



Resources and Governance Scrutiny Committee

Date: Tuesday, 22 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

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Membership of the Resources and Governance Scrutiny Committee

Councillors - Russell (Chair), Ahmed Ali, Clay, Davies, Hitchen, Kirkpatrick, Lanchbury, B Priest, Robinson, Rowles, A Simcock and Wheeler

Supplementary Agenda

- 5. Future Shape of the Council** 3 - 20
Report of the Deputy Chief Executive and City Treasurer attached
- This report sets out the context and background for the Future Shape of the Council Programme, its priority areas of work and benefits to the Council and its residents. The digital agenda forms a major workstream within the Future Shape programme and ICT support will be integral to its successful delivery. This paper sets out this work.
- 6. Domestic Violence and Abuse Funding** 21 - 30
Report of the Strategic Director – Neighbourhoods attached
- This report sets out the current funding arrangement for Domestic Violence and Abuse services across Manchester. It highlights in particular new investments that the council is making in 2021/22 to help further support victims and children and tackle perpetrator behaviour.
- 7. Nursery Funding** 31 - 42
Report of the Strategic Director for Children and Education Services attached
- This report outlines a set of proposals to support the continued provision of high quality Early Years settings across the City. The report specifically provides an overview of the impact of the current Early Years tendered day-care model (whereby providers offer day-care from a Council owned building), on the Council's duty to oversee sufficient day-care for preschool children across Manchester; the Early Years Budget and ongoing maintenance of Early Years buildings which remain part of the corporate estate

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 **Wednesday, 16 June 2021** by the Governance and Scrutiny Support Unit, Manchester City Council, Level 3, Town Hall Extension (Lloyd Street), Manchester M60 2LA

Manchester City Council Report for Information

Report to: Resources and Governance Scrutiny Committee – 22 June 2021

Subject: Future Shape of the Council – Digital and ICT workstream

Report of: Deputy Chief Executive and City Treasurer

Summary

The Future Shape of the Council programme is reshaping how the Council delivers services both internally and externally, by using new technologies, ways of working and new delivery models. It is an organisational wide initiative bringing together several programmes that are designed to strengthen our ability to deliver the Our Manchester Strategy, and in doing so, creating a city where people want to live and work. This report sets out the context and background for the Future Shape of the Council Programme, its priority areas of work and benefits to the Council and its residents.

The digital agenda forms a major workstream within the Future Shape programme and ICT support will be integral to its successful delivery. This paper sets out this work.

Recommendations

That Scrutiny note the contents of this report and the changes that will be required over the next few years to deliver this important agenda.

Wards Affected: All

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| Environmental Impact Assessment - the impact of the issues addressed in this report on achieving the zero-carbon target for the city |
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| The Future Shape of the Council aims to improve the Council's efficiency and effectiveness in the context of reducing our carbon impact including in areas such as estates, printing, and travel. The successful delivery of the digital and ICT approach will be integral to this. |
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| Our Manchester Strategy outcomes | Summary of how this report aligns to the OMS |
|---|--|
| A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities | The Future Shape of the Council Programme is designed to strengthen the delivery of the priorities in Council's Corporate Plan, and as a result, all the Our Manchester Strategy |

| | |
|--|--|
| A highly skilled city: world class and home grown talent sustaining the city's economic success | outcomes. Some of the workstreams will also have a more direct impact as outlined below. |
| A progressive and equitable city: making a positive contribution by unlocking the potential of our communities | <p>There are circa 27,000 residents in the City who are digitally excluded, with a significant correlation with social inclusion. As part of its response to Covid MCC has supported 800 residents with a combination of devices, data & skills support to help them get online. This work is being continued in the current financial year.</p> <p>The Joined-Up Health and Social Care workstream will support the successful implementation of integrated Health and Social Care improving health outcomes for residents.</p> |
| A liveable and low carbon city: a destination of choice to live, visit, work | The Place Based and New Approach for Housing workstreams will support improved services in neighbourhoods |
| A connected city: world class infrastructure and connectivity to drive growth | The Council adopting technology and delivering digitally makes a positive contribution to Manchester's ambition to be a leading and inclusive Digital City. |

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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.

Future Shape of the Council and Arrangements for the Integration of Health and Social Care, Executive Report, 17th March 2021

Driving Digital Inclusion and Bridging the Digital Divide in Manchester, Communities and Equalities Scrutiny, December 2020

1. Introduction

- 1.1. The Future Shape of the Council programme is reshaping how the Council delivers internal and external services, by using new technologies, ways of working and new delivery models. It is an organisation wide initiative bringing together several programmes designed to strengthen our ability to deliver the Our Manchester Strategy and in doing so, creating a city where people want to live and work. This report sets out the context and background for the Future Shape of the Council Programme, its priority areas of work and benefits to the Council and its residents.
- 1.2. This report includes:
- The Future Council programme objectives and overview of workstreams.
 - A more detailed introduction to the scope of the digitally integrated council workstream.
 - The role of ICT in the successful delivery of the programme.

