



Executive

Date: Wednesday, 2 June 2021

Time: 2.00 pm

Venue: Council Chamber, Level 2, Town Hall Extension

This is a supplementary agenda containing additional information about the business of the meeting that was not available when the agenda was published.

Access to the Public Gallery

Access to the Public Gallery is on Level 3 of the Town Hall Extension, using the lift or stairs in the lobby of the Mount Street entrance to the Extension. There is no public access from any other entrance.

Filming and broadcast of the meeting

Meetings of the Executive are 'webcast'. These meetings are filmed and broadcast live on the Internet. If you attend this meeting you should be aware that you might be filmed and included in that transmission.

Membership of the Executive

Councillors

Leese (Chair), Akbar, Bridges, Craig, Midgley, Rawlins, Rahman and White

Membership of the Consultative Panel

Councillors

Karney, M Sharif Mahamed, Ilyas and Taylor

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.

Supplementary Agenda

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|--|------------------------------|
| 5. Revenue Outturn Report 2020/21
Report of the Deputy Chief Executive and City Treasurer attached | All Wards
3 - 32 |
| 7. Health and Social Care S75
Joint report of the Deputy Chief Executive and City Treasurer, Executive Director Adult Social Services and City Solicitor attached | All Wards
33 - 80 |
| 8. Exclusion of the Public
The officers consider that the following item or items contains exempt information as provided for in the Local Government Access to Information Act and that the public interest in maintaining the exemption outweighs the public interest in disclosing the information. The Executive is recommended to agree the necessary resolutions excluding the public from the meeting during consideration of these items. At the time this agenda is published no representations have been made that this part of the meeting should be open to the public. | |
| 9. Civic Quarter Heat Network Business Case
Report of the Deputy Chief Executive and City Treasurer attached | Deansgate
81 - 132 |

Further Information

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

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This supplementary agenda was issued on 28 May 2021 by the Governance and Scrutiny Support Unit, Manchester City Council, Level 3, Town Hall Extension (Lloyd Street Elevation), Manchester M60 2LA

**Manchester City Council
Report for Resolution**

Report to: Executive – 2 June 2021

Subject: Revenue Outturn Report 2020/21

Report of: Deputy Chief Executive and City Treasurer

Summary

The report sets out the final outturn position for the Council's revenue budget in 2020/21. It also highlights the movements from the previous forecast for the year, which was reported to the Executive in February 2021, based on the position as at the end of December 2020.

Recommendations

The Executive is recommended to:

1. Note the outturn position for 2020/21 as set out in the report and summarised in Table One at paragraph 7.
 2. Approve the following within the Adult Social Care budget:
 - a. transfers of £4.166m and £489k to the corporately held Adult Social Care reserve as outlined in paragraph 36.
 - b. transfer of £9.2m to the Integration reserve which is within the S75 pooled budget arrangements, as outlined in paragraph 52.
 3. Note the Housing Revenue Account position for 2020/21 as outlined in paragraphs 73 to 75.
 4. Note the overall General Fund position for 2020/21 as outlined in paragraphs 79 to 81.
 5. Approve the use of grants in addition to that already planned, as detailed in paragraph 82.
 6. Approve the carry forward requests totalling £1.470m listed in Appendix 1.
 7. Note the allocation of COVID-19 funding received by the Council in 2020/21, as outlined in Appendix 2.
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Wards Affected: None directly

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

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

Manchester Strategy outcomes	Summary of the contribution to the strategy
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities.	The effective use of resources underpins the Council's activities in support of its strategic priorities.
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

There is an underspend at the end of the financial year which will increase General Fund reserve. Where required, provision has been made for known liabilities. Reserves are considered to be at a reasonable level to underwrite potential future costs and risks. If all recommendations are approved, the Deputy Chief Executive and City Treasurer is of the opinion that the Council was in a robust financial position at the end of March 2021.

Financial Consequences – Capital

There are no consequences for the capital budget.

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Background documents (available for public inspection):

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

Executive 12th February 2020 The Revenue Budget 2020/21

Executive - 14 October 2020 P5 Revenue Budget Monitoring 2020/21 and Budget Position 2021/22

Executive 11 November 2020 Report to update on the Council's MTFP focusing on the financial position and strategy from 2021/22

Executive 9 December 2020 P7 Revenue budget monitoring 2020/21

Executive 17 February 2021 P9 Revenue budget monitoring 2021/22

Introduction

1. This report provides a summary of the revenue outturn position for 2020/21 which includes the considerable financial impact of the COVID-19 pandemic on costs and resources.
2. The report includes the following Appendices:
 - Appendix 1 Carry forward requests
 - Appendix 2 Central Government COVID-19 Funding Announcements

Overview of Outturn Position 2020/21

3. As reported at Period 9 (P9), and in 2021/22 budget setting, the COVID-19 emergency funding received (Tranches 1 to 4) alongside budget mitigations has enabled an element of the planned use of airport reserve to be deferred into future years. The intention being to deliver a balanced budget for 2020/21 and support future years position. This recognises that COVID-19 will have an impact on the City Council finances after the government covid funding ends. At P9 the airport reserve slippage was estimated at £35.227m.
4. The outturn position has improved by £3.854m since P9, as shown in table one. This relates to an improvement of £2.401m in Adult Social Care, an increased claim on Sales, Fees and Charges compensation of £2.222m partly offset by a number of variations elsewhere, which net to £0.769m adverse.
5. The position includes COVID-19 pressures of £55.9m this financial year as well as confirmed government COVID-19 funding and mitigation through the Council's share of the sales, fees and charges funding.
6. Carry forward requests totalling £1.470m have been received for consideration, these are listed at Appendix 1 for consideration.
7. The following table summarises the outturn for 2020/21 by service, the paragraphs which follow outline the main reasons for the variations to budget and the changes from the previous forecast reported to the Executive in February 2021, which was based on the position to the end of December 2020.

Table One: Overview of Outturn Position 2020/21

	Revised Budget	Outturn	Total Variance	Movement from last Exec (P9)
	£000	£000	£000	£000
Total Available Resources	(871,147)	(859,499)	11,648	(1,150)
Total Corporate Budgets	257,395	253,580	(3,815)	(288)
Children's Services	135,666	133,911	(1,755)	(400)
Adult Social Care	235,234	239,298	4,064	(2,401)
Homelessness	17,777	25,200	7,423	1,040
Corporate Core	97,534	101,754	4,220	(198)
Neighbourhoods	114,714	127,919	13,205	1,597
Growth and Development	12,827	15,960	3,133	168
Total Directorate Budgets	613,752	644,042	30,290	(194)
Total Use of Resources	871,147	897,622	26,475	(482)
Total forecast over / (under) spend	0	38,123	38,123	(1,632)
COVID 19 Government grant income (tranche 1 to 4) - Confirmed			(64,782)	0
COVID-19 Sales Fees and Charges grant Income - Forecast			(12,422)	(2,222)
Reprofile the use of reserves			35,227	0
Net forecast over / (under) spend			(3,854)	(3,854)

Memo: Breakdown of variance		
COVID	Other over / under spend	Total Variance
£000	£000	£000
14,910	(3,262)	11,648
0	(3,815)	(3,815)
1,033	(2,788)	(1,755)
8,262	(4,198)	4,064
5,153	2,270	7,423
5,620	(1,400)	4,220
16,177	(2,972)	13,205
4,793	(1,660)	3,133
41,038	(10,748)	30,290
41,038	(14,563)	26,475
55,948	(17,825)	38,123
(64,782)		(64,782)
(12,422)		(12,422)
35,227		35,227
13,971	(17,825)	(3,854)

Overview of COVID-19 Financial impact

8. Dealing with the immediate impact of COVID-19 has resulted in major spending pressures, particularly in social care and homelessness, alongside significant income reductions. There are also additional costs arising from functions such as providing the community hub and services for shielding residents as well as sourcing and supplying personal protective equipment (PPE).
9. The final COVID-19 return for 2020/21 was submitted on 30 April 2021. This showed the financial cost of COVID-19 to the Council in 2020/21 was £162.2m of which £21m relates to additional expenditure and £141.2m to loss of income.

Table Two: COVID-19 Forecast Financial Impact

	COVID-19 Financial impact
	£000
Forecast Cost Pressures	20,955
Forecast Income Shortfalls	141,232
Total	162,187

10. The financial impact of COVID-19 during 2020/21 will fall over a number of years due to the following factors:
 - Any surplus or deficit on the Collection Fund (which covers both business rates and council tax income) is usually reflected in the year following that in which the income is due. Note the government has mandated that any 2020/21 irrecoverable deficit is smoothed over 3 years 2021/22 to 2023/24.
 - The Council has an airport dividend reserve which means that a significant proportion of the income (£56m) is budgeted to be used a year in arrears.
 - The budget shortfall has been adjusted for bus lane and parking lane enforcement income as this affects the level of the available reserve to fund future commitments.
11. This has resulted in the financial effect of COVID-19 for 2020/21 of £55.9m and 2021/22 of £143.2m as per table three below. This also includes further financial pressures into 2021/22 from anticipated continuing income losses (council tax, business rates, dividend, fees and charges) and further costs in 2021/22, particularly in adult social care and homelessness.

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

	2019/20 £000	2020/21 £000	2021/22 £000
Additional Costs (MCC only)	389	20,955	24,906
Income:			
Loss of Income (MCC only)		141,232	111,546
Adjustment for element of airport dividend not budgeted to use in year		(55,809)	(8,729)
2020/21 Council Tax and Business Rates shortfalls impact a year in arrears		(41,449)	13,816
2020/21 Council Tax shortfall relating to 2019/20 deficit impact a year in arrears*		(3,072)	3,072
Bus Lane and Parking Income - impact on reserves capacity		(5,909)	(1,430)
Budget impact of lost income	0	34,993	118,275
Total Costs and Net income losses	389	55,948	143,181

*This element of the deficit is not eligible to be spread as it relates to an increase in the 2019/20 bad debt provision

Summary of outturn position by directorate

12. The following section details the overall variances from revised budget, including COVID –19 related pressures, savings, mitigations and other changes. The position reflects the need to increase accounting provisions for bad debt in several areas, linked to the economic impact if the pandemic.

Resources (budget £871.147m, shortfall £11.648m)

13. The Council is responsible for the collection of local taxes (Council Tax and Business Rates). At the end of March 2021, 92.15% of Council Tax had been collected, 2.58% behind the position reported at the end of 2019/20. 87.91% of Business Rates had been collected which is 9.67% behind 2019/20.
14. Council Tax and Business Rates relating to 2020/21 will continue to be collected and the ultimate collection rate will be higher. It should be noted that local taxation income included in 2020/21 for these areas is fixed. Variances will impact in future years and forecast deficits have been built into the budget position.
15. The total available resources position represents a shortfall of £11.648m. This is mainly due to a £14.910m loss in dividend income from the Manchester Airport Group due to the impact of COVID restrictions. The dividend loss is partly offset by increased income as follows:
- an increase of £1.018m on the retained business rates budget due to the

- late announcement of notional Public Health allocations for 2020/21,
- a £0.706m increase on other specific grants and New Burdens funding
- £1.538m fortuitous income from rents on council properties and rental income from the Arndale Centre and Manchester Central.

16. The movement of £1.150m from Period 9 relates to the better than expected income from the Arndale Centre and Manchester Central.

Corporate Budgets (budget £257.395m, underspend £3.815m)

17. The total corporate budgets position is an underspend of £3.815m. This is made up of £2.425m underspend on budgets to be allocated including the pension contribution reduction, utility savings and delay to investments, £0.860m released from the contingency budget as not required and £0.53m underspend on historical pension costs. The movement from Period 9 is mainly due to a further £300k of Contingency budget release.

Children's Services (budget £135.666m, underspend £1.755m)

18. A key priority for the Council is to increase the effectiveness of services to improve outcomes for children and young people. This is delivered through effective leadership and management at a locality level and programmes of activity with key partners, adopting a targeted and systematic approach to improved standards of practice; early help and prevention, effective commissioning and market management and maximising efficiencies where appropriate in service delivery.
19. The £1.755m underspend for Children's Services is 1.3% of the £135.666m budget and indicates early achievement of some of the 2021/22 savings. The underspend has improved by £0.4m since December 2020 relating to reduced placement and looked after children associated costs. The outturn position includes £1.033m spend and income loss due to the pandemic.
20. The main variances on the Children's Services budget are summarised in the following paragraphs.
21. **Our Children placements (budget £47.8m, underspend £0.473m)** - The position reflects the progress that has been made through joint commissioning of specialist provision for children. The budget includes a contribution of £3.4m from Manchester Health and Care Commissioning (MHCC) towards the cost of these placements. There are regular resource tracking and monitoring multi-agency panels to ensure the level of accommodation and cost continues to be appropriate for the young person's needs. This has contributed to the underspend of £0.473m, which is a favourable movement of £0.894m since the last report.
22. **Permanence and Leaving Care placements (budget £18.345m, underspend £2.427m)** – The service has performed well in the discharge from care and avoidance of children coming into care through increasing the use of permanent Special Guardianship Orders with numbers increasing by 13 to 605 since the last report. Adoption Allowances and Child Arrangement

Orders have recently been reviewed and as a result have reduced by 14 to 163. Home Office grant for Unaccompanied Asylum-Seeking Children (UASC) has increased due to a change in the amount that can be claimed per child.

23. **Children’s Safeguarding Service Areas (budget £43.805m, underspend £0.768m)** - This includes a £1.498m underspend mainly relating to social work teams vacancies and regional adoption agency reduction in the expected cost of the commission. The underspends are partly offset by overspends in legal costs and early years totalling £0.730m. The Early years overspends relate to loss of income from Children’s Centres rent.
24. There has been an adverse movement of £353k since December 2020 mainly due to greater than expected use of external legal services.
25. **Children’s Strategic Management and Business Support (budget £4.785m, overspend £31k)** - This overspend relates to staffing.
26. **Education Services (budget £20.931m, overspend £1.882m)** - This budget includes Short Breaks and Education Psychology. The overspend relates to:
 - Education Service areas £311k overspend mainly due to Statutory assessment cost. Demand for Education, Health and Care plans has increased by 4% in 2020/21.
 - One-off revenue contribution to works outdoor education provision at Ghyll Head and School Organisation and Quality overspend totalling £431k following additional provision of support from the Contact Service and school improvement costs.
 - Special Education Needs Transport which provides home to school and home to further education settings for children and young people in education with Education Health and Care Plans (EHCPs) is overspent by £383k relating to the cost of transport for children with Special Education Needs and Disabilities (SEND).
27. The position on Education budgets has had an adverse movement by £392k since the last report due to a reduced grant allocation to this area.
28. The service has reviewed its ‘front door’ arrangement (through which children access the service) to strengthen the response to identify children in need of help/protection and the ‘multi-agency response’ between our partners. The impact is being closely monitored. Due to COVID-19 and lockdown measures demand for services in 2020/21 has been affected. Evidence of pent-up demand is now being seen, the early help hubs are seeing an increase in requests for a targeted offer of intervention and requests for support which appear to being driven by hardship, intrafamilial relationships and incidents of domestic abuse. The Social Work Teams are now receiving requests for social work intervention that compare to ‘pre-COVID-19’ levels. Demand for Children’s Services may increase as there are multiple factors influencing demand and activity for Children’s Services such as deprivation, domestic abuse, substance misuse and adult mental health have been heightened due to the pandemic.

