ensure that we receive the best produce, championing our 'Food for Life Served Here' award †. We have witnessed at first hand † the passion growers have in producing the excellent quality ingredients MF use to produce meals that children enjoy, with additional benefits of supporting local businesses and local employment.

o **Recruitment, Training & Development of Our Workforce.** Our entry level staff must be Manchester residents and are paid the Manchester Living wage. We invest heavily in developing our workforce to give them the core skills to produce quality, nutritious meals, and offer development opportunities.

o **Beyond the dinner on the plate.** Our contribution to supporting the health of Manchester residents goes beyond the school meal; our social value approach means that we work with pupils and families across Manchester to inspire and promote healthy eating habits. Our free of charge cooking clubs are increasingly popular as are the nutrition workshops designed and delivered by our nutrition team † that engage and inspire positive eating habits. Pupils who may have a challenging home life are incentivised by schools to join in the fun interactive sessions and provides an additional 'carrot' to encourage pupils with completing their schoolwork.

o **Joined up Approach.** We work in collaboration with wider agencies in Manchester to provide a joined-up approach with schools to improve children's health. Recent collaboration with Manchester Healthy Schools team has produced a recipe book featuring recipes designed by pupils at our cooking clubs †. Our support also extends beyond schools by partnering with MMU's Sports Relief campaign to equip youth ex-offenders with skills and experience to prepare and cook healthy meals, and ultimately help them have better life chances.

Manchester Fayre has also won the following awards which have been used to promote the service:- Award	Year
Cost Sector Corporate Social Responsibility	2019
Laca Nan Berger	2018
Education Business Award The Barlow High School	2017
Educatering Secondary School Caterer The Barlow High School	2016
Laca Change4Life	2016

Apse Best Performer Education Caterer	2015 & 2016
Cost Sector Catering PS100 Health & Nutrition	2014 & 2015
Laca Secondary School Catering Team of The Year Manchester Health Academy	2014
Awards for Excellence Making a Difference for Manchester People Claremont Primary School	2014
Northwest Winner School Chef of the Year	2014
Educating Secondary School Catering Team of the Year Manchester Health Academy	2014
Childrens Food Trust Excellence Award	2014
Food Service Catey Award for Innovation	2013

It should however also be noted that schools have chosen to omit Manchester Fayre from the tender process through the use of frameworks that are unavailable to MCC.

3A. I applaud that this service has received awards, which shows the hard work and dedication of our members within the service. But you clearly stated in the meeting that nothing was done to recruit schools to use Manchester Fayre, so was you incorrect in this statement? How was the above pursued with schools, what targeted campaigns have took place since 2018 to increase school take up? Can this be evidence?

The model was focussed on a social value offering at the start of 2018. As part of the savings the capacity to bid for work was removed – as the team had proved to be either unsuccessful or unable to bid for new business. Schools could still approach MF to request service if they wanted / needed to.

4. On your website you say school meals cost £2.60* yet in the report it says £2.30 per meal. why haven't you asked schools for more funding??

The price of £2.60 is an error and we have asked Comms to remove / correct this.

£2.30 is the currently price Manchester Fayre charge to primary schools on the standard SLA.

The actual selling prices of school's meals are determined by the Governing Bodies of each school and they could use the balance of FSM money that they have to support this if they wished to do so.

Schools continually price challenge MF on the services delivered and cost is one of the reasons commonly given for them leaving MF.

There are numerous examples of schools attempting to avoid paying for the services they have actually received from MF.

Any increase in the charges to the schools will either be passed on to parents in the charges made or will result in the service being tendered.

4A. You stated at the meeting that there was so called exit interview/paperwork sought from the schools when they dispensed with the services of Manchester Fayre, you stated that these would be shared with us, can this please be done, because we have been informed that there was a lack of interest from Manchester Fayre to school queries over menu changes, pricing etc.

See 'Lost Schools' summary.

5. Given the usual practice of suppliers to overcharge local authorities, has the procurement process for equipment, food etc. been thoroughly price checked to ensure best value. I would like sight or clarification of this process.