2. Context

- 2.1 The priorities and vision for the city are set out in the Our Manchester Strategy, Forward to 2025. The Strategy was reset in March 2021 as part of the Council's COVID-19 recovery planning. The reset retains the original Strategy's five themes, with a stronger focus on equalities and inclusion, and a streamlined set of ten priorities under these themes. Progress will continue to be monitored and reported in the annual State of the City report.
- 2.2 The Corporate Plan sets out the Council's priorities in delivering the Our Manchester Strategy, underpinned by the Our Manchester behaviours. The Council is undergoing a complex series of changes in response to budget challenges, changes to our city's population, and the impacts of the COVID-19 pandemic. Despite the pressures being faced the Council remains determined to deliver the agreed priorities for Manchester. The budget is not just about how to manage within available resources but also on where funding should be invested to deliver on resident priorities and working with partners to jointly develop new ways of delivering services such as prevention and early help, giving families strengths and self-reliance so they will benefit from greater self-determination and improved life chances - and in so doing reducing the need for more costly support in the future.
- 2.3 As well as needing to implement the agreed programme of c£41m budget cuts and address the budget gap from 2022/23 onwards the Council is facing a series of major changes on top of the pandemic recovery planning and business as usual activity. Some of the major changes being implemented during 2021/22 are listed below:
- 116 FTE from the Corporate Core will leave by 31 March. There will not be the capacity to provide all the support currently provided and planned approach to delivering the change is required. The Council's main ERP

system, SAP that provides the finance, payroll, HROD and procurement functionality is at end of life and a new solution will need to be procured with work needing to start on this now. This is a major change programme but also an opportunity to modernise and automate how the Council works. For the customer facing services major changes are also planned including the implementation of the new Customer Service offer which is currently underway and the replacement of the Council's CRM system and associated improvements to how we interact with residents.

- The Northwards Housing ALMO (Arm's length management organisations) is coming back in house in July 2021. As well as the transfer of the housing functions, to deliver the maximum benefits, the delivery of the support functions will then need to be integrated into those provided by the Council.
- 2021/22 is the transition year for the move to the new Integrated Care System changes outlined in the recent national White Paper. This will mean significant changes for how health and social care operates in Manchester and Greater Manchester. A new Manchester Partnership Board has been established to drive integration of health and social care in the city. Plans are also now in place for 'supercharging' of the Manchester Local Care Organisation including a new Section 75 agreement with Manchester Foundation Trust, to improve the quality of services and improve outcomes for residents and patients.

2.4 All the above changes heavily interact with each other. As the pandemic recovery planning is underway this reinforces the need to take an evidence-based approach that supports individual localities and neighbourhoods, recognising the very different needs in different parts of the city. The changes cannot be delivered in isolation or without acknowledging the support that will be required to our workforce and the engagement and co-design with our partners and stakeholders that will be critical to our success.

3. Future Shape of the Council

3.1 The scale and complexity of change required to work through the upcoming challenges that the council faces means a new council wide approach is required. The Future Shape of the Council is the next step in helping us achieve our ambitions to reshape Manchester City Council to deliver the Our Manchester Strategy and Corporate Plan and more fully embed the Our Manchester approach. Over the next two years, the Future Shape programme will reshape how Manchester delivers services both internally and externally, by using new technologies, ways of working and new delivery models. The programme will lead to a better Council that will improve outcomes for residents and staff, improve our long-term resilience and provide a framework for any future budget cuts.

3.2 The objectives of the Future Shape of the Council programme are to:

- Make the Council a more desirable place to work with an emphasis on an inclusive culture and modern ways of working.

- Improved and consistent quality services for our residents.
- Improved organisational resilience, making best use of capacity and resources to mitigate future demand and maintain focus on delivering vital services for residents.
- Strengthened ability to deliver against the Our Manchester Strategy and the Council's Corporate Plan.
- Provide a framework for future budget planning.

3.3 The work is being delivered through five key workstreams and one enabler:

- A digitally integrated Council;
- A more purposeful and effective Core;
- Joined up Health and Social care;
- A new approach to housing delivery;
- Place based working; and,
- Organisational development, culture, and behaviours (enabling workstream).

3.4 This report focuses attention on the Digitally Integrated Council Workstream and the vital role ICT will play and achieving the ambitions. Initial scoping information for the other workstreams is outlined in the paper "Future Shape of the Council and Arrangements for the Integration of Health and Social Care" present to the Executive on 17th March 2021.

4.0 A Digitally Integrated Council Workstream

4.1 The opportunities provided by new technology and digital developments have brought demand for significant change to all organisations, both in the public and private sector; delivery models and relationships with staff, partners and suppliers are being transformed.

4.2 The scope and principles of 'digital' in the context of the Future Shape programme are as follows:

- Digital is about taking advantage of modern and emerging technology, by changing what we do not just "putting paper-based stuff online".
- It must focus on the needs of the people accessing the service rather than those who are delivering it.
- Digital is an organisation wide, outcome-focused approach, delivering improvements across all areas of service delivery, including technology, people, processes, and data.
- Data underpins a successful digital approach, enabling the organisation and (where possible) its external partners to deliver effective, data driven services using insight to make services as simple as possible for customers.
- Digital informs a fundamentally different ways of delivering services. It is by its nature disruptive, enabling organisations to break down organisational and technology barriers, allowing organisations to innovate.