Dedicated Schools Grant (budget £321m, overspend £2.257m)

29. Dedicated Schools Grant (DSG) in 2020/21 totalled £560m, of which £239m was top sliced by the Department for Education for academy school budgets. DSG has overspent by £2.257m due to an increased spend in relation to children with special educational needs and need support in a special school or additional support in mainstream school settings. These costs are funded through the high needs part of the DSG budgets (High Needs Block). The DSG overspend previously reported has reduced by £1.219m. This change is due high needs block's termly special schools adjustments spend and out of city placements costs and early years spend for the spring term was lower than previously forecast.
30. In the Council's school funding settlement for 2021/22 there is an additional grant of £11.5m in the high needs block of the DSG to support children and young people with high levels of need. Based on the expected growth in demand for special school places and education, health, and care plans it is anticipated that half of the current years overspend can be set against next year's grant with the rest of the deficit being recovered by the end of 2022/23.

Adult Services (budget £235.234m, overspend £4.064m)

31. The final outturn position is an overspend of £4.064m, an improvement of £2.401m since the previous forecast as at the end of December. The breakdown of the overspend is split between £4.135m on the areas of social care within the Manchester Health and Care Commissioning (MHCC) Pooled Budget, offset by a £71k underspend for Adult Social Care services outside of the pool. The overspend represents 1.73% of the £235.234m budget. The MHCC Pooled Budget for both health and social care is £1.196bn. The Clinical Commissioning Group (CCG) (health) element of the pooled budget was balanced for 2020/21.
32. The £4.135m overspend on the MHCC Pooled budget relates in the main to the following areas:
- In-house Learning Disability Supported Accommodation overspend of £2.442m from ongoing and rising needs for care and support;
 - Older Peoples care budgets of £5.047m from additional COVID-19 costs;
 - Offset by underspends from the delayed opening of new extra care schemes of £1.070m;
 - And offset by underspends on Reablement, Day Care, Short Breaks, Population Health and other minor variations which total £2.284m.
33. The major variances are explained in the following paragraphs.
34. **In-house Learning Disability Supported Accommodation budget (LDSA), (Budget £13.404m, overspend £2.422m)** - The overall overspend is due to delayed recruitment resulting in additional agency spend to support the rising needs of residents within the service and the need to maintain a stable workforce throughout the COVID-19 pandemic. The stable workforce ensured

risk to the clients and their support staff was minimised by minimising the number of staff they had contact with. The increase in the overspend of £0.589m from the last reported position is due to the creation of a reserve for the costs of essential fire safety requirements in the coming months. This work was delayed in 2020/21 due to access to the buildings being restricted apart from any essential needs of the residents.

35. There has been a net increase of 24 clients in LD supported accommodation this year which is indicative of increased cooperation across the wider system to place clients with the In-house service. In light of this a further review of the LDSA budget will be undertaken at the start of 2021/22.
36. **Residential and Nursing (Budget £19.635m, overspend £5.994m)** - This relates to adjustments for COVID-19 pressures, reflecting c200 clients who have been discharged from hospital and whose costs have been paid throughout 2020/21 by Health partners. These clients are yet to have a full care act assessment to ensure the most appropriate level of care in 2021/22. It is not yet known how many additional clients will require social care support. Therefore, the balance of anticipated spend not yet committed of £4.166m has been transferred to the corporately held adult social care reserve. This can be allocated once the full extent of the on-going financial cost of these clients is established, when they complete the assessment process. In the event any balance remains this can be utilised extend the life of the Adult Social Care reserve where spend is due to be mainstreamed in 2022/23 or support the Council's budget process. In addition, a £489k unallocated budget for National Living Wage has been carried forwards in the Adult social care reserve to support and sustain the care market post pandemic, as providers adjust to new requirements.
37. Numbers of residential and nursing care placements for those aged 65+ who have not been discharged from hospital are 199 lower than 12 months ago and reflect the impact of the pandemic on this service area. The reduction in clients has resulted in reduced income levels and uncertainty regarding the numbers who will transfer back from health partners. It has been necessary to include an increase into the bad debts provision of £0.900m. Looking ahead to 2021/22, the 'Better Outcomes, Better Lives' programme will be seeking to place fewer clients in residential and nursing care through the provision of enhanced homecare packages. As the lockdown starts to ease it is expected that the numbers placed in care will start to increase and the estimated full year effect of that has been budgeted for in the 2021/22 budget process.
38. **Homecare (Budget £12.809m, underspend £477k)** The underlying underspend is £1.347m, partly offset by £0.870m COVID-19 related spend. The original 2020/21 budget included an assumption that homecare hours would increase. The impact of COVID-19 has meant the increase did not materialise as anticipated. During the year, the number of hours commissioned each week has fluctuated as referrals into the service from the wider community and hospital discharges have both been affected by COVID-19. However the number of hours commissioned in March 2021 was 30,842 hours per week which is higher than the position at March 2020 by 1,265

hours.

39. Strengthening of contractual arrangements and refinement of the 'control room' to speed up hospital discharges should ensure the service is well placed to accept the potential of significant new referrals into the service in 2021/22. The development of the 'Better Outcomes, Better Lives' work is expected to lead to reductions in homecare packages in 2021/22 as a more enhanced service offer is implemented. Savings of £0.635m are expected as expansion of the Reablement service continues and the utilisation of additional Technology Enabled Care (TEC) is embedded.
40. **Learning Disability Services (Budget £55.299m, underspend of £47k)** - The externally commissioned services underspent by £47k which includes £372k of specific Covid-19 costs. This is an improvement of £290k from period 9 and reflects further reductions in client numbers across the service. The most significant reduction is in supported accommodation placements which started the year at 354 and have reduced to 310 as at 31 March 2021. This reduction in placements needs to be considered alongside the increase in the in-house supported accommodation placements and it may be necessary to consider realignment of these budgets in 2021/22.
41. **Mental Health services (Budget £29.054m, overspend £277k)** - The budget for Mental Health services overspent by £277k which is an increase of £93k since the last report. The number of clients placed with the service has fluctuated across the year and reflects the widely reported pressures on mental health services across the country due to COVID-19. The final year end position is a net increase of 6 clients in supported accommodation, (movement from 263 to 269), however the peak during the year was 282 and it is presumed that this fluctuation will continue through 2021/22. The number of mental health residential and nursing placements has reduced by 20 across the year, with 19 of those being placements for those aged 65 and over.
42. **Social worker establishment - INT and hospital teams (Budget £6.856m, overspend £165k)**. There was an overspend on the social worker staffing budgets of £165k. This reflects the extending of the interim agency placements to support the service to carry out safe assessments during the pandemic.
43. **Reablement Service (Budget £5.361m, underspend £1.531m)**. The Reablement Service underspent due to a delay in recruiting and training staff across the year and the redeployment of staff to support a care home in financial difficulties. Recruitment to vacant posts will be critical in 2021/22 if the service is to support reductions in care packages.
44. **MLCO Commissioning budgets for extra care and sheltered housing (Budget £4.277m, underspend £1.209m)** - COVID-19 has had a negative impact on delivery of planned extra care schemes. This underspend is an increase of £299k since December and reflects a delay in the new scheme at Brunswick only becoming fully operational in March rather than the expected January completion date. Additional remedial work and costs were absorbed

by the contractor.

45. **Internal Day Care (Budget £3.240m, underspend by £306k)** - The day care service underspent due to the limited service which they could offer during lockdown and a repurposing of staff to support COVID-19 pressures elsewhere across the council.
46. **Other services across the MLCO providers services portfolio (Budget £5.611m, underspend £248k).** This underspend in the main reflects an underspend on the short breaks service of £249k and across the short term intervention team of £313k as they complied with government guidelines during lockdown and an underspend on the information and advice service due to recruitment delays. These underspends are partly offset by equipment and adaptations pressures of £187k due to lost income, as they struggled to access individuals houses to complete building assessments during lockdown and support for the residential care market of £167k at the start of the pandemic.
47. **Other care (Budget £2.002m, underspend £470k)** - The other care budgets underspent by £470k. This was due to a reduced service offer from external day care providers and reduced numbers of clients in external supported accommodation placements for those aged over 65 years.
48. **Carers (Budget £0.714m, underspend £99k)** - The carers budget had an underspend of £99k at year end which is smaller than previous years and reflects an uptake in the improved carers offer.
49. **Public Health budgets (Budget £46.075m, breakeven).** As reported throughout the year, Public Health staff were deployed into a variety of roles to support contact tracing and the vaccination programme. COVID-19 grants were maximised in full where appropriate to do so.
50. **Other budgets within the pool (Budget £26.041m, overspend £84k).** The main reason for the overspend is covid costs against the voluntary sector contracts partly offset by staffing underspends on business support services due to delays in the reorganisation of the service.
51. **Adult Social Care Costs Outside the pool (Budget £4.856m, underspend £71k).** This is due to reduced use of external best interest assessors in the Safeguarding Team in the last few months of the year.
52. Due to the pressures on the pooled budget MHCC have contributed £8.7m to the Adult Social Care Pool to support adult social care budget pressures including those arising from COVID-19 costs. The council had already planned to cover these costs from its COVID-19 related costs from emergency grant funding and other resources. The MHCC contribution will enable the Council to carry forward a total of £9.2m to ensure there is sufficient funding to sustain services in 2021/22 and beyond. The carry forward will be made via the 2021/22 in the Integration reserve which is within the S75 pooled budget arrangements. As the resources will be maintained within the pooled

arrangements the transfer to reserves will be accounted for within the Adult Social Care budget. The pooled budget position after the MHCC contribution is an underspend of £5.1m. Once the carry forward of resources of £9.2m is accounted for the position for adult social care is £4.1m and this is what will show in the Council accounts.

53. Manchester's Adult Social Care Improvement Programme remains the driver for significant change and longer term sustainability, primarily via the Integrated Neighbourhood Teams (INTs). Mobilised INTs with their closer worker relationships and improved communication across social workers, district nurses, GPs and community mental health teams have been critical in managing the response to Covid-19. Primarily this has supported the safe discharge of patients from hospital into care settings appropriate for their needs. Full Care Act assessments alongside health nursing assessments are still ongoing with protocols and funding agreements in place for the first quarter of 2021/22. All ASC assessments will continue to build on the 'strengths based' approach which is now being embedded through the 'Better Outcomes, Better Lives' programme.

Homelessness (budget £17.777m, overspend £7.423m)

54. The reasons for the overall overspend are outlined in the following paragraphs.
55. **Covid-19 response (budget £2.068m, overspend £5.153m).** Homelessness has been at the forefront of the Council response to COVID-19 and effectively delivered the government's 'Everyone In' programme since its inception, providing accommodation for people sleeping rough in the city. This provision has continued to ensure that residents in temporary accommodation do not return to the streets while move on accommodation with the correct level of support is developed, supported by MHCLG and partner organisations in line with the 2021/22 budget reports.
56. **B&B/Single people Accommodation (budget £6.396m, overspend £916k)** This includes cold weather provision of £315k which had been expected to be grant funded. The number of individuals presenting increased due to COVID-19, as sofa surfers and insecure lodgers were asked to leave their accommodation, and part of the economic consequences of the pandemic were realised. It is anticipated the number of people sleeping rough will also increase as lockdown lifts and this has been recognised in the 2021/22 budget setting process. Families have reduced in B&B over the COVID period. This has been due to a small fall in presentations and a significant amount of work by the team to move people out of B&B during the pandemic and fully utilising the opportunities of landlords wanting to rent homes, whilst the rest of the population were in lockdown.
57. **Dispersed Accommodation (budget £3.646m, overspend £0.856m)** increased costs due to a lack of move on to the Private Rented Sector. The families in dispersed accommodation have increased by 306 from last year as people have been moved into it, however the team has been unable to move people out of temporary accommodation. The total number of Dispersed

properties as at the end of March 2021 was 1,969. The homeless service has returned to business as usual with inspections starting again with landlords to improve standards, and increased visits at properties where people struggled to engage virtually.

58. **Overspend of £1m due to an increase in the bad debt provision**, following a review of the bad debt provision which has now been increased to capture the impact of the Universal Credit roll out which resulted in a shortfall in housing costs met by benefits.
59. **Support Services (budget £5.667m, underspend £0.502m)** This is a result of staff movements to COVID-19 priority response areas, where there have been delays in back filling substantive posts as well as areas where spend has been held back without impacting on service delivery to offset budget pressures as a result of the pandemic response.
60. Overall there has been an increase of £1.040m in Homelessness overspend since last reported to the Executive. The variances are due to:
- An increase in need linked to cold weather provision (£315k) - it had previously been assumed this would be grant funded.
 - Increased demand for Bed and Breakfast provision in final quarter (£278k).
 - Increased numbers in Dispersed Accommodation due to a lack of move on to the Private Rented Sector due to third lockdown (£447k).

Corporate Core (budget £97.534m, overspend £4.220m)

61. **Corporate Services (budget £81.325m, overspend £4.105m)**. The main variances are as follows:
- **Policy and Partnerships (budget £9.390m, £322k overspend)** This is due to £320k of community projects charged to revenue, a reduction in project income of £218k due to lower volume of project activity and £28k running costs. This is partly offset by £244k underspend on employee budgets due to vacancies and the timing of recruitment.
 - **Revenue and Benefits (budget £34.555m, overspend £1.513m)** This is due to £1.956m reduced court fee income because of lower volumes as the courts have been closed for periods of time due to COVID-19. This is partly offset by £117k savings on employee budgets due to vacancies and the timing of recruitment and £326k reduced running costs which include bank charges, costs of cash collection, reduced bad debt provision and licence costs.
 - **ICT (budget £13.746m, overspend £3.740m)** This is made up of £2.477m project costs funded by revenue, £1.307m additional equipment to support flexible working due to Covid-19, £101k shortfall in the staff capital charge to projects, £80k decommissioning costs of the data centre and £57k other running costs. This is reduced by £282k savings on employee budgets due to the number of vacant positions.

- **Capital Programmes (budget (£31k), overspend £422k)** This is due to reduced fee income because of delays to some capital schemes due to COVID-19.
- **Human Resources and Organisational and Development (budget £4.119m, overspend £176k)** due to voluntary severance costs.
- **Equality, Diversity and Inclusion (budget £242k, overspend £16k)** due to voluntary severance costs
- **Staffing Underspends (budget £19.811m, £1.966m)** across services due to savings on employee budgets in relation to vacant positions, some of which were being held for 2021/2022 savings, and the timing of recruitment: People Reform and Innovation £183k, Performance Research and Intelligence £26k, Procurement and Commissioning £162k, Financial Management £461k, Audit and Risk Management £399k, Shared Service Centre £339k, Customer Services £359k and Commercial Governance £37k.
- **Corporate items (budget £476k, underspend £118k)** due to savings on paying 3 years upfront pension costs of £250k reduced by an increase in bad debts and bank charges of £132k.