MCC use the AGMA procurement hub to ensure that suppliers provide goods and services that fit a number of different criteria: prices, quality and social value. In addition to these standard criteria MF requires food to meet high standards of animal welfare relating to Food For Life Bronze award, use of local suppliers, a limited number of food additives and ensure the provision of Halal approved meet to feed a culturally diverse population of pupils.

5A. Noted but for clarity the sourcing of purchasing food for the schools and companies owned by Manchester City Council such as Manchester Central Ltd is done exclusively via AGMA?

Unknown – the MF element is procured via AGMA. I do not have the details around how other companies controlled by MCC procure their provisions or if they are eligible to use the contracts.

6. Whilst it would not be my favoured option why hasn't the idea of an arm's length company been set up to allow Manchester Fayre to become more competitive in the market, like One Education, this would stop your staff being offloaded to companies who are currently reducing some of our members hours by 20% or will change their terms and conditions under ETO as soon as the transfer takes place.

There are two fundamental issues with setting up an arms length company.

1. The cost base for the service will not change unless the new company could make significant savings in relation to food supplies (unlikely due to the limited buying power of a standalone company) or staff. This would mean a reduction in T&Cs for new staff employed. The company would also need to procure and pay for services such as payroll, legal advice and finance support. None of these costs are currently incorporated into the MF meal price as they are not being recovered. They would however be a real cost to a standalone company and would need to be paid for through savings in supply or staff costs or an increase in the meal price.

6A (1). Firstly, has consideration been given to joining up with other GM authorities who provide an in-house school meal provision, which would enable the buying power needed? Given that you have stated on numerous occasions that the purchasing power for food supplies is via AGMA, are you saying that the new company would not be able to use AGMA purchasing power, and if the savings can be realised by lowering the cost attached to food supplies, what have MCC done to address this?

Given that you are clearly stating the costs for services such as Payroll etc are not being incorporated into the MF meal price, is this the subsidy that the council is paying, or an addition? In any event I kindly require a full breakdown of the subsidy that the council is paying in relation to Manchester Fayre.

Yes. Consideration has been given to working with other GM authorities. Conversations have taken place recently with two GM authorities. Further conversations are planned with one of these to explore if there is any potential.

The model operated in Manchester is different as the FSM funding has been delegated to the schools. In other authorities this has been retained and is used to part fund / subsidise the provider service.

The support service costs are a subsidy the Council has provided to a varying extent for a number of years. The position for next year is that a direct subsidy of c£600k in addition to the support services will be required.

The MF budget for the current year is attached as a separate document.

2. The company would effectively have no customers to begin with and would need to establish a customer base. It is not possible for the Council to simply pass across the current schools / customers without their consent, as the Council does not procure this service. Schools should run a procurement process to satisfy themselves that they have achieved best value. The new company would be in a very weak position to bid although they would have the advantage of being able to operate outside the Manchester borders.

5A(2). You could ask the schools? And given the long standing arrangements you have with the schools left, you would find yourselves in a preferred position, especially if consideration is given to sharing with other authorities who may be in a similar position to yourselves budget wise. Manchester City Council already own a catering company Manchester Central, what consideration has been given to placing Manchester Fayre in this company to use their relative skill sets/resources etc.

The schools could be asked but it would not change the problem faced around the costs of provision. Schools would also potentially be bound by procurement rules in this case which would require them to test the market.

Manchester Central is an events provider that incorporates event catering – there are no synergies with school catering provision.

There is a significant element of the business undertaken by One Education that is commissioned by MCC which is fundamentally different to this situation.

Can you please clarify that MCC own One Education.

I believe this is a wholly owned company of MCC.

7. Also, in the report you have stated there is staff who are not site specific, there are far more than that such as floating cooks etc, it appears they have been left off, why? And what will happen to them. I appreciate that we discussed this, but can we have a written response please.

All staff are being allocated into roles in the kitchens where they work most frequently to remove ambiguity. The only staff this will not apply to are those detailed in the briefing note.

It is recognised that a TUPE process could challenge the number of staff allocated to each site which will need to be dealt with as it arises. There may be potentially vacancies within both home to school transport and FM that current staff would be interested in exploring as an alternative. There is also a degree of natural turnover within the service that will be used to minimise the number of potential issues that will arise.

Ultimately if there is a legal challenge to a specific TUPE event then the mpeople principles will apply to the staff impacted.