4.3 To make our digital ambitions a reality, the Digital Workstream has five critical programmes to deliver:

- The successful implementation of the Resident and Business Digital Experience Programme (RBDXP) (including the replacement of the existing customer relationship management system and introducing an integrated platform so that council front-facing systems interact to the benefit of our residents and businesses)
- Improvements to our data management and data integration, including a new data management strategy.
- Supporting our residents to develop improved digital skills and tackling digital exclusion.
- Explore opportunities to deliver automation of back-office processes to improve efficiency and ensure staff can focus their skills and attention on work which adds value both to them and the organisation.

4.4 Digital skills for our staff will also be picked up and there are linkages to the future ways of working work that is supporting the delivery of the skills and equipment needed by all staff, within the enabling workstream.

4.5 This workstream does not include the external digital infrastructure in the city, this is covered by a separate work programme and strategy that will be reported to the Executive in September.

4.6 The objectives for the Digital workstream include:

- An organisational wide common understanding of what we mean by digital that is embedded in the way that we work.
- Adoption of a Digital First approach in the Council where transactional support services will be carried out digitally where possible.
- For services in scope, RBDXP will deliver a digital first model that works for our residents and businesses (alongside other targeted service delivery mechanisms where needed)
- Workforce Digital Literacy – All staff will have reached a level of digital literacy that will enable them to work effectively.
- Evidence of progress against digital inclusion agenda for our residents.
- Data strategy and standards will be in place that will enable us to work more collaboratively and data share with partners and across Greater Manchester, supporting us to be an intelligence led organisation.
- Decisions will be data and intelligence driven.

Resident and Business Digital Experience Programme

4.7 Appendix 1 provides a fictional case study as to why we need to do work to improve our digital front-end offer to our residents and businesses. We will work to create a Council wide front end that recognises residents without the need for multiple and inconsistent routes through the system.

4.8 Within the next few years, the Council will need to replace its customer relationship management system, the income management system, and the

website. Alongside this, we have recently replaced our telephone system which has allowed all our call centre staff to work from home during the pandemic and has already delivered customer experience improvements whilst also complementing this programme. Finally, we also need to replace our systems integration technology to ensure residents and businesses experience a seamless experience when interacting with Council services.

- 4.9 Historically these systems would have all been replaced in isolation with no planning as to how we can link and provide a platform that supports the resident experience. This programme will ensure a joined-up approach.
- 4.10 The aim of the programme is to improve the experience for residents, businesses, partners and members when interacting with the Council, developing, and using new and existing technologies to enable this.
- Specifically when reporting issues, requesting services, making applications, and making payments.
 - Presenting useful information about Council services and its partners which is readily available, easy to understand and accessible to all.
 - Ensuring that a customer centric approach is taken to digital engagement and communications
 - We will promote self-service, automation and integration at every opportunity providing a seamless and consistent customer journey/ experience through our services.
 - We will grow our capability to deliver programmes in partnership with our communities and our partners, operating as one Council and cutting across organisational boundaries.
 - Design principles that ensure parity of access, design, and management across our customer channels

Resident digital skills and inclusion objectives

- 4.11 The aim is that where they can, our residents are supported and enabled to become, and remain, digital citizens, who can access the services they need from us (and other organisations) in a digital way and are regular and confident online users with whatever they are doing in their day-to-day life.
- 4.12 This does not mean that the Council will no longer have phone support or face to face support when necessary; these will continue and be improved and developed and we want to make these more person centred so we can provide enhanced support to those that need it. An example would be for complex debt advice and support or for a resident who needed help with a benefit claim but was seriously ill. However, most people do not need extensive face to face interviews or want to stand in a queue or wait on a phone line, they want to self-serve having as few hand-offs interactions as possible, where they get what they want first time in the most cost effective and timely way to suit their circumstances. Where possible we want to provide access channels that meet the resident's specific circumstances, based on their needs, and support the Council's low-carbon agenda and anti-poverty