62. **Chief Executives (budget £16.209m, overspend £115k).** The main variances are as follows:

- **Coroners and Registrars (budget £2.348m, overspend £0.592m)** due to reduced income from ceremonies and increased costs of the council's contribution towards the temporary mortuary.
- **Communications (budget £3.371m, overspend £399k)** due to reduced income.
- **Corporate items (budget £1.295m, overspend £0.612m)** is made up of the following:-
 - increased bad debt provision (£107k)
 - Manchester Central historic catering costs (£250k),
 - reduction in the purchase of the annual leave scheme (£255k).

63. This is partly offset by underspends as follows:

- **Elections (budget £1.079m, £309k underspend)** due to cancelled elections in May 2020.
- **Legal Services (budget £7.129m, underspend £0.955m)** due to increased income and savings on employee budgets.
- **Executive (budget £0.987m, underspend £224k)** due to the reduced number of civic ceremonies due to Covid-19.

64. The Corporate Core £4.220m overspend has reduced by £198k since the previous report due to additional income in legal and registrars partly offset by severance costs paid out to staff leaving the council under the voluntary severance scheme from across the Corporate Core.

Neighbourhoods Directorate (budget £114.714m, overspend £13.205m)

65. The overall £13.205m overspend is made up of a Neighbourhood Services overspend of £10.312m and £2.893m on Highways.
66. Further detail on the main Neighbourhood Services variances totalling £10.312m are set out below:
- **Community Safety and Compliance (budget £27.253m, underspend £311k)** This is due staffing underspends because of vacant positions and the timing for recruitment due to COVID-19, these amount to £0.754m and are offset by net Covid related income losses of £413k.
 - **Libraries, Galleries and Culture (budget £10.198m, underspend £345k)** This is made up of reduced staff costs £494k because of vacant posts and the use of apprentices within Library Services, reduced running costs £68k offset by £217k of income losses because of Covid 19.
 - **Other Business Units (budget (£462k) underachievement £280k)** Bereavement Services and Pest Control have overachieved against their income targets by a total £0.567m but Manchester Fayre has reported an underachievement of £0.847m mainly as a result of the decision not to draw down from the school catering reserve which was set aside to smooth price increases and will now be available to support any residual costs whilst the service transitions away from MCC in 2021/22.
 - **Manchester Markets (budget (£1.731m) underachievement £5.138m)** Due to COVID-19 it was not possible to hold the 2020 Christmas Markets and the resulting loss of income was £1.673m. Manchester Markets have been closed for large parts of the year and have had to operate on reduced capacity when able to open, this has resulted in an overall shortfall of £3.465m.
 - **Parks, Leisure Youth and Events (budget £9.010m, overspend £3.465m)** This is made up of: -
 - £2.621m support provided to Greenwich Leisure Limited (GLL) to cover the fixed cost of the Council's leisure and sports facilities.
 - £375k reduced income because of the cancelled 2020 Park life concert.
 - £426k loss of income from the Aquatics Car Park.
 - Net £43k other miscellaneous variances.
 - **Advertising (income target £2.663m, underachievement £1.873m)** Due to the impact of COVID-19 the advertising Income has underachieved by £1.873m. The shortfall is made up of a combination of two areas, they are large format advertising and the small format advertising contracts. The large format contract is an existing contract that has been impacted because of reduced footfall and visitor numbers, whilst the small format contract was due to be let in January 2021 but due to a combination of the pandemic and ongoing discussions around site numbers the contract has been delayed and will now commence in

Summer 2021.

- **Waste (budget £50.585m overspend £446k)** Due to the lockdown and the increased volume of domestic waste there were increased costs of both collection and disposal. Whilst GMCA (Greater Manchester Combined Authority) funded the increased costs of waste disposal, the City did incur additional costs of £446k for costs of collection due to additional vehicles and crews and additional bin requests.
- **Other Neighbourhoods Services (budget £7.783m underspend £234k)** Other variations from budget include underspend in both Neighbourhood Teams £168k and Grounds Maintenance £73k due to revised recruitment assumptions, increased income in Fleet Services of £54k offset by increased provision for bad debts £53k and minor variations in other Neighbourhoods of £8k.

67. The Neighbourhoods overspend has increased by £2.002m from the position reported previously. The change is due to a £1.873m reduction in Advertising income due to COVID-19, Manchester Fayre overall position is £0.760m less, due to a combination of further lockdown in January and not drawing down from the catering reserve and the markets overall position has changed because an increased bad debt provision has been provided to reflect the difficult trading position for market traders. The adverse changes have been partly offset by £0.694m reduction in the forecast for Leisure as a result of reduced support provided to Greenwich Leisure Ltd (GLL), reduced costs of £165k within Neighbourhood Teams due to lower than forecast charges for sink hole remediation, £157k increased income in Bereavement Services and other net underspends of £167k across the Directorate.
68. **Highways Service (budget £14.741m, overspend £2.893m).** This is made up of £2.719m reduced off street carparking income in quarter 4 following the bringing back in house, £229k in Network Management mainly due to increased bad debt provision, and £150k additional CCTV costs for monitoring of the off street car parks. This is reduced by underspends on Accident and Trips £103k due to reduced numbers of claims and employee savings in Manchester Contracts £102k through vacant posts.
69. This is an improvement of £405k since the previous report as at the end of December. The movement is made up of £461k additional grant funding towards social distancing works in the city centre and increased off street carparking income of £319k in quarter 4 offset by additional £150k CCTV costs for off street parking following transfer to a new contractor and a £225k increase in the bad debt provision.

Growth and Development (budget £12.827m, overspend £3.133m)

70. The outturn position of £3.132m overspend is an adverse movement of £168k from that reported at the end of December. The overall overspend of £3.132m is made up of overspends in the following areas:

- **Investment Estate (income target 11.887m, shortfall of £1.652m)**
Considering tenants reduced abilities to pay their rents the Council are continuing to work with businesses to provide support, there has been a need to increase the level of bad debt provision to recognise the reduced payments in year.
- **Facilities Management (budget £9.687m, overspend £0.576m)**
This is due to the loss of income from Manchester Fayre (£0.800m), offset by underspends that were mainly related to staffing.
- **Operational Property (budget £8.273m, overspend £397k)**
Spend on Estate Transformation was mainstream funded instead of utilising reserves (£925k), additional costs at Wythenshawe Hall (£141k), and an income shortfall of £70k at Abraham Moss Centre, offset by savings on utility costs at the Town Hall Complex (£167k), business rate refunds and water charge savings across the rest of the Estate (£233k), staffing costs £200k, savings at Alex House of £109k (mainly business rates), and other smaller savings totalling £30k.
- **Planning, Building Control & Licensing (budget (£0.588m) overspend of £375k)**
Income shortfalls in Taxi Licensing, Premises Licensing and Building Control being partly offset by additional Planning income.
- **Directorate management – (budget £164k) overspend of £178k**
Costs funded through mainstream resources and not utilising reserve as originally planned.
- **MCDA (Manchester Creative Digital Assets) – (budget nil) overspend of £122k**
Loss of income because of the pandemic. The full year income loss was in the region of £1.8m, but this was mitigated by reduced costs and the deferring of spend to save recharges.
- **The Community Hub - (budget £2.946m) net overspends of £452k**
The Community Hub has continued to provide ongoing support to the most vulnerable and the net cost of this is support was £452k.

71. The above overspends are offset by:

- **Housing & Residential Growth - (budget £1.445m) underspend of £478k** staffing underspends across Housing & Residential Growth
- **Work & Skills - (budget £1.873m) underspend of £81k** as a result of savings on project costs
- **City Centre Regeneration - (budget £914k) underspend of £60k** staffing savings arose following the transfer of the Planning & Infrastructure team

Housing Revenue Account

72. The Housing Revenue Account (HRA) outturn position is a £22.735m favourable variance. The two main variances are £21.303m due to reduced revenue contribution towards capital expenditure because of both delay and slippage on the approved capital programme mainly because of the implications of COVID-19 and £2.052m lower than forecast PFI (Public Finance Initiative) payments due largely to slippage in the planned installation of sprinklers at both Miles Platting and Brunswick because of access issues due to Covid-19.
73. As part of the annual HRA budget the budget for bad debt provision has been increased by 0.5% per annum to allow for the projected increase in arrears following the roll out of Universal Credit. There continues to be delays in the roll out of Universal Credit and there is ongoing proactive work to support residents, so the forecast bad debt requirement is £394k less than budget. In addition, there was additional income of £347k, mainly housing rents due to a reduced number of Right to Buy sales, which were affected by the pandemic. These underspends were offset by:
- Increased ALMO management fee £285k largely due to increased costs of the agreed pay awards, additional costs in respect of supplier relief payments because of Covid-19 and costs of Riverdale Estate demolition
 - £76k overspend is the net impact of several other minor variances across budgets.
74. The HRA is a ring-fenced account and any surplus/deficit in year must be transferred to/taken from the HRA General and Major Repairs reserves. For 2020/21, £5.103m has been transferred to the HRA reserve (opposed to budgeted transfer from reserves of £18.632m). This leaves a balance of £81.115m in the HRA General and Major Repairs reserves. The 30-year business plan currently forecasts that reserves will be exhausted by 2041/42, and this is before the cost of achieving zero carbon is considered. Work is ongoing to identify efficiencies that ensure that the reserves are kept at a sufficient level to underwrite risk and to fund future investment needs as required.

Savings Achievement

75. The 2020/21 budget included approved savings of £7.463m. The capacity to deliver savings has been greatly reduced with the impact of COVID-19. £1.670m has not been achieved as planned, these are reflected as overspends in the directorate position.

	Savings Target 2020/21		
	Achieved	Not achieved	Total
	£000	£000	£000
Children's Services	0	0	0
Adults Social Care	0	0	0
Homelessness	0	1,000	1,000
Corporate Core	3,303	146	3,449
Neighbourhoods Directorate	2,047	277	2,324
Growth and Development	443	247	690
Total Budget Savings	5,793	1,670	7,463

76. The unachieved savings relate to the following:
- Homelessness £1m from a reduction in the councils cost of temporary accommodation through transfer to registered providers is not being achieved due to the need for the Homelessness service to focus on the COVID 19 response. Work is ongoing to implement a pilot with a registered provider with the first tranche of properties transferring in April 2021. Savings are expected to be delivered in full in 2021/22.
 - Corporate Core - £146k
 - £96k from annual leave purchase scheme
 - £50k Capital programmes underachievement of income due to slippage
 - Neighbourhoods Directorate - £277k
 - £40k Galleries exhibition tax relief.
 - £46k Libraries and galleries increased income generation due to closures
 - £86k from revised operating model at Piccadilly Market
 - £105k Increase income generation through fees and charges across Compliance Services.
 - Growth and Development - £247k
 - £247k Investment Estate additional income target delayed due to the additional lead time for developers and the impact of Covid-19.
77. It is anticipated that as restrictions continue to be relaxed the unachieved savings will be achieved in 2021/22, these will be kept under review.

General Fund Reserve

78. The opening 2020/21 General Fund reserve position was £21.353m and the 2020/21 budget assumed a transfer to the General Fund reserve of £1.597m giving a balance of £22.950m. At 2021/22 budget setting the City Treasurer determined the General Fund reserve balance should be increased to £25m, funded through a £2.050m transfer from Business Rates reserve. Given the outturn position and the risks and volatility around Business rates income it is proposed the increase to general fund reserve be funded from the 2020/21

underspend instead.

79. The forecast position excluded the impact of any variance at the end of the 2020/21 financial year. As the actual outturn position is an underspend of £3.854m the balance on the General Fund Reserve at 31 March 2021 is £26.804m.
80. There are requests to carry forward resources totalling £1.470m, detailed at Appendix 1. If these are approved this will be a first call on the General Fund reserve in 2021/22, reducing it to £25.334m.

Grants allocated to Manchester City Council in year

81. The revised budget includes a specific grant of £0.747m which was not confirmed at the time of the 2020/21 budget setting process and therefore has now been considered through the in year Revenue Gateway process. This is from Public Health England for additional drug treatment crime and harm reduction funding. The funding will provide additional capacity to respond to the challenges presented by drug driven crime.

Conclusion

82. Taking into account the forecast financial implications of COVID-19, the directorate work on identifying additional savings and any other known budget changes and confirmed government funding the budget is balanced for 2020/21, with a contribution to General Fund reserve.
83. The 2021/22 budget is also balanced, however from 2022/23 the financial outlook is uncertain and the position becomes challenging.

Appendix 1 Carry forward requests (subject to approval)

Directorate	Service Area	Carry forward Amount	Description
		£000	
Additional approved Investment which has slipped due to the pandemic:			
Neighbourhoods Directorate	Waste	250	£250k investment to fund Spring Clean activity was approved for 2020/21, but because of Covid restrictions the planned activity did not happen. Following relaxation of Covid restrictions there has been an increase in the volume of residents undertaking litter picking activities in their area. Carry forward is requested to support these activities across the city.
Growth and Development	Digital Cities	250	£250k budget was earmarked for delivery of the Digital Cities project in 2020/21. However, delivery of the programme did not happen in 2020/21 because of Covid restrictions. Carry forward of the £250k is requested to enable the programme to proceed and if approved will be applied £175k in 2021/22 and £75k in 2022/23. The carry forward will be in addition to the £250k budget already agreed in 2021/22.
Planned investment that has been delayed due to pandemic:			
Corporate Core	Legal Services	157	To fund 3 time limited resources to support implementation of a new Legal Services case management system. This will support hybrid working and, enable the service to become paper light and reduce admin tasks.
Corporate Core	Elections	300	£300k to part fund the costs of the Local and GM Mayoral Election in May 2021. This year there is the added cost pressure of ensuring that both polling stations and the count are covid safe. The costs include additional PPE equipment including screens and additional venue and staff costs to ensure Covid safety.
Corporate Core	HROD	400	Learning and Development budgets have underspent across the council due to COVID-19. The service would like to reinvest this underspend in 2021/22 for further learning and development, including increased learning on equality and diversity, management accountabilities and leadership.

Other carry forward requests:			
Corporate Core	Policy & Partnerships	58	To fund a 12-month time limited resource for a Resident & Communities lead to work on the Zero Carbon Communities Programme. This is a key programme within the Manchester Climate Change Partnership.
Neighbourhoods Directorate	Parks, Leisure & Events	55	To fund the costs of repairing damage to the Parks and Green Spaces infrastructure because of damage caused by Storm Christoph.
		1,470	

Appendix 2 - Central Government COVID-19 Funding Announcements

1. COVID-19 grants totalling £470.135m have been received by the Council for financial year 2020/21, these grants are listed in the second table below. The vast majority (£341.643m) relate to support for local businesses. Note only the confirmed emergency funding of £64.8m and £12.4m forecast for Sales Fees and charges losses are available to support the direct additional costs and income shortfalls faced by the Council. The remaining grants are either directly passed on to businesses or residents or earmarked for specific priorities such as test and trace.
2. Grants totalling £30.044m will be carried forward to support COVID-19 related spend in future years, in line with grant conditions. These are shown in the table below.