7A. Noted, but we will be clear to our members that fall into this category, that any sudden permanent changes to their workplace will need to follow the right procedures.

8. The 2018 briefing report as mentioned in the meeting.

The options considered are appended to this response.

8A. I note the below report, and comment that highlighted in red below, that the council owns quite a few arm's length companies and I will make enquiries to see what "subsidy's" are being paid to ensure the viability of these companies. And to finish have any of the options below been fully reconsidered given that it was two years ago?

The situation in relation to these options is unchanged and they therefore remain unsuitable as potential solutions.

Appendix - Options Evaluated – 2018

A number of proposed options have been developed which could be used as a way forwards for Manchester Fayre. These options have been risk rated and the advantages and disadvantages highlighted.

Support in the creation of these options has been provided by key internal stakeholders including Finance, Legal and Procurement. This has included all implications of options from an MCC perspective and any future impact upon MCC.

Following a review of the service taking into account the information gathering and research it was concluded that there were five models for delivery of catering services to focus on in more detail during the review. These are broadly described below:-

- **Transfer service to One Education** – MCC would transfer all operational responsibility over to One Education for them to run the service as an arm's length organisation. One Education have limited management capacity, with no catering experience, to take on this role. They provide services to a limited number of schools outside Manchester, a number of which are based in Bradford. The company made a loss in 2016/17 of over £300k but will potentially reach a breakeven position this year. The company also has a significant pensions deficit. The

trading environment is quite difficult with schools at the moment due to the tightening of budgets within the sector.

It is clear that there are few synergies between Manchester Fayre and the core business of One Education. The relative size of the service to transfer compared to the core service would also likely be a concern not least due to the additional resources what would be required from their support services. One Education has limited reserves with which to fund any investments, such as ICT, that would be required in order to grow and develop the service commercially. Without this investment then they would face many of the same challenges that the in-house service has with less ability to manage them. As a result this option has been ruled out.

- **Trading Company** - MCC would create a standalone trading company that would be responsible for full delivery and accountability of the catering service. The trading company would directly manage and deliver the service, employing the staff and owning or leasing any associated equipment. The company would require sufficient governance arrangements to be put in place to ensure sufficient oversight of the business. It is highly unlikely that such an arrangement could be cost effective to simply provide catering services to schools. The opportunity it would present would be the ability to compete for work outside of the Manchester boundary. However, if staff terms and conditions (including pensions) were protected then the company would still have a significant disadvantage in relation to the commercial competition. A viable trading company would require much greater scale and diversity in respect of the service provided to be feasible.

- **In-House delivery (Social Model)** – MCC would carry out the provision in house but with a focus on delivering a social value model. This would reflect the primary aims of providing a high quality, value for money service across the estate to clients whose primary focus is not the commercial value of the catering service within their school and the financial benefit that can be derived from it but the delivery of core values such as supporting food poverty and the retention and development of a low paid, local workforce.
- **Partnership arrangement (Joint Venture - LA)** – agreeing with another Local Authority (or Authorities) to jointly deliver a catering service via a formal legal arrangement. Following initial discussion with AGMA service contacts the group concluded that there are no immediate opportunities for a joint catering service with our geographic neighbours. This is because no ready partner has been identified and it is unlikely there is time available to identify potential partner authorities and to develop a suitable partnership governance framework that is politically, financially and operationally acceptable, let alone then develop the operational model. For this reason, the partnership model was ruled out for further detailed investigation.

An initial conversation has been held with Stockport Solutions regarding what format this could potentially take. The opinion expressed was that the company faced significant challenges already and was likely to be required to identify significant savings in the future. The model employed is not significantly different from the local authority model and would face the same cost base as the current model. MCC would likely lose at least part of the current financial return, have little control over decisions to bid for new business or the pricing levels. There would be no certainty over the long term employment of the staff group or assurances that they would continue to deliver the subsidised services to the small and special schools. On the basis of the conversation with Stockport this option has been ruled out as it appears highly uncertain that this would represent a positive step forward for the service or provide any guarantees over the long term future.