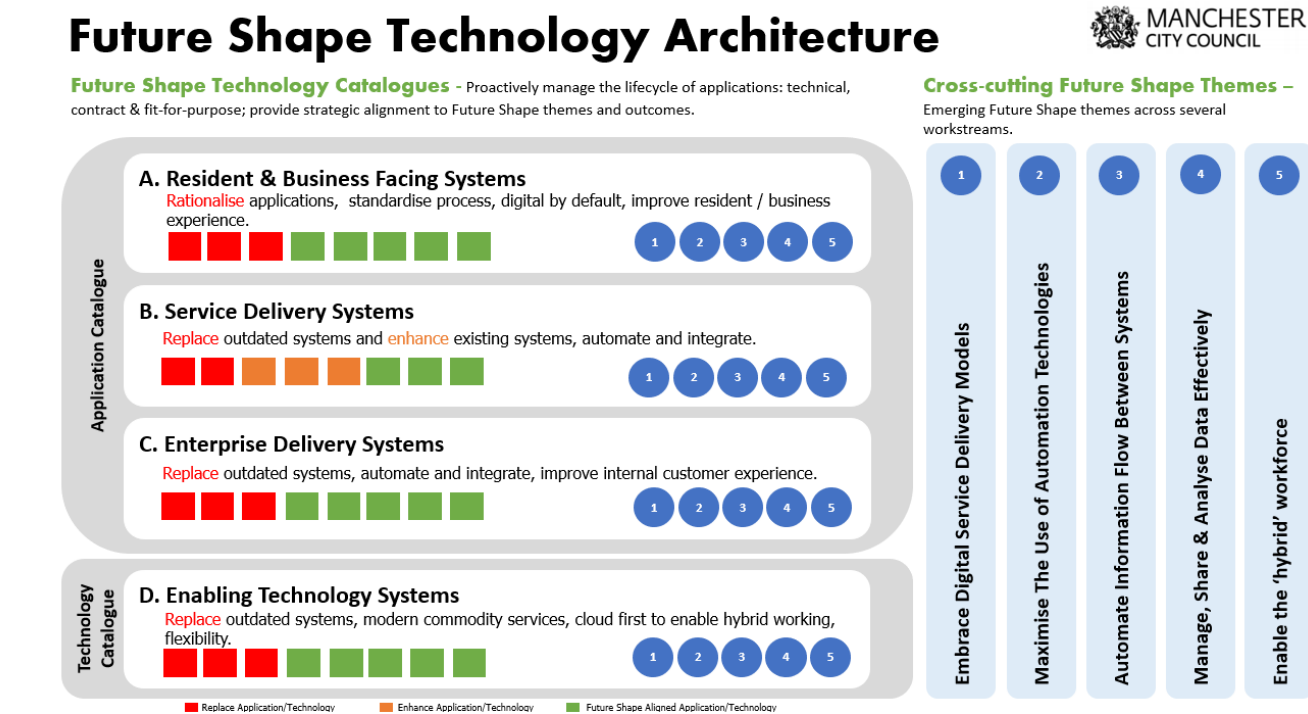
agenda by avoiding unnecessary costs and journeys so that residents get what they want in the easiest way for them.

- 4.13 We are piloting new technology so that we can try new things like digital face to face (screen to screen) access for residents with an advisor using access hubs in libraries and making ongoing improvements, including scanning documentation to support a benefit claim so that it is scanned directly to the benefits claim information, reducing delays in the business process.
- 4.14 We want to support residents, businesses, and partners to interact with us by offering good quality, accessible technology that is easier than other methods, so that digital becomes the access channel of choice for most residents in their day to day dealing with the Council. This needs residents, businesses, and partners to have the digital skills and access to technology linked to the right systems and support, recognising that digital inclusion is also linked to financial inclusion, including access to broadband and phone credit. Appendix 2 provides some scenarios as to how digital can improve our interaction and meet the demands of our residents.
- 4.15 We know that this work needs to happen as there are approximately 27,000 digitally excluded residents across Manchester and there is a strong correlation between digital and social exclusion, as well as digital exclusion and age. Throughout the pandemic, the Council worked with partners to provide a combination of digital devices, data and wrap around digital skills support to residents who could not go online. Given the importance of digital to the way we work, learn and live, the Council is continuing to support this work with further investment in this financial year.
- 4.16 Through this work we are driving a more holistic and coordinated approach to tackling digital inclusion – across skills, access, and motivation. There is still a need to further evidence the scale and complexity of the digital divide and barriers to engaging with digital services faced by Manchester residents.
- 4.17 The activity to support the objectives will include:
 - the delivery of a programme for improved access digital devices and data and how the Council supports and facilitates this;
 - skills and training support within communities; and
 - the development of a digital index for the city that measures our performance and allows targeted support and work with partners.
- 4.18 Full details of this work and the work to move to a new model for the Customer Service Organisation and how it impacts on residents have been detailed in reports on digital inclusion to Communities and Equalities Scrutiny in December 2020 and a separate report on the new Customer Service Centre operating model also in December 2020.
- 4.19 There will be further reports on digital inclusion which is also connected to the new Digital Strategy and Action Plan for the City. Although the purpose of this broader strategy is out of scope of Future Shape it is important to maintain a

connection with this work. The Council’s wider Digital Strategy includes the wider city infrastructure and how residents and businesses engage with digital services in the city.

5.0 ICT Support

- 5.1 For this workstream to achieve its ambitions and to enable the transformation that the Council needs to undertake, Information and Communications Technology (ICT) will underpin most of the activity. This is not simply about digitising current processes, it is about service redesign to ensure these align to our target operating model, that ICT systems support.
- 5.2 This workstream will introduce new technology and enhance existing technology to enable new ways of working and support new digital delivery models, this will need a shift in the way technology is managed. This will create a better understanding of how technology can enable new ways of working across the Council and provides a clear connection to the Future Shape objectives. The ICT service is currently reviewing how technology is used to support service delivery across the Council. Each piece of technology will be grouped into one of four categories and its suitability to support Future Shape and wider Council objectives will be reviewed. Each piece of technology will then be added to a catalogue, this allows easy identification of which technologies have the potential to support new ways of working and which need to be replaced or enhanced. This will lead to the development of a technology roadmap to show when old technology will be replaced, existing technology enhanced, and new technology introduced.