	Received	Spent in 2020/21	Carried Forward
	£000	£000	£000
Contain Outbreak Management Fund	15,226	340	14,886
Test and trace service Public Health	4,837	1,420	3,417
LA Practical Support Framework	185	0	185
Community Champions Fund	621	100	521
National Leisure Recovery Fund	1,421	493	928
Clinically extremely vulnerable	1,889	321	1,568
Test and Trace Support Payments (Self-Isolation Support)	1,839	1,014	825
Additional Restriction Grant (business support)	16,609	8,895	7,714
Total	42,627	12,583	30,044

3. The COVID-19 grants and associated spend are now reflected in the revised budget shown in table one. Since the last monitoring report to Executive on 17 February there have been further government grant allocations to be reflected in the budget as follows:
 - **Adult Social Care - Local Authority Community Testing Grant - £1.132m.** This grant is to enable local authorities with high prevalence of COVID-19 to work in partnership with the UK government to accelerate a reduction in prevalence by identifying asymptomatic cases through local testing and supporting them to isolate.
 - **Operation Eagle - South of City - £102k.** This is for surge testing following identification of a specific variant of Covid 19.
 - **Neighbourhood Services - National Leisure Recovery Fund - £1.421m.** This is funded by Sport England for local authorities who have outsourced the leisure function.
 - **LA Framework / Practical Support for those Self-Isolating - March Instalment - £185k** - This funding stream is ringfenced for public health purposes to tackle COVID – 19 working to break the chains of

transmission and protecting people.

- **LRSB Closed Add Jan (16 Feb -31 March) - £17.579m** - To provide support to Manchester businesses that closed during lockdown.

4. There have also been updates and additional funds relating to grants previously announced as follows:

- **Children's Services - Easter Hardship Fund / Winter Extension Grant - £0.897m** - The grants are primarily for helping families buy essentials, with at least 80% of funds ring-fenced to be spent on food, energy and water bills, with 20% available for other associated essential costs. Councils can also offer support to vulnerable individuals and households without children. This brings the total grant receipt to £3.478m
- **Work and Skills and MAES - Clinically extremely vulnerable support December 2020 – March 2021 - £1.337m** – This is being used to provide support, such as access to food deliveries and signposting to local support services, to the most at risk and enable them to stay at home as much as possible over this period. Note, this is in addition to the £0.552m previously awarded, bringing the total to £1.889m.
- **Revenues and Benefits - Test and Trace Support Payment - £1.159m** - New burdens funding provided by government for the Test and Trace Support Payment Scheme, which awards £500 to individuals who are told to self-isolate by the NHS Test and Trace or the COVID-19 App, are employed or self-employed, unable to work from home, losing income as a result and in receipt of one of the seven qualifying benefits. Note, this is in addition to the £680k previously awarded, bringing the total to £1.839m.
- **Neighbourhood Services - Contain Outbreak Management Fund - £5.054m** The Department of Health and Social Care announced this grant to fund activities such as enforcement, compliance and contact tracing. The COVID-19 Winter Plan was published 23 November, this included an extension to the Contain Outbreak Management Fund to recognise the ongoing public health and outbreak management costs to Local Authorities of tackling COVID-19. This is in addition to the £10.172m previously awarded giving a total COMF grant of £15.226m.

Funding	Memo: Budget treatment			
	Manchester Allocation	Specific Directorate Budget Increase £000	Emergency Funding	Transfer payment *
	£000	£000	£000	£000
Grants announced since last Executive report:				
Local Authority Community testing	1,132	1,132		
Operation Eagle – South of City	102	102		
Neighbourhood Services - National Leisure Recovery Fund	1,421	1,421		

LA Framework / Practical Support for those Self-Isolating - March Instalment	185	185		
LRSO Closed Add Jan (16 Feb -31 March)	17,579			17,579
Grants increased since last Executive report:				
Children's Services - Easter Hardship Fund / Winter Extension Grant	897	897		
Work and Skills and MAES - Clinically extremely vulnerable support December 2020 – March 2021	1,337	1,337		
Revenues and Benefits - Test and Trace Support Payment	1,159	1,159		
Contain Outbreak Management Fund - 27th Jan - 31st March and 2021/22	5,054	5,054		
Grants Approved in previous Executive reports:				
Cross Cutting				
Sales, fees and charges grant claim	12,422	-	12,422	
COVID-19 Emergency Funding for Local Government - (£1.6bn nationally) - first tranche**	18,200		18,200	
COVID-19 Emergency Funding for Local Government - (£1.6bn nationally) - second tranche	15,167	-	15,167	
COVID-19 Emergency Funding for Local Government - (£0.5m nationally) - third tranche	7,085	-	7,085	
COVID-19 Emergency Funding for Local Government - (£0.9bn nationally) - fourth tranche	24,330	-	24,330	-
Social Care / Testing:				
Workforce Capacity Fund	1,177	1,177		
Support increased rapid testing in care homes	816	816		
Test and trace service (£300m nationally)	4,837	4,837	-	-
Infection Control Round 2 (£546m nationally)	2,964	2,964	-	-
Care Home Infection Control Fund Round 1 (£600m nationally)	3,184	3,184	-	-

Neighbourhoods:				
Neighbourhood Services - Cultural recovery	882	882		
Neighbourhood Services - Community Champions Fund	621	621		
Neighbourhood Services - Contain Outbreak Management Fund**	10,172	10,172		
Local Authority Compliance and Enforcement Grant	453	453	-	-
Growth and Development:				
Local Welfare Assistance Fund	957	957	-	-
Clinically Extremely Vulnerable individuals advised to shield	552	552		
Childrens:				
Winter Grant Scheme	2,581	2,581	-	-
Homelessness:				
Next Step Accommodation Grant, cold weather provision and landlord incentive funding	2,000	2,000	-	-
Emergency Support for Rough Sleepers	68	68	-	-
Corporate Core:				
Test and Trace Support Payment	680	680	-	-
Council Tax Hardship Fund	7,458	623	-	6,835
Reopening High Streets Safely Fund	203	203	-	-
Local Authority Business Rates Grant Administration (New Burden)	225	225	-	-
Administering Business Rates Relief (New Burden)	12	12		
Council Tax Hardship New Burdens	58	58		
Local Auth Disc Grant Fund New Burdens	101	101		
Support for Businesses:				
Expanded Retail Discount 2020/21 (excludes 1% for Fire Authorities)	138,477	-	-	138,477
Revenues and Benefits - Small Business Grant Fund and Retail, Hospitality and Leisure Grant Fund	105,870	-		105,870
Local Authority Discretionary Grants Fund	5,432	5,432		
Local Restriction Support	7,665	-	-	7,665

Grant (open)				
Local Restriction Support Grant (closed)	427	-	-	427
Local Restriction Support Grant (sector)	-	-	-	
Local Restriction Support Grant (closed addendum) - National Lockdown	7,054	-	-	7,054
LRSO Closed Add Jan	16,780	-	-	16,780
Closed Business Lockdown Pay	21,077	-	-	21,077
£1k to pubs in tier 3	245	-	-	245
Local Restriction Support Grant (open) Version 2	199		-	199
Local Restriction Support Grant (closed) Version 2		-	-	
Local Restriction Support Grant (closed addendum) - Tier 4	4,229		-	4,229
Additional Restrictions Grant (£60m allocated to Greater Manchester)	16,609	16,609	-	-
Total grants	470,135	66,494	77,204	326,437

* The Council is acting as agent to administer the government scheme for grants to businesses. As the Council is acting as agent these payments will be netted off the grant received and will not be shown gross in the budget.

** Manchester allocation for Tranche 1 Emergency Funding was £18.589m, of which £389k was applied in 2019/20 with the balance supporting 2020/21.

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**Manchester City Council
Report for Resolution**

Report to: Executive – 2 June 2021

Subject: Manchester Local Care Organisation Section 75 Agreement – Manchester City Council and Manchester University Foundation Trust

Report of: Deputy Chief Executive and City Treasurer, Executive Director Adult Social Services and City Solicitor

Summary

This report recommends the approval of a new section 75 agreement between Manchester City Council and Manchester University Foundation Trust for the delivery of integrated community health and adult social care services by the Manchester Local Care Organisation. The agreement will enable strengthened integrated working in neighbourhoods and further progress the ambitions for the city set out in the Our Manchester Strategy and Our Healthier Manchester Locality Plan.

Recommendations

The Executive is requested to approve the section 75 agreement between Manchester City Council and Manchester University Foundation Trust, delegating authority for final sign-off of the agreement including schedules to the Deputy Chief Executive and City Treasurer and the City Solicitor, in consultation with the Deputy Leader and Executive Member for Health and Care.

Wards Affected: All

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

ASC will continue to make a contribution from within MLCO to achieving the zero-carbon target for the city including through working with the wider care and support market to reduce carbon impact.
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Our Manchester Strategy Outcomes	Summary of the contribution to the strategy
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities.	ASC and the wider MLCO will continue to work with the wider care market to support the development of a local, skilled, care workforce
A highly skilled city: world class and home grown talent sustaining the city's economic success.	ASC and the wider MLCO make a significant contribution to the city's economy.

A progressive and equitable city: making a positive contribution by unlocking the potential of our communities.	The MLCO will continue to work at the neighbourhood level to strengthen community wellbeing and reduce inequalities.
A liveable and low carbon city: a destination of choice to live, visit and work.	The MLCO will continue to ensure that our neighbourhoods support and promote health and wellbeing, making them a place of choice to live.
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 and Capital

Financial consequences are as detailed in the report.

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Background documents (available for public inspection):

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

1. Introduction

- 1.1. This paper describes the next steps in the development of the health and social care partnership arrangements in the city of Manchester, and specifically recommends the approval of a new section 75 agreement between Manchester City Council (MCC) and Manchester University Foundation Trust (MFT). The section 75 agreement will facilitate and support the strengthening of the Manchester Local Care Organisation (MLCO) ensuring delivery of integrated community health and adult social care services in Manchester.

2. Background

- 2.1. A key priority of the Our Manchester Strategy is to radically improve health and care outcomes in the city. Manchester has some of the poorest health outcomes in the country, and there are very significant health inequalities within the city.
- 2.2. The Manchester Local Care Organisation was established in 2018 as the delivery vehicle for reducing health inequalities and improving population health of people in Manchester.
- 2.3. Health and social care system leaders in Manchester have agreed that in order to achieve the city's ambitions, the Manchester Local Care Organisation should be strengthened with the right resources and responsibilities to enable integrated working at scale and pace.
- 2.4. Nationally, the structure of the NHS is under review, with the creation of Integrated Care Systems (ICS) and abolition of Clinical Commissioning Groups (CCGs) by April 2022. For Manchester, this means the establishment of a Greater Manchester ICS and abolishing Manchester CCG (Manchester Health and Care Commissioning). This will also impact on the governance arrangements for health and social care in Manchester and Greater Manchester.
- 2.5. The adoption of a section 75 agreement between MCC and MFT will help to strengthen the MLCO, as well as ensuring the further development of leadership and governance arrangements for health and social care in the city as the GM ICS develops.

3. The section 75 agreement

- 3.1. Under section 75 of the National Health Service Act 2006, local authorities and NHS bodies can enter into partnership arrangements for the exercise of certain NHS functions by NHS bodies and certain health-related functions of local authorities. Section 75 provides for three flexibilities that NHS Bodies and local authorities can use: pooled budgets, lead commissioning and integrated provision.

- 3.2. As part of achieving formal integration, it is recommended that a section 75 agreement will be entered into between the Manchester University Foundation Trust (MFT) and Manchester City Council (MCC), to facilitate the effective delivery of integrated health and adult social care. The section 75 agreement will also delegate certain functions to MFT as the host body of MLCO, to facilitate integrated service delivery. The agreement will build on the existing partnership arrangements between the organisations, governed through the Partnering Agreement, which established the MLCO in March 2018.
- 3.3. In parallel to the work to establish the section 75 agreement between MCC and MFT, there is an existing commissioner section 75 agreement between MCGG and MCC, which will be amended to reflect the scope and functions of the new MFT/MCC provider section 75 agreement. Further details of these changes will be brought forward to the Executive in due course.
- 3.4. A number of other existing agreements e.g. the Partnering Agreement and other operational protocols will be reviewed and/or will lapse to as a result of entering into the arrangements that are set out within this paper. As required, further discussions with other health and social care system partners including GMMH and primary care will take place to facilitate this review of the suite of documentation.
- 3.5. The proposed section 75 agreement is attached at Appendix 1. A number of schedules, as described below are in the process of being finalised and will be appended to the agreement in due course. These schedules will include a service schedule which will outline the scope of the services being delegated including the statutory and legal responsibilities and service standards, alongside a finance framework which include the full scope of the Integrated (aligned) budget and the financial administration arrangements
- 3.6. The Executive is asked to delegated final sign-off of the agreement and the schedules to Deputy Chief Executive and City Treasurer and the City Solicitor, in consultation with the Deputy Leader and Executive Member for Health and Care.
- 3.7. The main body of the section 75 agreement describes:
- 3.8. The partnership arrangements between MCC and MFT. The Council agrees to delegate its adult social care functions to MFT in order to strengthen integration of community health and social care. This builds on the existing partnership arrangements set out in the 2018 Partnering Agreement. The adult social care workforce is already deployed into MLCO, working alongside health colleagues. In 2021/22, health and care budgets will be aligned rather than pooled. There is scope to revise partnership arrangements in future, either by entering into a pooled budget in future, or by moving other Council services into MLCO. The agreement is for an initial term of three years. The partners may extend the initial term by agreement. There is scope to vary the agreement within the three year term, for example entering into a pooled budget for 2022/23.

3.9. Schedule 1 – Services

3.10. This schedule describes both the adult social care and community health services which are included in the scope of the section 75 agreement. Adult social care services only are in scope of the section 75 and not homelessness, children’s services or public health. A list of the proposed adult social care functions to be deployed is attached at Appendix 2. This list includes some services which were previously not deployed into MLCO through the previous Partnering Agreement. As such consultation with the workforce affected and Trade Unions will take place as required.

3.11. The schedule once finalised will include the service delivery standards, the legislative and statutory framework/s associated with the services. There will be a continued expectation that the services will deliver within Manchester City Council’s wider policy framework including social value, ethical procurement and our zero carbon aspirations for the city.