- **Partnership arrangement (Joint Venture - commercial)** - undertaking a procurement exercise to identify a commercial joint venture partner. This would involve identifying an operator to partner with the MCC who would take over the day to day running of the service and bring the required investment in ICT and other support services. This would significantly reduce the level of influence held by MCC over the delivery of the service. It would also significantly reduce the proportion of the net income generated receivable by MCC and most likely remove the requirement of support services from MCC. Reductions within these services would be required to address the budget imbalance that would result. This would also require a lengthy procurement process that would not guarantee finding a willing commercial partner. Given there are no formal contracts with schools (the arrangements can be cancelled by providing three months notice) then MCC cannot

- provide a guarantee of long term future income that bidders are likely to expect. For this reason the commercial joint venture option has been ruled out.
- **Trading Company (Wholly Owned)** MCC would form a wholly owned trading company to deliver catering services. The company would need to buy in, or buy back, all necessary support services. The company would also need to make significant investment in ICT and marketing in order to compete on a commercial basis with the other providers in the market. **These initial investments would need to be funded by MCC, as would the working capital requirement and MCC would also need to underwrite any potential losses that the company made. Effectively, all the liabilities would remain with MCC but the company would have the potential to trade outside of the Manchester boundary and diversify the nature of the services offered.** Due to all these reasons the trading company option has been ruled out.
- **In-House delivery (Commercial Model)** - MCC would position itself to compete on an equal commercial footing with the professional catering market. This option would require significant initial financial investment in terms of both people and technological infrastructure and considerable refocusing of all MCC departments that provide a support to the service including HR, IT, Procurement, Communications & Finance. This option would essentially place MCC into commercial competition with the professional catering marketplace and as such has been discounted for further investigation.

Whilst partnership opportunities are not immediately applicable, the increasing interest in collaboration across the public sector suggests that partnership opportunities may be a possibility for the future. Whichever model is selected for the future, it should be designed in such a way, wherever possible, to allow partnership opportunities to be explored in the future.

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Manchester City Council Report for Resolution

Report to: Executive – 9 December 2020

Subject: Children’s COVID Winter Grant

Report of: The Strategic Director of Children and Education Services

Summary

Manchester has been allocated £2.581m as a COVID winter grant. A minimum of 80% of this grant must be spent on families with children. The grant covers the period from 1 December to 31 March 2021. This paper outlines proposals for this grant funding with the majority being used to support food provision for c43,000 children and young people over the Christmas holidays and February half term holiday.

Recommendations

Executive are asked to:

1. Note the contents of this report and the urgent time frame to provide food provision to Manchester children.
2. To agree that the allocation of the grant would support the following priorities:
 - £1.9m to be allocated to provide supermarket vouchers to be distributed through schools and settings for children and young people eligible for benefit related free school meals and other children in identified groups.
 - Up to £150k to be allocated as a grant to Colleges in Manchester to enable them to develop a scheme for young people who were previously on FSM.
 - £24.5k to be allocated for to support care leavers with food.
 - £264k to be allocated to Early Years/Early Help service to support children and families experiencing poverty.
 - £132k to be allocated to Food Response team for adult only households.
3. To delegate the administration and final allocation of the funds to the Deputy Chief Executive and City Treasurer in consultation with the Director of Children's Services.
4. Note that the decisions proposed in this report have not been on the register of key decisions for 28 days or more and that therefore the special urgency exemption is being relied upon with the consent of the Chair of the Children and Young People Scrutiny Committee.

5. Note that the City Solicitor has advised that the decisions proposed in this report are urgent.
6. Note that the Chair of the Children and Young People Scrutiny Committee has agreed that the decisions proposed in this report are reasonable in all the circumstances and to them being treated as a matter of urgency.
7. Having considered the advice of the City Solicitor that the decisions are urgent, because any delay likely to be caused by the call-in process would seriously prejudice the interests of the residents of Manchester, and therefore are not subject to call-in.