(Accessibility note: for e-reader description of image please see appendix 3)

5.3 Several projects are underway to make sure that our core infrastructure can support the requirements of the Future Shape Programme, providing a secure, scalable, and user-friendly experience that will support our future ways of working. These projects include:

- Upgrading networks between our sites, that will enable colleagues and users in Libraries faster access to resources, with most sites increasing bandwidth by at least a factor of ten.
- Increasing and improving WIFI within our buildings enabling much more agile and flexible working. Currently, only six sites have WIFI with 200 access points, but this will increase to all our sites and with over 2,000 access points.
- Improved meeting room and collaboration spaces that will not only support individuals in the room but will also be available to support different needs such as hybrid meetings and collaboration with other organisations.
- End User Device replacement (Members and Officers): moving users to a single device that will work wherever it is best for them to work, giving secure access to Council systems, telephony and to collaborate with colleagues. This will reduce our machines to a single device per employee in most cases, based on their role.
- Fully utilising technologies that we already use, such as Office 365, 8x8 (Telephony), giving users more tools to collaborate and engage with each other, as we work with the Directorate Digital Champions to exploit functionality aligned to business needs.
- Review of all infrastructure and applications, to move towards more standardised applications that are more scalable with no customisation as that makes upgrades more complicated.

5.4 The Council has several key systems that are both approaching end of life and are not able to support modern ways of working. Plans are underway for the replacement of these, including:

- Customer Relationship Management (CRM) with the RBDXP Programme
- The SAP system that currently provides the Council's HR, Finance and Payroll Systems
- System Integration engine that allows systems to 'connect' to each other and pass data securely to where it is needed.

These will transform the way we engage with our residents, businesses, partners, and colleagues.

5.5 These new systems will adopt the latest technologies which see much more workflow of transactions, user self-service, and assisted decision making that will enable a significant number of manual transactions or processes where there is simple processing of requests, to be automated. The full impact of this is currently unknown and will be addressed in individual business cases but actions such as copying, filing, cutting and pasting into other systems will stop being the norm. There is a subgroup currently investigating this and exploring the different technologies available in more detail.

- 5.6 We will move to more modern technology platforms with cloud hosting being the norm. This will give us greater scalability, resilience, and flexibility in how our systems are securely accessed and updated. Investing ICT expenditure in organisations with strong sustainability credentials that focus on energy efficiency will support carbon neutrality for the city, as well as supporting remote access across different devices.
- 5.7 This will see the ICT service move to being much more agile in its delivery, adopting low code solutions that needs less programming and which are much more about the mapping of business workflows into the IT solutions.

6.0 Funding

- 6.1 The current approved ICT capital investment programme includes several of the projects noted above, such as RBDXP and End User Devices. The expectation is that other projects which support the workstream will be brought forward through the Council's capital approval process, such as the SAP replacement, as they develop and that these will be funded through the current investment programme and any future additional allocations of capital funding.
- 6.2 However, there is an ongoing challenge to this approach because for several the proposals the technology solutions being adopted will be cloud-based. This means the Council will be subscribing to a software solution, rather than investing in hardware, which does not meet the accounting definition for capital expenditure and is therefore revenue spend in nature.
- 6.3 Work will be undertaken to review the likely impact of this, and to seek a sustainable funding solution.

7.0 Recommendations

That Scrutiny note the contents of this report and the changes that will be required over the next few years to deliver this important agenda.

Appendix 1 – The complexity of current interaction using a fictional family

Dave has lived and worked in Manchester all his life and loves the city. He lives with his wife Jane, who has owned a small cafe in Manchester for the last three years. They have recently moved house and have three young children Emma 2, Josh 5, and Max 7. Josh is looking forward to moving to his new local primary school in a few months' time. Max has special educational needs and is benefiting from our SEND (Special Educational Needs and Disability) Local Offer.

Dave's parents live close by. Unfortunately, he lost his father last year and his mother is now looking to move into retirement housing. Dave has invested in the booming Manchester property market and rents out a small city centre flat. He also wants to extend his property and is required to apply for planning permission.

The current activity to undertake these activities would require:
7 Portals | 6 Online Accounts | 1 Paper Form

| User Journey | MCC Service | Portal | Online Account | Request |
|---|----------------------------------|---------------------------------|----------------|----------------------------|
| They find out about how to access our services | Communications | Manchester City Council website | N | N/A |
| They register their middle child for a primary school place for now | Education | Manchester City Council website | N | Download Form. Post or CSC |
| Jane views her business rate account online. | Revenues & Benefits | Revs & Bens website | Y | Online |
| Dave obtained a death certificate for his father | Registrars | Registrars website | Y | Online |
| Dave needs to apply for a Selective Licence because his flat is in a designated area. | Housing Compliance & Enforcement | Selective Licence website | Y | Online |

| | | | | |
|---|---------------------|-----------------------------------|---|--------|
| Dave needs to apply for retirement housing for his mother | Housing | Manchester Move website | Y | Online |
| They would like Max to continue to benefit from our Local Offer | Children & Families | Help & Support Manchester website | Y | Online |
| They would like to apply for planning permission | Planning | Planning website | Y | Online |

Appendix 2 – How the new model will work in practice

Scenario 1:

Old model - Young person with learning disability, historically would visit the Customer Service Centre with family member for help and advice on their benefit claim form.