3.12. Schedule 2 - Terms of Reference

3.13. This schedule includes the current terms of reference of the MLCO Executive Management Board (the executive board of senior officers within MLCO), the MLCO Accountability Board (the board holding the MLCO to account on behalf of the partners – described at section 5.2 below) and the Manchester Partnership Board. These terms of reference are subject to change/in the process of being finalised as the arrangements develop further.

3.14. It should be noted that none of these governance arrangements are statutory bodies and therefore as described in the council’s constitution decisions pertaining to adult social care will be made through the Executive arrangements of the council and through delegations to officers (with the appointment of the Chief Executive of MLCO and the Director of Finance of MLCO to facilitate this) – section 4 describes in more detail below.

3.15. Schedule 3 – Information Sharing Protocol

3.16. This describes the arrangements for sharing information within the MLCO to facilitate service delivery and the effective management of employees.

3.17. Schedule 4 – Financial Framework

3.18. The financial framework sets out the agreed working principles and assumptions which will govern the financial arrangements between MCC and MFT for the operation of the aligned budgets.

3.19. It supports the relationship between the Partners via the s75 Agreement and the use of aligned budgets. It:

- Provides detail of the framework of the formal relationship with regard to the management of the aligned funds;

- Sets the expectation that the Partners will continue to work closely together; and ensure that the best quality care is provided and best value is achieved in the use of resources;
 - Recognises the statute and regulations under which the aligned budgets are established i.e. section 75 of the National Health Services Act 2006 and NHS Bodies and Local Authorities Partnership Arrangements Regulations 2000.
- 3.20. It sets out the requirements and makes provision for governance and accountability of:
- The aligned budgets;
 - Authorities and responsibilities delegated from the Partners
 - Financial planning and management responsibilities;
 - Budgeting and budgetary control, including forecasting
- 3.21. It identifies the responsibilities of each Partner to:
- Support and facilitate the achievement of the objectives of the aligned budgets
 - Ensure that the objectives and functions of the Partners and of the aligned budgets are complementary and mutually supportive;
 - Ensure due diligence and appropriate oversight of financial decisions;
 - Ensure the achievement of the Partners' objectives.
- 3.22. The agreed working principles are:
- (i) secure best value for the health and social care system in Manchester;
 - (ii) direct resources within their gift to the right place in order to adequately and sustainably fund the right care as defined by the agreed care model and meeting the requirements under the Care Act 2015;
 - (iii) promote positive outcomes for the population's health and wellbeing through a person-centred approach for the whole population of Manchester;
 - (iv) manage these services within the agreed financial envelope; and
 - (v) ensure proper financial systems and reporting arrangements are in place to fulfil statutory requirements of partners.
- 3.23. In delivering the principles outlined in 3.20, MCC and MFT agree to:
- work together on a transparent basis with a shared commitment to information sharing to fulfil financial obligations and statutory requirements;
 - work collectively to mutual benefit of all parties and to mitigate and control risk within a risk allocation framework with collective oversight of risk profile and exposure; whilst ensuring impact of change is clearly understood on balance of risk between partners;

- be responsive and act in a timely manner;
- jointly agree the opening budget control total position and initial contributions from each partner and any subsequent in-year approvals;
- provide resources to support the running of MLCO;
- an integrated financial reporting arrangement that meets the needs of all partners effectively and efficiently;
- provide a sufficiently staffed and skilled finance team to ensure financial rigour through the deployment of effective controls; and
- adopt a positive outlook and to behave in a collaborative, proactive manner within a spirit of “no surprises”.

3.24. Schedule 5 – HR Principles

3.25. This schedule describes the arrangements for staffing resources within the MLCO including the principle that the MLCO has responsibility for the sign-off of staffing resources deployed to the MLCO, that day to day management of resources deployed sits fully with the MLCO and that all posts deployed remain on their substantive employer’s terms and conditions and associated national pay bargaining framework.

3.26. Schedule 6 – Risk management

3.27. This schedule describes the risk management arrangements in place in both MCC and MFT.

4. Appointment of MLCO Chief Officers as officers of the Council

- 4.1. To enable the alignment required both MCC and MFT have identified that it will be necessary to appoint the MLCO Chief Executive as an officer of the Council; this is to ensure that MLCO Chief Executive can be authorised to take decisions and exercise functions to support the adult social care functions and responsibilities delegated by way of the s.75 agreement.
- 4.2. For practical purposes and to ensure effective financial stewardship, a similar arrangement is proposed whereby MCC appoints MLCO’s director of finance as an officer of the Council, in order that they can be authorised in respect of the Council’s finance functions.
- 4.3. It should be noted that the appointment of the MLCO Chief Executive and Director of Finance as officers of the Council does not change their employment status. It enables the MLCO Chief Executive to become the accountable officer for the performance of relevant Council’s functions, that have either been delegated to MFT, or that the MLCO Chief Executive has been authorised to discharge. In practice this will enable the MCLO chief executive to make decisions concerning health and ASC and to commit spend, minimising the need to go back to MCC for authorisation, in line with agreed delegable limits, while ensuring that there is individual accountability to MCC’s Chief Executive, where MLCO’s Chief Executive is discharging Council functions.

- 4.4. There is no need for MCC to employ (or enter into a shared employment arrangement) for either position, as an officer of the Council officer need not be an employee of the Council.
- 4.5. The Executive Director of Adult Social Services is statutorily accountable for the discharge of the Council's adult social care functions. The delegation of adult social care functions to MFT to enable integrated working does not change the statutory accountability. Since the adult social care functions will be discharged within MLCO, the Executive Director of Adult Social services will report to MLCO's Chief Executive. In addition, the Director of Adult Social Services will need to retain a direct reporting line to MCC's Chief Executive, in accordance with statutory guidance that a local authority's DASS should report directly to the Council's Chief Executive.

5. Governance arrangements

- 5.1. The overarching governance arrangements for MLCO include the MLCO Executive Management Board and the MLCO Accountability Board. The intention is that as far as possible, the MLCO Chief Executive (and their senior team) would be held accountable by MLCO Accountability Board.
- 5.2. MCC's Chief Executive and Deputy Chief Executive and City Treasurer (who is also the Section 151 Officer) will be members of MLCO Accountability Board. This will mean that they should receive assurance and accountability via MLCO Accountability Board. Under current proposals the Accountability Board will be co-chaired by MCC's Executive Member for Health and Care and MFT's Deputy Chief Executive. However, it also ensures that there is an individual line of accountability to the Chief Executive of MCC (and Deputy Chief Executive and City Treasurer in the case of finance functions), just as the MLCO Chief Executive and Director of Finance are accountable to MFT.

6. Conclusion

- 6.1. The development of the attached section 75 agreement is a significant step forward in the strengthening of health and social care partnership arrangements in the city and will enable MLCO to accelerate delivery of integrated services within neighbourhoods.

Appendix 1

DATED

2021

(1) MANCHESTER CITY COUNCIL

AND

**(2) MANCHESTER UNIVERSITY NHS FOUNDATION
TRUST**

S75 PARTNERSHIP AGREEMENT

**Relating to the integrated provision of health and
social care services in the City of Manchester**

Version control

Version	Date	Author
001	04.02.2021	Manchester CC

THIS PARTNERSHIP AGREEMENT is dated 2021

MADE BETWEEN the following statutory partners: -
PARTIES

- (1) **MANCHESTER CITY COUNCIL** of Town Hall, Albert Square, Manchester M60 2LA (the “**Council**”); and
- (2) **MANCHESTER UNIVERSITY NHS FOUNDATION TRUST** of Cobbett House, Oxford Road, Manchester M13 9WL (“**MFT**”)
Together known as (“the Partners”)

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2. DEFINITIONS

“2006 Act” means the National Health Service Act 2006 as amended from time to time.

“Annual Report” means the annual report produced by the Partners in accordance with Clause 24.

“Best Value” means the Council’s duty to make arrangements to secure continuous improvement in the way its functions are exercised, having regard to a combination of economy, efficiency and effectiveness as required by the Local Government Act 1999.

“Change in Law” means the coming into effect or repeal (without re-enactment or consolidation) in England of any Law, or any amendment or variation to any Law, or any judgment of a relevant court of law which changes binding precedent in England after the Commencement Date.

“Commencement Date” means _____ 2021

“Client” means a person falling within the Client Group and who satisfies the Eligibility Criteria in respect of the Services hereinafter referred to.

“Client Group” means adults living within the administrative boundary of Manchester City Council or falling within the remit of Services as set out in the individual Service Specifications.

“Complaints System” means the complaints procedure which came into force on the 1st April 2009 pursuant to the Local Authority Social Services and National Health Service Complaints (England) Regulations 2009 as amended from time to time and which effects both Adult Social Care and NHS Health Complaints and Services.

Confidential Information means information, data and/or material of any nature which any Partner may receive or obtain in connection with the operation of this Partnership Agreement and the delivery of the Services and:

- (a) which comprises Personal Data, Special Categories of Personal Data and/or Personal Data covered by Article 10 of the UK GDPR or which relates to any Client or their treatment, care plan or medical history;
- (b) the release of which is likely to prejudice the commercial interests of a Partner or the interests of a Client respectively; or which is a trade secret.

“Director of Adult Social Services” means the Executive Director of Adult Social Services (DASS) as appointed from time to time by the Council.

“Chief Executive” means the chief executive responsible for the delivery of the Services who is appointed by MFT and is an officer of the Council

“Council” means the Council of the City of Manchester.

“Council’s Authorised Officers” means:

(a) the Council officer who is the Council’s statutory officer for the purposes of section 6 of the Local Authority Social Services Act 1970 (as amended) and who at the date of this Agreement is the Council’s Executive Director of Adult Social Services (DASS); and

(b) the Chief Executive

“Covid-19” means Health Protection (Coronavirus) Regulations 2020 (SI 2020 No. 129)

“Data Protection Legislation (DPL)” has the meaning given in section 3(9) of the Data Protection Act 2018 as amended.

“Disclosing Party” means the Party that provides and discloses Confidential Information to the Receiving Party.

“Dispute Resolution Procedure” the procedure set out in clause 34.

“EIR” means the Environmental Information Regulations 2004.

“Eligibility Criteria” means the criteria agreed between the Partners from time to time as to the conditions to be satisfied for a Client to be a member of the Client Group and who can then be eligible to receive the Services.

“Financial Contributions” means the financial contributions made by each Partner to the Integrated Care Budget in any Financial Year. The indicative Financial Contributions for the First Financial Year are set out **in Part 2 Schedule 4.**

“Financial Framework” means the separate detailed financial management arrangements agreed between the Partners in relation to the Integrated Care Budget as amended from time to time. A copy of the Financial Framework which has been agreed as at the date of this Partnership Agreement is attached in Part 1 Schedule 4.

“Financial Year” means each financial year commencing on 1st April and ending on the following 31st March.

“First Financial Year” means the financial year commencing on 1st April 2021 and ending on 31st March 2022.

“FOIA” the Freedom of Information Act 2000 and any subordinate legislation made under it from time to time, together with any guidance or codes of practice issued by the Information Commissioner or relevant government

department concerning this legislation.

“Force Majeure Event” means one or more of the following:

- (a) war, civil war (whether declared or undeclared), riot or armed conflict;
- (b) acts of terrorism;
- (c) acts of God;
- (d) fire or flood;
- (e) industrial action;
- (f) prevention from or hindrance in obtaining raw materials, energy or other supplies;
- (g) any form of contamination or virus outbreak (for the avoidance of doubt this shall include Covid-19 and any variations); and
- (h) any other event;

in each case where such event is beyond the reasonable control of the Partner claiming relief.

“Functions” means the Health Related Functions and the NHS Functions.

“Health and Wellbeing Board” means the Manchester Health and Wellbeing Board established by the Council pursuant to section 194 of the Health and Social Care Act 2012 to improve integration between practitioners in health care, social care, public health and related public services and which is responsible for leading on reducing health inequalities.

“Integrated Care Budget (ICB)” means the integrated care budget for each Financial Year which is agreed between the Partners and which is to be used to fund the delivery of the Services which are to be delivered by the Partners through Integrated Provision.

“Integrated Provision” means the delivery model under which the Partners agree to join together their staff, resources, and management structures to integrate the provision of the Services from managerial level to the front line.

“Information” has the meaning given under section 84 of FOIA.

“Law” means any applicable law, statute, bye-law, regulation, order, regulatory policy, guidance or industry code, rule of court, directives or requirements of any Regulatory Body, delegated or subordinate legislation, or notice of any Regulatory Body.

“Locality Plan” means the Manchester Locality Plan – A Healthier Manchester adopted by the Manchester Health and Wellbeing Board on 27 April 2016 as updated and amended from time to time.

Manchester Agreement: means the agreement between (1) Manchester Clinical Commissioning Group (2) the Council, (3) MFT (4) Pennine Acute Hospitals NHS Trust (5) Greater Manchester Mental Health NHS Foundation Trust (6) Manchester Primary Care Partnership Limited and (7) the MLCO

Executive which was approved by the Health and Wellbeing Board on 17 January 2018. The Manchester Agreement sets out how the parties will work together to deliver the “New Models of Care” which are being funded through the transformation investment funding provided under the Greater Manchester Investment Agreement and other sources. In particular, the Manchester Agreement sets out how the parties will monitor the effectiveness of the “New Models of Care” in order to obtain establish whether they deliver the improvement in quality of services, the movement to community-based care and the financial savings that are required by the Locality Plan. Over time it is intended that the Manchester Agreement will develop to set out how the parties will monitor the effectiveness of not just the “New Models of Care” but the whole of Manchester’s integrated health, social care and public health services.

“Manchester Foundation Trust (MFT)” means the Manchester University NHS Foundation Trust.

“Manchester Local Care Organisation (MLCO): means the local care organisation responsible for the delivery of health and social services in Manchester created by the partnership arrangements entered into between the (1) NHS Manchester Clinical Commissioning Group (2) the Council (3) MFT (4) Greater Manchester Mental Health Foundation Trust and (5) Manchester Primary Care Partnership in accordance with the Locality Plan as set out in the MLCO Partnering Agreement.

“MLCO Executive” means the group whose role, function and constitution is set out in Part 1 Schedule 2.

“MLCO Executive Management Board” means the board established in accordance with the terms of reference set out in Part 1 Schedule 2.

“MLCO Accountability Board” means the board established in accordance with the terms of reference set out in Part 2 Schedule 2.

NHS England: means the National Health Service Commissioning Board established under section 1H of the NHS Act 2012.

“NHS Functions” means such of the functions of MFT as are prescribed under Regulation 5 of the Regulations as far as they relate to the Partnership Arrangements’

“NHS Standard Form Contract” means the template form of contract issued from time to time by NHS England and mandated for use when commissioning certain services by MFT.

“Our Manchester Strategy” means the Council’s **“Manchester Strategy 2015/2025”**.

“Outcomes” means the strategic priorities set out in the Locality Plan, which are to be delivered through this Partnership Agreement.

“The Partners” means either the Council and MFT, and “Partner” shall mean either one of the Partners.