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	Ensuring that families and adults can access provision to meet basic needs will help to keep people in work and support them to access work opportunities.
A highly skilled city: world class and home grown talent sustaining the city's economic success	Children and young people will learn and thrive when their basic needs are met – the allocation of this grant will ensure that children and young people are not hungry over the holiday period.
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	Ensuring the basic needs of children living in low income families are met through support for food over school holidays
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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1.0 INTRODUCTION

- 1.1 On 8th November the government announced that they were making £170m available to Local Authorities as part of a COVID winter grant. The objective of this grant is to provide support to vulnerable households and families with children affected by the pandemic throughout winter period and where alternative assistance is not available. Local Authorities have the flexibility to develop a local approach that best fits this objective. Items covered by this grant include food, energy, water, and other financial support. The grant covers the period from December to end of March 2021.
- 1.2 This grant funding would cover provision of food for children who normally would have access to a free school meal (FSM) during term time during the school holidays including Christmas and February half term in 2021. However, there is no expectation that this should include all children who access FSM and the scheme provides flexibility for Local Authorities to use discretion to identify and support those most in need.
- 1.3 Manchester has now been notified that our grant allocation is £2.581m. At least 80% of a local authority's spend on the grant must be on families with children including pre-school and children up to and including age 19 (on 31st March 2021) - £2,065m of Manchester's grant. Up to 20%, £0.516m can be used on residents without children and this includes young people who are care leavers and those with special educational needs.
- 1.4 This grant is not restricting on how it is provided, and it is up to Local Authorities to determine what works. Local Authorities can proactively identify households who would benefit or request applications for this grant or a combination of both.
- 1.5 In addition to this grant, the government have also announced:
- Expansion of the DFE's Holiday activity and food programme with an addition £200m of grants to Local Authorities to provide for Easter, summer, and Christmas holidays in 2021.
 - Increasing the value of DHSC Healthy Start vouchers for pregnant women and children under 4 from £3.10 to £4.25 from April 2021.

2.0 PROPOSED DELIVERY OF THE COVID WINTER GRANT SCHEME

2.1 Learning from previous local schemes to support Free School Meals (FSM) during holidays

- 2.1.1 Manchester City Council has been at the forefront of the response to the coronavirus pandemic in the City. Over the October half term break, Manchester provided a cash allocation of £15 for any child who is eligible for benefit related free school meals using our Welfare Provision Scheme. The scheme was welcomed by schools and positively received. Families were asked to claim for

this through a link on the Council's website and communication about this was sent out to all schools, front line services, youth providers and voluntary sector. Approximately 28k children were eligible for this payment. To date there have been in the region of 5.8k applicants for this scheme and payments have been made for 6.6k children to a total value of £99k.

- 2.1.2 Learning from this scheme shows that when families are required to apply for this funding they do not always claim and the take up is much lower than those eligible. In addition, it is very labour intensive and costly to administer – over half term 20 staff were required to administer the scheme.
- 2.1.3 This scheme was intended to support emergency provision for the week that children were not in school as there had been ongoing debates with government about dealing with this important issue.
- 2.1.4 There is also some provision via youth services within the 'holiday hunger programme and meals are provided as part of this offer. This scheme has also made some emergency provision based on presenting need of families that they have contact with. However, this is a small part of the children in the city and could not be scaled up as a universal offer.
- 2.1.5 Finally there is also provision via the Council's Covid response hub and many families have received support over recent months although this has not been directly aligned to the school holidays.

2.2 Proposed approach for Christmas holidays and February half term provision of food

- 2.2.1 Between now and March 2021, Manchester has three weeks of school holidays that are in scope for this Winter COVID grant (two weeks at Christmas and one week in Feb).
- 2.2.2 After discussions with the Executive Member for Children and Education Services and SMT members, it was determined that the first priority should be to make provision for this three-week period to ensure that families of children attending Manchester schools who normally access a benefit related free school meal and other disadvantaged families, access support to cover the cost of food. This cohort would include a wider cohort who currently cannot access FSM (under 5s and over 16s) as well as capturing other low income and vulnerable households.
- 2.2.3 The preferred option was to purchase a range of supermarket vouchers to distribute to families through schools. Although it is acknowledged that there are many benefits to making a cash payment to families, previous experience has shown that this is resource intensive to set up and more expensive to administer. In addition, by purchasing the vouchers centrally, the Council would be able to lever some additional social value from supermarkets with a strong reach across the City.

2.2.4 As a result, the Council has gone out to the main supermarkets in the City with an ask for approximately 34k food vouchers worth £15 to the value of £1.6m to cover Christmas holidays (2 weeks) and February half term (1 week).