New model - Appointment with advisor who is fully trained to support residents in this way, for a three-way conversation with resident and family member from their respective homes either by phone or video conference.

Scenario 2:

Old model - Person part time working- with limited credit on phone, worried about call charges so calls into the CSC in their lunch hour from work.

New model - Even at busy times can hold place in call queue for call back without the need to stay on the line, does not cost anything other than initial connection charge. No additional cost to Council associated with call back and resident receives call back when their call reaches the front of the call queue and is connected to a fully trained advisor.

Scenario 3:

Old model - Resident must come into to the town hall and queue up to provide evidence of a payslip for benefit claim.

New model - Scanned photograph on mobile phone accepted.

Scenario 4:

Old model - Resident can use technology but visits the Council as not confident completing a full Housing Benefit claim form.

New model - Telephone appointment using co-browsing that supports the resident navigating the website and making the claim.

Scenario 5:

Old model - Resident comes into the CSC as English not their first language and wants to discuss in community language.

New model - Phone call with advisor who speaks language or supported by language line.

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Appendix 3 – E-reader description of image:

Future Shape Technology Architecture

Section 1: Future Shape Technology Catalogues – proactively manage the lifecycle of applications: technical, contract and fit for purpose; provide strategic alignment to Future Shape themes and outcomes.

Category A: Resident and Business Facing Systems (Applications)

Rationalise applications, standardise processes, digital by default, improve resident and business experience.

Category B: Service delivery Systems (Applications)

Replace outdated Systems and enhance existing systems, automate and integrate.

Category C: Enterprise delivery systems (Applications)

Replace outdated systems, automate and integrate, improve internal customer experience.

Category D: Enabling Technology Systems (Technology)

Replace outdated systems, modern commodity services, cloud first to enable hybrid working, flexibility.

All the above map against five Cross Cutting Future Shape Themes:

- 1) Embrace digital service delivery models
- 2) maximise the use of automation technologies
- 3) Automate information flow between systems
- 4) Manage share and analyse data effectively
- 5) Enable the 'hybrid' workforce

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Manchester City Council Report for Information

Report to: Resources and Governance Scrutiny Committee - 22 June 2021

Subject: Domestic Violence and Abuse Funding

Report of: Strategic Director – Neighbourhoods

Summary

This report sets out the current funding arrangement for Domestic Violence and Abuse services across Manchester. It highlights in particular new investments that the council is making in 2021/22 to help further support victims and children and tackle perpetrator behaviour.

Recommendations

The Committee is requested to note the report.

Wards Affected: All

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

| Our Manchester Strategy outcomes | Summary of how this report aligns to the OMS |
|---|--|
| A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities | |
| 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 | |

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| A liveable and low carbon city: a destination of choice to live, visit, work | |
| A connected city: world class infrastructure and connectivity to drive growth | |

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1. Background

- 1.1. This paper sets out council funding for services specifically focused on domestic violence and abuse (DV&A). This focus distinguishes them, from a budget perspective, from wider council services like social care. In turn, council services – D&VA focused or otherwise – form part of a much wider set of community and public services that engage with victims and children. All of these play a key role in supporting victims and children, and in holding perpetrators to account.
- 1.2. Nationally and locally, it has been acknowledged that funding provision for DV&A services has historically been piecemeal and short term in nature. There are however changes taking place in Manchester. Three in particular are highlighted here.
- 1.3. First, over the last year, council officers have been engaging with victims and stakeholders across the city to refresh the Manchester Domestic Violence and Abuse Strategy. As part of this work, current commissioned services and funding arrangements have been reviewed and the strategy will be used to inform future commissioning intentions. The strategy will have implications much wider than DV&A specific services - a consistent theme in stakeholders' feedback is that a combined effort is needed across services, communities, residents and businesses both to better support victims and also to change harmful attitudes and behaviours, preventing future abuse. The refreshed strategy will be considered at the Communities and Equalities Scrutiny later this year
- 1.4. Second, on 29 April 2021, the new Domestic Abuse Act passed into law. This places several additional statutory duties on Local Authorities including:
 - explicitly recognising children as victims if they see, hear or experience the effects of abuse.
 - establish in law the office of Domestic Abuse Commissioner and sets out the Commissioner's functions and powers.
 - placing a duty on local authorities in England to provide support to victims of domestic abuse and their children in refuges and other safe accommodation.
 - provide that all eligible homeless victims of domestic abuse automatically have 'priority need' for homelessness assistance.
- 1.5. Third, Manchester City Council has been successful in securing additional funding streams including the New Burdens Funding detailed below.