“Partnering Agreement” means the agreement dated 1st April 2018 and made between (1) NHS Manchester Clinical Commissioning Group (2) the Council, (3) MFT (4) Greater Manchester Mental Health NHS Foundation Trust and (5) Manchester Primary Care Partnership Limited which deals with the creation and operation of the MLCO and the role of each of the Partners within the MLCO.

“Partnership Agreement” means the terms and conditions contained in this Partnership Agreement which form the basis of the Partnership Arrangements.

“Partnership Arrangements” means the arrangements jointly agreed herein by the Partners for the purposes of and pursuant to the Regulations and Section 75 of the 2006 Act including inter alia the aims set out in Clause 4.

“Receiving Party” means the Party that receives Confidential Information from the Disclosing Party.

“The Regulations” means the NHS Bodies and Local Authorities Partnership Arrangements Regulations 2000 SI No.617 and any amendments and subsequent re-enactments thereof.

“Regulatory Body” means those government departments and regulatory, statutory and other entities, committees and bodies that, whether under statute, rules, regulations, codes of practice or otherwise, are entitled to regulate, investigate or influence the matters dealt with in this Partnership Agreement, or any other affairs of the Partners.

“Representative” means a Partner’s employee, agent or subcontractor and any employee of the other Partner who is seconded to the Partner and is acting in accordance with the Partner’s instructions.

“Request for Information” a request for Information or an apparent request under the Code of Practice on Access to Government Information, FOIA or EIR.

“Scheme of Delegation” means the Scheme of Delegation each Partner has in place from time to time (including those provisions set out in Schedule 8 which were effective on 1st April 2021) as may be varied by the Partnership Agreement insofar as that agreement relates to the provision of the Services.

“Services” means the Services as may be agreed between the Partners which shall be provided for the benefit of a Client or the Client Group in accordance with the Service Specifications for the Services which are set out in Schedule 1 to this Partnership Agreement (excluding the services which are listed in Part 1 to Schedule 1).

“Service Specifications” means the specifications set out by the Council or Manchester Clinical Commissioning Group for the Services listed Part 3 of Schedule 1

“Special Categories of Personal Data” means the Personal Data covered by Article 9(1) of the UK GDPR.

“Staff” means employees of the Council or MFT as the case may be who are made available by a Partner for the purposes of the Partnership Arrangements.

“Standing Orders” means the respective Partner’s internal rules and regulations which govern and determine how they are to exercise their statutory functions, and which include the Council’s Constitution and the respective Partner’s standing financial instructions, standing orders, contract and financial procedure rules.

“Strategic Plans” means the Locality Plan, the Manchester Agreement, the Our Manchester Strategy any other relevant strategies adopted by the Partners from time to time for the provision of community health and social care services for the City of Manchester.

“Support Services” means the administrative, technical and professional support services provided by the Partners to carry out the Services.

“Term” means the period as detailed in clause 5.

“Transfer Regulations” means the Transfer of Undertakings (Protection of Employment) Regulations 2006 (as amended from time to time).

“UK GDPR” has the meaning given in section 3(10) of the Data Protection Act 2018.

“Variation” means any written variation to this Partnership Agreement in line with *clause 40*.

Working Day: means 8.00 am to 6.00 pm on any day except Saturday, Sunday, Christmas Day, Good Friday or a day which is a bank holiday in England.

3 RECITALS

- 3.1 References to statutory provisions shall be construed as references to those provisions as respectively amended and re-enacted (whether before or after the Commencement Date) from time to time.
- 3.2 The headings of the clauses in this Partnership Agreement are for reference purposes only and shall not be construed as part of this Partnership Agreement or deemed to indicate the meaning of the relevant clauses to

which they relate.

- 3.3 References to Schedules or Appendices are references to the Schedules and Appendices to this Partnership Agreement.
- 3.4 Any reference to the Partners shall include their respective statutory successors, Staff and Representatives.
- 3.5 The Schedules and Appendices form part of this Partnership Agreement and shall have effect as if set out in full in the body of this Partnership Agreement. Any reference to this Partnership Agreement includes the Schedules and Appendices.
- 3.6 Where a term of this Partnership Agreement provides for a list of items following the word “including” or “includes”, then such list is not to be interpreted as being an exhaustive list.
- 3.7 In this Partnership Agreement, words importing any particular gender include all other genders, and the term “person” includes any individual, partnership, firm, trust, body corporate, government, governmental body, trust, agency, unincorporated body of persons or association and a reference to a person includes a reference to that person’s successors and permitted assigns.
- 3.8 In this Partnership Agreement, words importing the singular only shall include the plural and vice versa.
- 3.9 Subject to the contrary being stated expressly or implied from the context in these terms and conditions, all communications between the Partners shall be in writing.
- 3.10 All references to the Partnership Agreement include (subject to all relevant approvals) a reference to the Partnership Agreement as amended, supplemented, substituted, novated or assigned from time to time.

4. PURPOSE OF PARTNERSHIP ARRANGEMENTS

- 4.1 Pursuant to Section 75 of the 2006 Act and other relevant legislation and guidance including, but not limited to; the Children Act 1989 and 2004, Health and Social Care Act 2012, Working Together to Safeguard Children 2013 and the Regulations, as amended from time to time, the Partners have agreed to enter into these Partnership Arrangements to improve the integrated provision of the Services insofar as they effect or relate to the NHS Functions and the Health Related Functions.
- 4.2 A further objective of the Partnership Arrangements is to improve the Services for Clients through closer working between the Council and MFT and to improve quality of life outcomes and to provide a more joined up service for communities.

- 4.3 This Partnership Agreement facilitates the management of Functions and an Integrated Provision arrangement between the Council and MFT under Section 75 of the 2006 Health Act. The Integrated Provision arrangement will deliver the Services as specified in Schedule 1 (apart from those services listed in Part 2 of Schedule 1).
- 4.4 The Partnership Arrangements identified in this Partnership Agreement will fulfil the objectives set out in the relevant Strategic Plans, organisational business plans, and other relevant policies of the two Partners by delivering Integrated Provision of the Services as specified by the lead commissioners of health and social care services in the City of Manchester.
- 4.5 The 'HR Principles document' at Schedule 10 of the Partnering Agreement or any subsequent version of the document agreed between the Partners will be taken into account in planning and implementing further integration of the Services.
- 4.6 This Partnership Agreement between the Council and MFT is intended to clarify and make explicit those aspects of integrated provision of the Services for which the Partners are responsible.
- 4.7 The Partners agree that to the extent allowed by law the MLCO Executive will be responsible for managing the delivery of the Services on a day to day operational level. The MLCO Executive will be responsible to the MLCO Accountability Board. The Director of Adult Social Services will retain statutory responsibility for the Council's social care services. The Director of Adult Social Services will report to MLCO's Chief Executive and will retain a line of accountability to the Council's Chief Executive in accordance with statutory guidance. For the avoidance of doubt, each Partner will retain their statutory obligations to deliver or arrange for the delivery of the Services.
- 4.8 Schedule 2 to this Agreement details the Partners' agreement regarding the scrutiny and monitoring of the Partnership Arrangements by both organisations to ensure that the responsibilities of the Partners are being effectively discharged.
- 4.9 The Partnership Arrangements will take account of any changes to both the local and national context during the Term of the Partnership Agreement.
- 4.10 The purposes of the Partners as stated in this clause 4 are intended to give direction and clarify the terms of this Partnership Agreement and to enable employees of both the Council and MFT to engage in the Partnership Arrangements to deliver the Outcomes set out in the Locality Plan and the priorities set out in other Strategic Plans in the context of multi-agency, partnership working.

5. DURATION OF THE PARTNERSHIP

- 5.1 This Partnership Agreement will come into force on the Commencement Date and will remain in force, unless terminated in accordance with the provisions

of this Partnership Agreement earlier, for a term of three (3) years (“the Term”).

- 5.2 The Partners may, as agreed in writing at least 6 months prior to the expiry of the Term, agree an extension to the Term of the Partnership Agreement in respect of the whole or part of the Services (“Extension Period”). Any such Extension Period shall be agreed by the Partners and shall commence on the expiry of the Term and, unless terminated in accordance with the provisions of this Partnership Agreement earlier, shall automatically expire at the end of the Extension Period.
- 5.3 The Partnership Arrangements will be formally reviewed annually by the MLCO Accountability Board and the success of the Integrated Provision shall be measured upon the basis of the achievement of the objectives of the Partnership Arrangements and upon the performance results obtained by the Integrated Provision (including, the delivery of the Outcomes specified by the Manchester Partnership Board MLCO Accountability Board shall make recommendations to the Manchester Partnership Board.

6. AIMS AND OBJECTIVES OF THE PARTNERSHIP ARRANGEMENTS

- 6.1 The aim of this Partnership Agreement is to establish an arrangement under Section 75 of the 2006 Act to provide a strategic partnership framework to enable the Council and MFT to meet their statutory obligations and aspirations as set out in the Strategic Plans adopted by the Partners from time to time. Through this Partnership Agreement the Partners intend to meet their responsibilities for integrated provision of adult social care services and all community health services through the implementation of flexibility, coordination and accountability between each other and the development of joint strategic plans. By introducing clear aims and objectives, and robust accountability measures, supported by documented governance procedures and guidance, all those engaged in the Partnership Arrangements and joint working arrangements will be better placed and informed to provide significant improvements in the provision of the Services in the City of Manchester.
- 6.2 In addition to the plans set out within the Strategic Plans, the Partners further aim to integrate the Functions by improving the effectiveness of inter-agency working, delivering better co-ordinated, integrated and more responsive Services, providing safe, effective and affordable alternatives to specialist or acute services, establish shared performance management and information systems to aid future planning and improve client and community engagement and participation.
- 6.3 The Partners (together with NHS Manchester Clinical Commissioning Group, the Greater Manchester Mental Health NHS Foundation Trust, Manchester Primary Care Partnership Limited) have entered into the Partnering Agreement for the creation of the MLCO. The Partners have established the MLCO Executive which will be responsible for co-ordinating the integration of the Services. The MLCO Executive will be responsible for the operational day to day management of the Services and shall carry out such of the executive

decisions of the Partnership Arrangements as determined and delegated to it by the Partners as more particularly set out in Schedule two.

- 6.4 The Partners agree to build strong links with Council services and strategies beyond the specific functions of the Services covered by the Partnership Agreement. This commitment will enable both Partners to enhance their performance in terms of community leadership and corporate citizenship and will ensure that all resources which have been separately identified by the Partners as available to meet their respective commitments are provided for the benefit of health and wellbeing.
- 6.5 The Partners long-term objectives will be set by reference to the Strategic Plans and against the vision and priorities set out for Services covered by the Partnership Agreement. The objectives will be varied from time to time in accordance with the objectives of the wider health and care system in Manchester and the development of health and care arrangements across Greater Manchester. The introduction of any individual scheme or additional Services within the Partnership Arrangements will need to be approved by both the Partners.

7. STATUTORY FUNCTIONS, POWERS, DUTIES ETC. OF THE PARTNERS

- 7.1 The Partnership Arrangements in this Partnership Agreement shall not affect:
- - 7.1.1 any power or duty of the Council to set, administer, collect and recover charges for the provision of any Services in the exercise of any of the Councils local authority functions (including, but not limited to the Health-Related Functions); or
 - 7.1.2 The Council's power to determine and apply eligibility criteria for the purposes of assessment under the Community Care Act 1990 and the Care Act 2014; or
 - 7.1.3 the liabilities of the Partners for the exercise of their respective statutory functions and obligations.

8. GENERAL PRINCIPLES

- 8.1 The Partners will in relation to the Partnership Arrangements: -
- 8.1.1. Manage the Functions and Services in accordance with the principles set out in sub-clauses 8.1.2 to 8.1.5 below.
 - 8.1.2 Treat each other with respect and an equality of esteem;
 - 8.1.3 Be open with information about the performance and financial status of each other;
 - 8.1.4 Will share costs and savings where the opportunity arises, and

agreement can be reached about how to do so; and

8.1.5 Provide early information and notice about any relevant issues that may affect or relate to the Partnership Arrangements.

9. STAFF ROLES

9.1 Any changes in the role and job description of the following posts should be made in consultation with the Partners if there is potential impact on the Partnership Arrangements and/or the Partnership Agreement:

9.1.1 The Council's Executive Director of Adult Social Services; and

9.1.2 The Chief Executive of the MLCO;

9.1.3 MLCO Director of Finance

9.2 The powers of the Council's Director of Adult Social Care or the Chief Executive of the MLCO to designate roles of individual members of Staff working within the Partnership Arrangements are subject to: -

9.2.1 the relevant Scheme of Delegation; and

9.2.2 the directions and limitations set by the Executive of the Council, the Board of MFT and the MLCO Accountability Board.

9.3 MFT employees may carry out Health Related Functions and Council employees may carry out NHS Functions with the consent of the Health and Social Services Senior Leadership team or MLCO Executive Team and in accordance with the requirements of the Regulations and other relevant law and guidance including, without limitation, the following;

9.3.1 Functions of MFT which may be delegated to the Council under the Regulations; and

9.3.2 Functions of the Council which may be delegated to MFT under the Regulations.

9.4 Any increases in staffing levels associated with the provision of the Services or the Partnership Arrangements shall be agreed by the Partners but only to the extent that it does not result in the budgets given to it by each Partner being exceeded.

10. GENERAL PROVISIONS ON STAFFING

10.1 Where Staff are employed by one Partner but made available to the other Partner, the personnel procedures operative in relation to Staff shall be those of their respective employer. Matters relating to terms and conditions of employment, discipline, grievances and all other employment procedures are

the responsibility of the employing Partners in relation to their respective Staff.

- 10.2 The Partners have worked together to formulate joint protocols for the management of Staff which are attached at Schedule 5.
- 10.3 Where it is necessary for the purposes of either Partner's personnel procedures for a member of Staff employed or contracted by the other Partner to co-operate with the operation of such procedures, the employing Partner shall use all reasonable endeavours to ensure that such co-operation is forthcoming.
- 10.4 For the avoidance of doubt, where a member of Staff employed by one Partner (the Manager) is the Manager of a member of Staff employed by the other Partner (the Managed Person), the Manager is authorised by virtue of the Partnership Arrangements to give instructions to the Managed Person and to take all appropriate management action in respect of the Managed Person subject to the terms of the relevant personnel procedure.
- 10.5 Except as provided herein new appointees to the Staff (whether by way of replacement of existing posts or to new posts) will be employed by the Partner to which the role which they are to carry out most closely relates.
- 10.6 Unless otherwise agreed in writing the Partners intend that the Transfer Regulations shall not apply to any Staff and accordingly they agree that no Staff shall transfer from the employment of the Council into the employment of MFT and that no Staff shall transfer from the employment of MFT into the employment of the Council by virtue of this Partnership Agreement. The Council and MFT each agree that they will not at any time hereafter contend (unless they otherwise agreed in writing) for any purpose whatsoever that the Transfer Regulations apply to this Partnership Agreement and that nothing in this Partnership Agreement is intended to cause a change in the identity of the employer of an employee who falls within the definition of Staff.
- 10.7 Without prejudice to Clause 10.6 and unless otherwise agreed in writing between the Partners, MFT shall indemnify the Council and keep it indemnified from and against all claims, demands, actions, proceedings, damages, compensation, tribunal awards, fines, costs, expenses and all other liabilities, relating to any contract of employment with any Staff where such contract is transferred to the Council under the Transfer Regulations and the liability arises from or in connection with:
- 10.7.1 the employment of such Staff or the termination of their employment by the Council prior to the 1st April 2021; or
- 10.7.2 any failure by the Council on or prior to the 31st March 2021 to comply with its legal obligations in respect of such Staff; or
- 10.7.3 any action or omission of the Council before the 1st April 2021 which, by virtue of the Transfer Regulations, is deemed to be an act or omission of MFT.