2.2.5 Schools and settings will identify the children and young people and distribute supermarket vouchers. In addition, they will have the option of sourcing their own vouchers if they already have links with local supermarkets or shops. This approach which will enable the Council to maximise reach but which will also be less resource intensive, minimise administration costs and ensure that as much of this grant as possible goes directly to our families. Many supermarkets have also agreed an uplift in vouchers which will enable more families to benefit from this scheme without using additional grant.

2.2.6 Internal Audit are developing guidance which will assist schools to develop an auditable process for storing and distributing the vouchers. Support for the safe distribution of vouchers to schools has been agreed with Mitie as part of their social value contribution.

2.3 Timeline for Delivery of the Scheme

2.3.1 Timescales are tight for this process to meet the deadline for the holiday period.

- The invitation to supermarkets has gone out and will close on 30th November.
- Decisions made by 1st December.
- Schools to request which vouchers they want and confirm eligible numbers by 4th December.
- Vouchers received and distributed to schools by 14th December
- Schools distribute between 14th - 18th December.

2.4 Children eligible for a voucher

2.4.1 Although it has been made clear by the DWP that this is not necessarily funding for provision of FSM over school holidays, this is how it has been promoted by the media and there are therefore expectations about this from families. In addition, families who access FSM have already been through an assessment to determine eligibility and there is also clarity and understanding by all about who these children are. It therefore makes sense that children eligible for benefit related FSM are the starting point for access to provision over the school holidays. Based on October census this is approximately 32.4k children and young people. Families eligible for free school meals is 37% of the cohort and has increased by 2k since the outbreak of the pandemic. Due to the economic impact of the pandemic, it is estimated that there will be a further increase in the number of children eligible for the grant between now and the end of March and contingency has been set aside for this increase.

2.4.2 There are children who currently do not access FSM who will also be considered.

These are:

- Children of families that are classed as no recourse to public funds
- Young people in year 12/13 provision whose family meet the criteria for FSM or they accessed FSM when under 16.
- Children in vulnerable families known to the school who are outside of the scope of FSM but where it is identified through an early help assessment that they require support during the school holidays.
- Children under 5 in early years whose family meet the criteria for FSM and may be vulnerable during the closure of provision (including EY settings), this includes:
 - Any two-year old's eligible for funded Early Years places
 - Nursery and reception (non-statutory) pupils in school that the school has identified as FSM
 - Any nursery age child in a setting that was previously a funded two-year-old
 - Any under two that has involvement with a statutory service e.g., known to social care.

It is estimated that 7k children in the Early Years fall into these categories in addition to the 32.4k children in our schools.

2.5 Greater Manchester Agreement

2.5.1 By using schools as the main vehicle for distribution we need a reciprocal agreement across GM that schools will provide for all of their FSM children on roll regardless of where the children/young people live. It looks as if most GM authorities will look to provide for all FSM children and distribute through schools (apart from Wigan) and all have in principle agreed to this reciprocal arrangement.

2.6 Colleges

2.6.1 The above scheme does not include young people over 16 attending the 4 colleges in the City and there will need to be provision made for these young people. Three of these colleges cover a wide GM and beyond footprint and it would therefore not be appropriate or affordable to offer the same voucher scheme. It is therefore proposed that the colleges access funding to enable them to develop their own scheme which is the same for all students regardless of where they live and that the funding is based on approximately 37% of their Manchester cohort (who will have likely been eligible for FSM when under 16). This will cost approximately up to 150k and will be awarded as a grant to each college.

2.7 Care Leavers

- 2.7.1 In addition, there are 544 care leavers/young people who currently reside supported accommodation and would not access support for food through colleges. It is proposed that these young people are provided with a supermarket voucher through the Leaving Care Service. It is estimated this would cost £24k to cover Christmas and half term.

2.8 Early Years/Early Help

- 2.8.1 Early Years Sure Start Children's Centre have supported 5,214 families to access a food club in partnership with Food share, who have located food clubs within the children's centres. Early Years and Early help services are well placed in the locality to respond to need and will coordinate an offer for families not covered by the voucher scheme or who may have basic needs over the winter period including paying for fuel and utilities. All families who require support to alleviate hardship will have a strength-based conversation captured in an early help assessment and will link in with a range of partners and community groups to ensure families receive timely and effective support. It is estimated that £227k to support this response.