- 10.8 Without prejudice to Clause 10.6 and unless otherwise agreed in writing between the Partners, MFT shall indemnify the Council and keep it indemnified from and against all claims, demands, actions, proceedings, damages, compensation, tribunal awards, fines, costs, expenses and all other liabilities, relating to any contract of employment with any Staff where such contract is transferred to the Council under the Transfer Regulations and the liability arises from or in connection with:
- 10.8.1 the employment of such Staff or the termination of their employment by MFT prior to the 1st April 2021; or
 - 10.8.2 any failure by MFT on or prior to the 31st March 2021 to comply with its legal obligations in respect of such Staff; or
 - 10.8.3 any act or omission of MFT before the 1st April 2021 which, by virtue of the Transfer Regulations, is deemed to be an act or omission of the Council.
- 10.9 If a Partner receives a claim, or notice of an intention to make a claim, which may reasonably be considered likely to give rise to a liability on the part of the other Partner under this Clause 10 that Partner shall:
- 10.9.1 as soon as reasonably practicable, give written notice of the claim to the other Partner specifying the nature of the claim in reasonable detail;
 - 10.9.2 not make any admission of liability, settlement agreement or compromise in relation to the claim without the prior written consent of the other Partner (such consent not to be unreasonably conditioned, withheld or delayed); and
 - 10.9.3 give the other Partner access at reasonable times to its premises and its officers, directors, staff, agents, representatives or advisors, documents and records within its power or control so as to enable the other Partner and its professional advisers to examine them and to take copies for the purpose of assessing the claim.
- 10.10 Nothing in this Clause 10 shall restrict or limit a Partner's general obligation at law to mitigate any loss it may suffer or incur as a result of an event which may give rise to a claim under the indemnities contained in this provision.
- 10.11 The Partners will consult with Staff about the provision of an integrated staffing structure in accordance with the details set out in Schedule 11 or any subsequent version of the document agreed between the Partners.

11 ACCOUNTABILITY

- 11.1 The MLCO Executive shall ensure that appropriate arrangements are in place for the professional and clinical accountability of the Staff at all times.

- 11.2 The Partners shall ensure that each of the Staff which is employed or contracted to them shall be accountable to the other Partner (the “non employing Partner”) for those functions of the non-employing Partner which the relevant member of Staff is carrying out on behalf of the non-employing Partner pursuant to this Partnership Agreement.

12 CHANGES TO THE STRUCTURE OF THE PARTNERSHIP ARRANGEMENTS

- 12.1 The Partners may agree in writing changes to the structure of the Partnership Arrangements described in this Partnership Agreement.
- 12.2 Such changes shall only be made in accordance with all applicable law and guidance and in particular only after such consultation as shall be required by law and guidance.
- 12.3 No changes shall be binding on the Partners unless in writing and signed by a duly authorised officer or representative of each of the Partners.

13 PROPERTY

- 13.1 Any land buildings or premises or parts of land buildings or premises provided by a Partner (“the **First Partner**”) for the use of the Partners to provide the Services shall be subject to the terms of any lease, license, covenant or easement to which the land building or premises is otherwise subject and the other Partner shall not do anything which would place the First Partner in breach of any such lease, licence, covenant or easement.
- 13.2 The Partner which owns any property used or occupied for the purposes of providing the Services shall be responsible for the proper repair and maintenance and insurance (or self-insurance) of that property and all outgoing and expenses in respect thereof save where any costs incurred are incurred as a result of the negligence or wilful default of any member of Staff in which case the employing Partner of such member of Staff shall be liable for any uninsured losses.
- 13.3 The Partners shall agree how the owning Partner shall be reimbursed (if at all) in respect of the outgoing and expenses incurred (including any notional costs of the property) in respect of any properties or parts thereof occupied for the purposes of providing the Services or such alternative manner in which those outgoing and expenses shall be taken into account.
- 13.4 Nothing in this Partnership Agreement shall prevent either of the Partners from selling or otherwise withdrawing their properties from use for the purposes of providing the Services but wherever possible the relevant Partner shall give at least six months written notice of such sale or withdrawal to the other Partner and the Partners shall consider whether such withdrawal would result in the termination of this Partnership Agreement in relation to that aspect of the Services which are dependent in whole or in part upon the use

of the relevant property.

14 GRANTS

- 14.1 The Partners will review and maximise opportunities to obtain such additional grants as may be available to support the Services from time to time.
- 14.2 The Partners will agree acting reasonably the manner in which any grant application should be made and the terms on which any such grant shall be administered and applied.
- 14.3 The Partners will ensure that all monies from any grants received shall be applied to the project that it relates to in a proper manner. In the event that a Partner misapplies monies received from any grant the Partner in default shall reimburse the other Partner to the extent that the monies were misapplied and that the other Partner suffers loss as a result.

15 AUDIT AND RIGHT OF ACCESS

- 15.1 Each Partner shall promote a culture of probity and sound financial discipline and control and shall ensure that full and proper records for accounting purposes are kept in respect of the Partnership Arrangements and shall agree from time to time the format in which the accounts shall be maintained.
- 15.2 The Partners shall co-operate with each other in preparation of accounts in relation to the Partnership Arrangements and with each other's internal and external auditors.
- 15.3 The Partners will supply all information reasonably required by:
- 15.3.1 Persons exercising a statutory function in relation to either Partner;
 - 15.3.2 Any internal and/or external auditors appointed by MFT;
 - 15.3.3 Other persons or bodies with an authorised monitoring or scrutiny function, including a council scrutiny committee, having regard to the Partner's obligations of confidentiality, and the information sharing protocol set out at Schedule and such information sharing agreements as shall be agreed between the Partners from time to time.
- 15.4 The Partners may agree protocols in relation to the management of and provision of information relating to the finances of the Partnership Arrangements from time to time.

16 LIABILITIES

- 16.1 In this clause 16, "liabilities" shall be deemed to include all costs, claims, liabilities, proceedings, expenses, and demands made against or suffered or incurred by the relevant Partner including (but not limited to) the following matters:

16.1.1 public liability;

16.1.2 employer's liability;

16.1.3 professional indemnity (including but not limited to officers' liability and clinical negligence);

16.1.4 employment claims including (but not limited to) claims for:

- (i) damages, costs and expenditure including (but not limited to) claims for wrongful and unfair dismissal and under Transfer of Undertakings (Protection of Employment) Regulations 1981;
- (ii) damages, costs and expenditure in relation to discrimination in respect of any protected characteristic as defined by the Equality Act 2010 and equal pay claims;
- (iii) other claims for breach of employment contract;

16.1.5 Ombudsman awards;

16.1.6 claims for breach of the Human Rights Act 1998 and claims in public law;

and "liability" shall be construed accordingly.

16.2 Events Prior to Commencement Date

16.2.1 Each Partner (the "**First Partner**") will indemnify and keep the other Partner indemnified against all liabilities arising directly or indirectly from any events acts or omissions in relation to the First Partner's Functions occurring prior to the date on which they are included in the Partnership Arrangements.

16.3 Events Post Commencement Date

16.3.1 Each Partner (the "**First Partner**") will indemnify and keep indemnified the other Partner against all liabilities arising directly or indirectly from any events acts or omissions of the First Partner or its employees or contractors in respect of the Functions which shall occur during the period in which the relevant Functions shall be included in the Partnership Arrangements save to the extent that such liability shall arise out of any act or omission of the other Partner or its employees and contractors.

16.4 Insurance Arrangements

16.4.1 The Partners shall, so far as is possible at reasonable cost and allowable by law or guidance, agree and effect appropriate insurance

arrangements in respect of all potential liabilities arising from the Partnership Arrangements. In the case of MFT it may affect, through NHS Resolution, alternative arrangements in respect of NHS schemes in lieu of commercial insurance. Insurance affected by the Council may include such provision as to the excess or deductible to be funded by the Council as it shall consider appropriate.

16.4.2 The obligations in this clause shall include insurance (or equivalent) arrangements after the date of determination of this Partnership Agreement in respect of any events acts or omissions prior to such determination.

16.4.3 The Partners may agree from time to time, common policies and protocols for the handling of claims covered by the Partners' insurance arrangements (or equivalent) for the Functions. Such policies and protocols as are agreed may be applied to the Partnership Arrangements.

16.4.4 The Partners may agree alternative insurance and indemnity arrangements to the foregoing from time to time.

17 INFORMATION SHARING AND CONFIDENTIALITY

17.1 Both Partners will follow and ensure that the Partnership Arrangements comply with all legislation, regulations and guidance on information sharing produced by the Government or the Information Commissioner's Office.

17.2 The Partners will agree and comply with the standards set out in the Information Sharing Protocol set out at Schedule 3. The Partners may enter into Information Sharing Agreements (IASs) under that Protocol in relation to particular services or functions covered by this Partnership Arrangement. Any such ISAs will take account of the requirements of the Data Protection Legislation, the Caldicott Guidelines, the FOIA and the NHS Information Governance Framework.

17.3 The Partners will establish and ensure that there are kept operational:

17.3.1 procedures (including forms) for handling Client access and consent (if applicable);

17.3.2 documentation for a Client which explains their rights of access, the relevance of their consent (if applicable), rules and limits on confidentiality, and how information about them is treated;

17.3.3 such additional policies, procedures and documentation as shall be necessary in order to meet the purposes, guidance and requirements of Government and of all relevant Data Protection Legislation as they apply to the Partners and the Partnership Arrangements.

17.4 The Partners shall use all reasonable endeavours to develop and monitor joint

working protocols as shall be required for the sharing of information to the benefit of the Client and to facilitate strategic and operational planning with:

17.4.1 other agencies who work with common Client Groups; and

17.4.2 any third parties with whom the Partners have contracts in which case the relevant protocols shall be dealt with in information sharing clauses and schedules within such contracts;

and the Partners agree to comply with such protocols once they have been agreed.

- 17.5 Except as required by Law (including under the FOIA), each Partner agrees at all times during the continuance of these Partnership Arrangements and after their termination to keep confidential all documents or papers whether electronic or hard copy which it receives or otherwise acquires in connection with the other and which are marked with such words signifying that they should not be disclosed or where the confidential nature of the information contained within those documents is self-evident.

18 THE PRESS

- 18.1 Prior to the issue of any press release about matters relating to the Partnership Arrangements or making any contact with the press on any issue attracting media attention the relevant senior officers and managers of the Partners (or such persons as they each shall designate) will wherever possible consult with each other to agree a joint strategy for the release or handling of the issue.
- 18.2 Any media coverage in respect of the Partnership Arrangements shall be brought to the attention of the next meeting of the Accountability Board following such coverage.

19 STANDARDS OF CONDUCT

- 19.1 The Partners will comply and will ensure the Partnership Arrangements comply with all statutory requirements, national and local and other guidance on conduct, public accountability and probity and will ensure that good corporate governance standards are maintained by Partners (including, without limitation, the Bribery Act 2010 and the Partners' respective Standing Orders) in respect of the Services.

20 STANDARDS OF SERVICE

20.1 Best Value

- 20.1.1 The Council is subject to the duty of Best Value under the Local Government Act 1999. The Partnership Arrangements will therefore be subject to the Council's obligations for Best Value and MFT will cooperate with all reasonable requests from the Council which the

Council considers necessary in order to fulfil its Best Value obligations.

20.2 Procurement, Patient Choice and Competition Regulations

20.2.1 MFT is subject to the requirements of the Procurement, Patient Choice and Competition Regulations (“**the Rules**”). The Partnership Arrangements will therefore be subject to MFT’S obligations in respect of the Rules and the Council will cooperate with all reasonable requests from MFT which MFT considers necessary in order to fulfil its obligations under the Rules.

20.3 NHS Constitution

20.3.1 MFT is required to have regard to the NHS Constitution. The Partnership Arrangements will therefore be subject to MFT’s obligations in respect of the NHS Constitution and the Council will cooperate with all reasonable requests from MFT which MFT considers necessary in order to fulfil its obligations under the NHS Constitution.

20.4 Directions of the Secretary of State

20.4.1 MFT is required to comply with directions issued by the Secretary of State (“**Directions**”). The Partnership Arrangements will therefore be subject to MFT’s obligations in respect of such Directions and the Council will cooperate with all reasonable requests from MFT which MFT considers necessary in order to fulfil its obligations under such Directions.

20.5 Clinical Governance

20.5.1 MFT is subject to a duty to secure adequate arrangements for clinical governance of the NHS Functions, that being a framework through which MFT is accountable for continuously improving the quality of its Services and safeguarding high standards of care by creating an environment in which excellence in clinical care will flourish. The Partnership Arrangements will therefore be subject to clinical governance obligations where these are appropriate.

20.6 Corporate Governance

20.6.1 The Partners must comply with the principles and standards of corporate governance relevant to NHS trusts and local authorities. The governance arrangements for this Partnership Agreement and relevant terms of reference are set out in Schedule 2.

20.7 General Service Standards

20.7.1 General service standards for the Partnership Arrangements will be set in accordance with legislation and guidance produced by the relevant government department, and as may be agreed locally by the Partners.

20.7.2 Subject to clause 20.7.1 above, MFT will manage the Health-Related Functions in accordance with the arrangements, policies and procedures set out in this agreement.

20.8 Support Services

20.8.1 Support Services will be provided by the Partners may be necessary to support the Services that each Partner has statutory responsibility for unless the Partners agree otherwise.

20.8.2 If either Partner believes that additional Support Services may be required for the effective management or performance of the Services it will consult the other to reach agreement as to the appropriate way of providing the additional Support Services. If the Partners are unable to agree the appropriate way of providing the additional Support Services, the matter will be dealt with in accordance with the dispute resolution procedure set out at clause

20.9 Equality and Equal Opportunities

20.9.1 The Partners are committed to an approach to equality and equal opportunities as represented in their respective policies. The Partners will maintain, develop and comply with these policies as applied to service provision, with the aim of developing a joint strategy for all elements of the Services.

20.10 Development of new policies

20.10.1 The Partners may:

- (i) develop policies which build on the best practice of each Partner.
- (ii) develop a quality assurance system which builds on the best practice of each Partner.