2.9 Food Response Team

- 2.9.1 The team has continued to support residents in need across the City since its establishment in direct response to COVID-19 in March 2020. Over the summer the team's approach has evolved based on ongoing learning and intelligence gained through its delivery. This means that the service is continually evolving to meet residents, maximise community involvement and minimise cost to the council.
- 2.9.2 The Food response continues to support people with either a clinical or financial vulnerability. People do not need to be directly affected by COVID-19 at the time they access support.
- 2.9.3 Food response can provide residents with access to a range of food support ranging from priority supermarket slots where they choose and pay for their shopping, to access to emergency crisis food provision at no cost to the recipient.
- 2.9.4 Therefore, the food response provided is determined by the individual circumstances of each household. Resident need is determined via a follow up call from the specialist food response call handlers which allows us to facilitate a more holistic support package.
- 2.9.5 Food support is designed to be a short-term solution, put in place while a resident is referred or stepped down to a more sustainable mainstream support offer. It is important to note that if demand increases and cannot be met through VCS

(Voluntary Community Sector) supply then the Food Response team will be required to fill the unmet provision gap.

2.9.6 The rationale for the Food response approach is as follows:

- Pre-Covid many of the City's poorest residents relied on food banks and /or affordable community food provision. Covid has exacerbated the situation for those residents given the economic, as well as the health fall out from Covid, this will continue.
- The Food Response means that there is a co-ordinated approach across the City (with certain quality thresholds and ways of working), which can be scaled up and down according to need and incorporates a more rigorous assessment ensuring that households are matched to the best offer that they can afford in the short & long-term.
- The Food Response also provides access to other support to help limit a reliance on food support in the long term. This includes
 - Local Welfare Provision
 - Citizens Advice
 - Be Well
 - Digital Inclusion provision
 - Neighbourhood Teams
 - Adult Social Care

2.9.7 It is proposed that £132,488 is added to this scheme from the Winter COVID grant to support this response over the winter period including Christmas. It would be envisaged that pathways with the Local Welfare provision team would be strengthened to ensure that Food and Fuel support could be accessed in tandem where appropriate.

3.0 COVID WINTER GRANT CONDITIONS AND ESTIMATED SPEND

3.1 Grant conditions are:

- At least 80% of a local authority's spend on the grant must be on families with children including pre-school and children up to and including age 19 (on 31st March 2021) - **£2,065m** of Manchester's grant.
- Up to 20%, **£0.516m** can be used on residents without children and this includes young people who are care leavers and those with special educational needs.
- It is a ring-fenced grant
- Unspent grant at end of March 2021 will need to be returned to DWP

3.2 The grant is paid in instalments - proposing 50% upfront in December, then 25% end of Feb based on spending and final payment when they get the final MI end of April early May.

3.3 Table one sets out estimated spend against identified cohorts. As stated earlier in the report Free Schools Meals eligibility has increase by 2k since January census. Given the impact of the pandemic it is likely that schools will identify additional children that become eligible for free school meals between now and before the end of the scheme, March 2021. Some of this increase may be met through the uplift in vouchers provided by the supermarkets. However, the table below sets out that £310k has also been earmarked for this growth. There is also £132k yet to be allocated which together with any unused contingency will be used to support with other basic needs such as fuel and utilities where need is identified.

Table one: Estimated Spend

Target Groups	Cohort	£	Xmas	Spring Half Term
FSM Schools	32,461	1,460,745	973,830	486,915
Early Years PVI	727	32,715	21,810	10,905
2 Year Olds	2,475	111,375	74,250	37,125
Colleges	3,334	150,030	100,020	50,010
Potential Growth in Vulnerable Groups	6,895	310,269	206,846	103,423
Sub-total 80% grant requirement to be spent 2-19 year old		2,065,134	1,376,756	688,378
Leaving Care	544	24,480	16,320	8,160
Food Response Team		132,488	yet to be determined	
Early Years /Early Help		227,315	yet to be determined	
Contingency/Yet to be allocated		132,000		
Sub-total 20% grant requirement		516,283		
Total		2,581,417		

4.0 CONCLUSION

Officers have worked at pace to develop a scheme which will ensure that financial support in the form of supermarket vouchers will be in place over the

Christmas break for approximately 43,000 children and young people. This covers those eligible for benefit related free school meals as well as targeted groups under 5, over 16 attending colleges in the City, children in families with no recourse to public funds, asylum seekers and refugee children and care leavers not covered by the college schemes. This is an ambitious scheme but by procuring a significant amount of vouchers centrally, the local authority has managed to secure an uplift in vouchers from supermarkets which will support the increased numbers of children who require this support. This is important within the context of the significant increase in children eligible for free school meals indicated by the October 2020 census and the expected continued increase in this cohort. To ensure that there is sufficient provision available for children and young people meeting the same criteria at February half term if demand continues to increase, there has also been a contingency set aside.

The grant also includes additional provision for the food response team over the winter period and has £132k unallocated plus any unused contingency which will be considered after the Christmas break, once the vouchers have been distributed but could be used to support other pressures for families over winter such as fuel and utility bills.

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Key Decision



**MANCHESTER
CITY COUNCIL**

Urgent Key Decision

Request to a scrutiny chair that an urgent key decision be made without being published in the Register of Key Decisions, and/or that key decision be exempt from call in for scrutiny.

Decision maker	The Executive
What is the decision?	<p>Manchester has been allocated £2.581m in November a COVID winter grant. A minimum of 80% of this grant must be spent on families with children. The grant covers the period from 1st December to 31st March 2021. This will be used to provide support with food, energy, essential items for c43,000 children and young people over the Christmas holidays and February half term holiday.</p> <p>The allocation of the grant would support the following priorities</p> <ul style="list-style-type: none"> • £1.9m to be allocated to provide supermarket vouchers to be distributed through schools and settings for children and young people eligible for benefit related free school meals and other children in identified groups. • Up to £150k to be allocated as a grant to Colleges in Manchester to enable them to develop a scheme for young people who were previously on FSM. • £24.5k to be allocated for to support care leavers with food. • £264k to be allocated to Early Years/Early Help service • £132k to be allocated to Food Response team for adult only households. <p>To delegate the administration and final allocation of the funds to the Deputy Chief Executive and City Treasurer in consultation with the Director of Children's Services.</p>
<p>List Non-confidential reports</p> <p>Reports to be considered that can be made available to the public</p>	Children's Covid Winter Plan
<p>List Confidential reports</p> <p>Reports to be considered which contain confidential or exempt information</p>	N/A

Reason for confidentiality	N/A	
Intended date of decision	9 December 2020	
Officer contact details For any further information	<p>Amanda Corcoran Director Education amanda.corcoran@manchester.gov.uk</p> <p>Paul Marshall Strategic Director Children and Education Services paul.marshall@manchester.gov.uk</p>	
Has the decision been published in the Register of Key Decisions?	Yes / No	
Reasons for special urgency Explain why it cannot be published in the Register of Key Decisions with 28 days notice.	<p>The Council were only formally notified of the grant allocation on 10/11/20 and full guidance on this was published on 25/11/20. An urgent decision is required due to the tight timescales to meet the ambition of providing support over Christmas break for c41,000 children and young people who would normally access food at school/setting or college during term time. This will involve the commissioning and procurement of a significant number of food vouchers from key supermarkets to provide a reach across the city. The timescale from procurement to distribution which will be via schools is exceptionally tight in order to reach vulnerable families by end of school term (18/12/20).</p>	
Is exemption from call-in for scrutiny needed?	Yes	
Explain how any delay will seriously prejudice the legal or financial position of the Council	A delay will compromise the Council's legal position by not meeting the expectations in the grant conditions and not support vulnerable families. This may lead to a surplus which would be returned to central government.	
Scrutiny Chair who has agreed the decision is reasonable and urgent	Name	Cllr Bernard Stone (Chair of Children and Young Peoples Scrutiny Committee)
	Signed	<i>Signature redacted for publication purposes</i>
	Date	2 December 2020
Request prepared by:	Paul Marshall, Strategic Director Children and Education Services	