20.10.2 Any policies which are developed or proposed for amendment will be adopted and communicated to staff using the existing processes established by the Council and MFT unless the Partners agree that the changes proposed are significant in which case they will use the process set out at Schedule 9.

20.11 Use of existing policies

20.11.1 Until new policies and procedures are established the Partners will use the pre-existing policies which they may have developed for their own use as applied to the Functions and Services prior to the Commencement Date. Where there are conflicting procedures which affect the operation of the Partnership

Arrangements one Partner's procedures and policies will be adopted by agreement between the Partners.

20.12 Equalities Impact Assessments

- 20.12.1 The Partners will carry out appropriate equalities impact assessments at reasonable intervals in relation to existing and new policies relating to the Partnership Arrangements.

21 PERFORMANCE MANAGEMENT AND INSPECTION

- 21.1 The Partners will be subject to performance management by the appropriate statutory bodies. The Partnership Arrangements will be subject to the scrutiny of the Partners' internal and external auditors.
- 21.2 The performance management frameworks of the Partners will be reviewed under this Partnership Agreement's review arrangements.

22 MONITORING ARRANGEMENTS AND RISK

- 22.1 The MLCO Accountability Board will monitor the effectiveness of the Partnership Arrangements using a range of performance measures to develop their work.
- 22.2 The Partners jointly agree to make a general commitment to transparency between themselves for risk management arrangements. Each Partner will comply with its corporate risk strategy (see Schedule 6). The Council will hold a risk register on behalf of the Services delivered by or on its behalf and MFT will do likewise for the Services delivered by or on its behalf under this Partnership Agreement.
- 22.3 The Partners shall ensure that adequate appropriate staff are nominated to monitor the Services and the Partnership Arrangements.

23 QUARTERLY REPORTING AND REVIEW

- 23.1 The Chief Executive shall carry out a quarterly review within 28 days of the end of each quarter in each Financial Year of the issues set out below for reporting to the bodies below: -
- 23.1.1 the Partnership Arrangements – MLCO Accountability Board; and
- 23.1.2 the statutory functions of each Partner which have been carried out by the other Partner – MLCO Accountability Board; and
- 23.1.3 the key performance indicators attached to the Services covered by the Partnership Agreement – Accountability Board.

24 ANNUAL REVIEW AND REPORTING

- 24.1 The Chief Executive will carry out an annual review by no later than [_____] days after the end of each Financial Year of the operation including:
- 24.1.1 an evaluation of performance against agreed performance measures, targets and priorities;
 - 24.1.2 review of the targets and priorities for the forthcoming year;
 - 24.1.3 Service delivery;
 - 24.1.4 Service changes proposed;
 - 24.1.5 shared learning and the need for joint training;
 - 24.1.6 an evaluation of any statistics or information required to be kept by the Department of Health from time to time;
 - 24.1.7 the statutory functions of each Partner which have been carried out by the other Partner using the flexibilities of Section 75 of the 2006 Act; and
 - 24.1.8 the operation and effectiveness of the MLCO's internal governance arrangements.
- 24.2 The Partners shall within [_____] days of the annual review prepare a joint annual report documenting the matters referred to in Clause 24 to report and submit to the MLCO Accountability Board and the Manchester Partnership Board, as agreed by the Partners.

25 CONFLICTS OF INTEREST

- 25.1 The MLCO Accountability Board shall ensure policies are in place for managing conflicts of interest guided by MFT and the Council's own rules relating to conflicts of interest and agree to comply with such policies once agreed.

26 SUBSTANDARD PERFORMANCE

- 26.1 If any Partner ("**Relevant Partner**") fails to meet any of its obligations under this Agreement, the other Partner may by notice require the Relevant Partner to take such reasonable action within a reasonable timescale as the other Partner may specify to rectify such failure. Should the Relevant Partner fail to rectify such failure within a reasonable timescale, the matter shall be referred for resolution in accordance with Clause 34.

27 COMPLAINTS SYSTEM

- 27.1 A protocol shall be agreed by the Partners to deal with complaints arising under the Partnership Arrangements. The complaints will be dealt with under

the complaints system which is applicable to the NHS and statutory provisions applicable to Council Services where applicable. Where there are no statutory provisions applicable and until superseded by the protocol referred to above any complaint about a Council Service will be dealt with under the Council's corporate complaints procedure. Partners agree to report on a quarterly basis the number, types and outcome of complaints relevant to the Services to the MLCO Accountability Board. Any protocol may change from time to time with the agreement of the Partners and will be subject to such other enactments, regulations and government guidance as may be issued nationally from time to time.

28 TERMINATION

- 28.1 Either Partner may at any time by the service of not less than 12 months' notice in writing to the other Partner terminate this Partnership Agreement during the Term or Extension Period.
- 28.2 Either Partner may by 3 month's written notice to the other Partner terminate this Partnership Agreement if:
- 28.2.1 As a result of any change in law or legislation it is unable to fulfil its obligations hereunder;
- 28.2.2 The fulfilment of its obligations hereunder would be in contravention of any guidance from any Secretary of State issued after the date hereof;
- 28.2.3 The fulfilment of its obligations hereunder would be ultra vires;
- 28.2.4 Where Partners have been unable to resolve a dispute in accordance with clauses 34.
- and the Partners shall be unable to agree a modification or variation to this Partnership Agreement so as to enable the Partner to fulfil its obligations in accordance with such law and guidance.
- 28.3 Termination of this Partnership Agreement (whether by effluxion of time or otherwise) shall be without prejudice to the Partner's rights in respect of any antecedent breach and the provisions of Clause 26 and 28 shall not prejudice the rights of either Partner to recover any amount outstanding at such termination.
- 28.4 The provisions of this Clause shall not preclude the Partners from agreeing such other date for termination of this Partnership Agreement where they consider it is reasonable and equitable to do so.
- 28.5 Termination of the Agreement shall have no effect on the liability of any rights or remedies of either Partner already accrued prior to the date upon which such termination takes effect.

29 EXIT ARRANGEMENTS

- 29.1 In the event that the Partnership Arrangements are terminated the Partners agree to cooperate to ensure an orderly wind down of their joint activities for the relevant Services. The Partners agree to ensure that the disaggregation of the integrated and joint activities to the separate responsibilities of the Partners is carried out smoothly and with as little disruption as possible.
- 29.2 Detailed provisions as to exit arrangements for individual Services will be agreed and may include provisions about:
- 29.2.1 maintaining continuity of the Services;
 - 29.2.2 responsibility for debts and on-going contracts;
 - 29.2.3 such other matters as the Partners deem reasonably necessary.

30 WAIVERS

- 30.1 The failure of either Partner to enforce at any time or for any period of time any of the provisions of these Partnership Arrangements shall not be construed to be a waiver of any such provision and shall in no way affect the right of that Partner thereafter to enforce such provision.
- 30.2 No waiver in any one or more instances of a breach of any provision hereof shall be deemed to be a further or continuing waiver of such provision in other instances.

31 ENTIRE AGREEMENT

- 31.1 The terms herein contained together with the contents of the Schedules and Appendices constitute the complete Partnership Agreement between the Partners with respect to the subject matter hereof and supersede all previous communications, representations, understandings, and Partnership Agreement, and any representation, promise, or condition not incorporated herein shall not be binding on either Partner.
- 31.2 No Partnership Agreement or understanding varying or extending any of the terms or provisions hereof shall be binding upon either party unless in writing and signed by a duly authorised officer or representative of the Partners.

32 CHANGES IN LEGISLATION

- 32.1 The Partners may review the operation of the Partnership Arrangements and all or any procedures or requirements of this Partnership Agreement on the coming into force of any relevant statutory or other legislation or guidance affecting the Partnership Arrangements so as to ensure that the Partnership Arrangements comply with such legislation or guidance.
- 32.2 The Partners shall ascertain, observe, perform and comply with all relevant Laws, and shall do and execute or cause to be done and executed all acts

required to be done under or by virtue of any Laws.

- 32.3 On the occurrence of any Change in Law, the Partners shall agree in good faith any amendment required to this Agreement as a result of the Change in Law subject to the Partners using all reasonable endeavours to mitigate the adverse effects of such Change in Law and taking all reasonable steps to minimise any increase in costs arising from such Change in Law.
- 32.4 In the event of failure by the Partners to agree the relevant amendments to the Agreement (as appropriate), Clause 34 shall apply.

33 GOVERNING LAW

- 33.1 This Partnership Agreement shall be governed by and construed in accordance with the law of England and Wales.

34. RESOLUTION BETWEEN THE PARTNERS

- 34.1 In the event of a dispute between the Partners in connection with the Partnership Arrangements the Partners shall refer the matter to the Chief Executive of each party or their nominated deputies. The Partners' representatives to whom the dispute is referred shall endeavour to settle the dispute between them.
- 34.2 If after the dispute being referred to the persons identified in 34.1, it remains the case that no agreement or resolution has been reached within a reasonable period of time having regard to the nature of the dispute the Partners shall consider whether the dispute should be referred to mediation for the relevant Function in dispute for resolution. If the Partners agree upon mediation a mediator ("the Mediator") shall be chosen by agreement between the Partners or, if they are unable to agree upon a Mediator within 14 days after a request by one Partner to the other or if the Mediator agreed upon is unable or unwilling to act, either Partner may apply to the Centre for Effective Dispute Resolution ("CEDR") to appoint a Mediator and give guidance on a suitable procedure for the mediation. If the Partners reach agreement on the resolution of the dispute, the agreement shall be reduced to writing and shall be binding on the Partners once it is signed by their duly authorised representatives.
- 34.3 If after 34.1 and 34.2 have been complied with it remains the case that no Partnership Agreement or resolution has been reached or the Partners cannot agree upon the method for resolving such dispute, then either Partner may terminate the Partnership Agreement in accordance with clause 28 of this Partnership Agreement.

35 TRANSFERS

- 35.1 This Partnership Agreement and all rights under it may not be assigned or transferred by any of the Partners without the prior written consent of the others (such consent not to be unreasonably withheld or delayed), provided

that no such consent shall be necessary for an assignment to a statutory successor of the functions of any of the Partners and provided also that such statutory successor is a body which is permitted to enter into an agreement pursuant to section 75 of the 2006 Act or any subsequent amendment or re-enactment of the same.

36 NO PARTNERSHIP

- 36.1 Nothing in this Partnership Agreement shall create or be deemed to create a legal partnership or the relationship of employer and employee between the Partners.

37 NOTICES

- 37.1 Any notice or communication hereunder shall be in writing.
- 37.2 Any notice or communication to the relevant Partner shall be deemed effectively served if sent by registered post or delivered by hand at the address of the relevant Partner as set out above and marked for the Chief Executive of the Council or the Chief Executive of MFT or to such other addressee or address notified from time to time to the other Partner.
- 37.3 Any notice served by delivery shall be deemed to have been served on the date it is delivered to the addressee. Where notice is posted it shall be sufficient to prove that the notice was properly addressed and posted and the addressee shall be deemed to have been served with the notice 48 hours after the time it was posted.

38 THE CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

- 38.1 The Contracts (Rights of Third Parties) Act 1999 shall not apply to this Partnership Agreement and accordingly the Partners to this Partnership Agreement do not intend that any person not a party to it should have any rights in respect of this Partnership Agreement by virtue of that Act.

39 FORCE MAJEURE

- 39.1 Neither Partner shall be entitled to bring a claim for a breach of obligations under this Agreement by the other Partner or incur any liability to the other Partner for any losses or damages incurred by that Partner to the extent that a Force Majeure Event occurs and it is prevented from carrying out its obligations by that Force Majeure Event.
- 39.2 On the occurrence of a Force Majeure Event, the Affected Partner shall notify the other Partner as soon as practicable. Such notification shall include details of the Force Majeure Event, including evidence of its effect on the obligations of the Affected Partner and any action proposed to mitigate its effect.
- 39.3 As soon as practicable, following notification as detailed in Clause 39.2, the Partners shall consult with each other in good faith and use all best

endeavours to agree appropriate terms to mitigate the effects of the Force Majeure Event and, subject to Clause 39.4, facilitate the continued performance of the Agreement.

- 39.4 If the Force Majeure Event continues for a period of more than sixty (60) days, either Partner shall have the right to terminate the Agreement by giving fourteen (14) days written notice of termination to the other Partner. For the avoidance of doubt, no compensation shall be payable by either Partner as a direct consequence of this Agreement being terminated in accordance with this Clause.

40 VARIATION

- 40.1 No variations to this Agreement will be valid unless they are recorded in writing and signed for on behalf of each of the Partners.

41 ASSIGNMENT AND SUB-CONTRACTING

- 41.1 The Partners shall not sub-contract, assign or transfer the whole or any part of this Agreement, without the prior written consent of the other Partners, which shall not be unreasonably withheld or delayed. This shall not apply to any assignment to a statutory successor of all or part of a Partner's statutory functions.

IN WITNESS WHEREOF this Partnership Agreement has been executed by the Partners on the date of this Partnership Agreement

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**SCHEDULE 1 - List of Services Covered by this Partnership Agreement
with indicative budgets**

Part 1 Service Directory

Part 2 Out of Scope Services

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SCHEDULE 2 – Terms of Reference

Appendix A MLCO Executive Management Board

Appendix B M MLCO Accountability Board

Appendix C Manchester Partnership Board

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SCHEDULE 3 – Information Sharing Protocol

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SCHEDULE 4 –Financial Framework

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SCHEDULE 5 - Workforce

Part 1 - HR Protocol

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SCHEDULE 6 - Risk Management

Part 1 - Manchester Council Risk Management Strategy

Part 2 - MFT Risk Management Policy

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SCHEDULE 7 – Scheme of Delegation

Manchester City Council's Director of Adult Social Care's (DASS's) delegated powers as set out in Part 3 Section F of Manchester City Council's Constitution

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Appendix 2 – Adult Social Care Functions and Services

Services
Adults Multi-Agency Safeguarding Hub (MASH)
Carers Team
Citywide Care Homes Team
Community Adult Learning Disability (CALDS)
Community Alarms & Technology-Enabled Care (TEC)
Contracts
Day Services
Direct Payments
Deprivation of Liberty Safeguarding (DOLS)
Disability Supported Accommodation Service (DSAS)
Emergency Duty Service (EDS)
Equipment Only
Hospitals & Manchester Community Response (MCR)
Independent Domestic Violence & Abuse (IDVA) ¹
Integrated Neighbourhood Teams (INTs)
Living Well at Home Commissioning
Manchester Equipment & Adaptations Partnership (MEAP)
Manchester Case Management Team
Mental Health Commissioning
No Recourse to Public Funds
Performance & Quality Improvement (PQI)
Placement & Purchasing
Quality Assurance and Improvement Team
Reablement
Retained Advice
Review Team
Sensory
Shared Lives
Short Breaks
Social Work Consultants
Substance Misuse
Transition
Urgent Care Control Room

¹ Noting close working relationships with wider MCC services

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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