2. Overview of funded services and new investment for 2021/22

- 2.1. In total the council funds £2,268,305 in 2021/22 for DV&A services, which includes contributions from Manchester Clinical Commissioning Group (CCG), the Greater Manchester Combined Authority (GMCA) and the Community Safety Partnership. In addition to this, it has recently been confirmed that the council will receive a

further £1,652,996 from central government in relation to new burdens funding, which is discussed further in section 3. This brings the total budget available for DV&A services in 2021/22 to £3,921,301.

- 2.2. Table 1 below breaks down the different sources of funding for DV&A services, which are varied and comprise different budgets within the council as well as funding from wider sources including central government, GMCA, joint funded services with the CCG and Community Safety Partnership grants.

Table 1: Funding sources for DV&A services

| Funding Source | Annual Amount |
|--|----------------------|
| Additional New Burdens Funding (see section 3) | £1,652,996 |
| Adults commissioning budget | £1,152,971 |
| New MCC investment (see below) | £433,427 |
| MHCC (CCG) | £325,164 |
| Greater Manchester Combined Authority | £107,226 |
| Population Health | £19,517 |
| Covid Recovery Funding | £50,000 |
| DA Capacity Building funding | £50,000 |
| Community Safety Partnership | £30,000 |
| Total | £3,921,301 |

- 2.3. Appendix 1 then sets out the services that are commissioned with these funds, which include in-house (i.e., council delivered) services, and externally provided services.
- 2.4. There are a few points to highlight in relation to 2021/22 with regards to these services. Most notably, the council has funded three-year investment of just under £1,000,000 for 2020/21, 2021/22 and 2022/23 which is being used to fund three new services:
- the Children's Society have been commissioned to deliver a suite of direct interventions offering a safe level of support to children and young people who are, or have suffered, domestic violence and abuse. These are delivered through a bespoke support package tailored to a child's needs and comprise activities such as therapeutic one-to-one counselling, group work sessions, sand, play or art therapy based on the child's root and presenting issues. This work supports the Strive and Encompass work so that there is an offer for those children and young people that are identified through this work.
 - Talk Listen Change have been commissioned to deliver a range of behaviour change interventions to support both adults without children and families at an early stage to address domestic abuse that would support the Safe and Together work that has been introduced in Children's Social Care. This includes an increased provision of perpetrator programmes, to include

perpetrators where English is not the first language, same sex relationships, both male and female perpetrators and delivers a whole family approach to DV&A work. This contract enhances the current offer of perpetrator work to include an increased provision of service to couples and adults without children.

- In addition, a new service has been commissioned from Talk Listen Change that focuses on providing support and interventions for children and young people who display violent and abusive behaviours towards their parent/s. The service is underpinned by the key principles of early intervention and prevention, developing resilience and partnership working.

2.5. Additionally, Manchester is also participating in the national roll out of the Drive programme in the South of the City. Drive is the Home Office recommended approach for high-risk high harm perpetrator work and follows a specified model using the Respect accredited standard. This programme of work cost £50,000 for one year and came out of 2020/21 funding. It runs from December 2020 to December 2021.

2.6. A further development is that Manchester CCG has confirmed that they will continue to fund the IRIS service for a further three years. The IRIS service offers training for GPs and the practice nursing team in each practice by specialist domestic abuse workers called IRIS Advocate Educators (AEs) who are employed by Manchester Women's Aid. IRIS Advocate Educators both co-train GPs and nursing team in how to spot and refer instances of DV&A, as well as offering a specialist service to patients who are referred through the IRIS service

3. Further New Burdens funding

3.1. In addition to the funding highlighted above, the new Domestic Abuse Act places a new duty on local authorities to provide support to victims in refuges and other safe accommodation.

3.2. In order to support local authorities in delivering this new duty, the Ministry of Housing, Communities and Local Government (MHCLG) has established a New Burdens Funding pot, of which Manchester is due to receive £1,652,996 for 2021/22. The funding is guaranteed for three years, but funding allocations for 2022/23 and 2023/24 have not yet been set.

3.3. A working group of officers from across homelessness and domestic abuse services are currently developing proposals for how this funding is spent. This has included working with current providers and in-house services to develop new service offers, as well as establishing monitoring and oversight for the programme of work.

3.4. Proposals are still in development but have been designed to deliver a coordinated Domestic Abuse Support in Safe Accommodation Pathway. This will enable a holistic view of individuals' needs and for the provision of support across their

recovery journey. As well as allowing for integrated assessment linked to a range of housing and support options, the pathway will also ensure that individuals are supported with recovery and move on. There are three elements to the proposed pathway:

- Integrated specialist front door and support planning: this will include specialist DV&A Advisors within the Housing Solutions Team to assist with accommodation and support planning.
 - Enhanced safe accommodation and support offer: this will include additional recovery support and capacity to be delivered in refuges, sanctuary support, a dedicated children's offer, and specialist support services to support individuals with protected characteristics, including our LGBT Accommodation Project. A key element of this provision will be a new floating support service to work with individuals and families in dispersed temporary accommodation. This service will provide a full range of housing related support alongside specialist DV&A therapeutic interventions.
 - Move on and recovery: this will include a Private Rented Sector offer and resettlement support to work with individuals and families as they move into independent accommodation.
- 3.5. In addition to the support outlined above, funding will be utilised to create Project Management capacity. This role will oversee monitoring and reporting to MHCLG and the new Domestic Abuse Partnership Board, as well as supporting commissioners in monitoring and evaluation of new services and contributing towards the development of Manchester's Needs Assessment. The role will also include providing evaluation support to commissioners to make recommendations for future spend.
- 3.6. There will be a training programme for internal and external partners to explain the details of the new Act, and how it relates to their service, and a session will be held for Elected Members to attend.
- 3.7. In addition to New Burdens funding Manchester is also developing a bid for an MHCLG funded 'Respite Room', which will deliver a safe, single gender space with intensive, trauma informed support for vulnerable female rough sleepers with a history of sexual violence or DV&A. If successful, this service would complement New Burdens funded services by providing a specialist service for women who do not traditionally access traditional services such as refuge. Decisions on bids will be made in July with successful services commencing delivery in October 2021.

4. Funding in light of the emerging strategy

- 4.1. Nationally and locally, it has been acknowledged that funding provision for DV&A services has been often piecemeal and short term in nature. Both the LGA (Local Government Association), and the recent Manchester strategy consultation, highlighted that many services are often funded via small-scale and short-term

grants. This has the dual impact of making it difficult for commissioners and providers to plan long term interventions, whilst also meaning that the funding which is allocated tends to be smaller scale and short term in nature, creating additional challenges in measuring the effectiveness of the interventions.

- 4.2. Considering this national and local context, the recent funding secured by Manchester has been a positive and welcome achievement. In addition to this, our partners in the CCG have been able to commit a further 3 years funding to the IRIS project, despite uncertainties regarding their future organisational structure.
- 4.3. Decisions on how DV&A funding is used going forward will be informed by the Domestic Violence and Abuse Strategy Refresh. During consultation on the Strategy, stakeholders highlighted the need to review how available funding is used and the need for clear partnership targets and outcomes to be achieved. Considering this request, the Domestic Violence and Abuse Strategy Group have agreed to the creation of a dedicated Task and Finish group to explore the options for integrated funding and smart, measurable and achievable targets.
- 4.4. Another emerging key priority, emanating from discussions with stakeholders, is how we ensure that key frontline services and providers are adequately funded. This priority must be balanced against the need to ensure mainstream public services (i.e., Frontline staff who are not specialist DV&A services) across the city are trained and equipped to spot signs of abuse early and know how to provide effective initial help. A key aim of the new strategy will be to work with such services, alongside schools, colleges and universities to support them in helping to prevent abuse, intervene earlier and change attitudes.

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Appendix 1 – Sources of Funding for Domestic Abuse

In House Provision

| Provider | Service | Annual value | Recurrent funding or time limited? | Funding Source |
|--|--|--------------|------------------------------------|--|
| Independent Domestic Violence Adviser (IDVA) service - inhouse provision | In house provision | £403,578 | Yes | £300,149 MCC Adults funding £43,429 Population Health £60,000 Greater Manchester Combined Authority Funding for one year |
| Maternity IDVA in St. Mary's | In house provision | £36,970 | Yes | Mainstream MCC Adults funding |
| Oak Lodge | Inhouse temporary accommodation for complex families | £211,580 | Yes | Homelessness budget |

External Provision

| Provider | Service | Amount | Recurrent funding or time limited? | Funding Source |
|-----------------------|------------------------------|----------|------------------------------------|---------------------------------------|
| Manchester Womens Aid | Refuge Accommodation | £305,057 | Yes | Homelessness budget |
| Manchester Womens Aid | Outreach | £171,418 | Yes | Homelessness budget |
| Saheli Ltd | Refuge Accommodation | £75,117 | Yes | Homelessness budget |
| Independent Choices | GM Domestic Abuse Helpline | £52,690 | Yes | Homelessness budget |
| Manchester Womens Aid | MIDASS - midwifery programme | £50,000 | Adults | Adults budget (£50,000) |
| LGBT Foundation | LGBT IDVA Service | £47,216 | One year | Greater Manchester Combined Authority |
| Children's Society | Counselling | £84,847 | Two years | Funded for two years for MCC |

| | | | | |
|------------------------------|--|----------|-----------|---|
| | | | | as a result of the gateway bid in September 2020 |
| Talk, Listen, Change | Perpetrator Programme | £174,779 | Two years | Funded for 2 years from MCC as a result of the gateway bid in September 2020. |
| Talk, Listen, Change | Child to Parent Violence and Abuse Programme | £173,801 | 2 years | Two year funded programme from MCC as a result of the gateway bid in 2020. |
| Manchester Womens Aid | IRIS - GP programme | £401,252 | Yes | MHCC |
| NESTAC | Female Genital Mutilation Development | £20,000 | One year | Community Safety Partnership |
| Independent Choices | Forced Marriage and Honor Based Violence | £10,000 | One year | Community Safety Partnership |
| Various organisations | Covid Recovery Funding | £50,000 | No | Covid Recovery Funding |
| DA Capacity Building Funding | Training | £50,000 | No | To enable roll out of DA Act 2021 |

Manchester City Council Report for Resolution

Report to: Resources and Governance Scrutiny Committee – 22 June 2021
Children and Young People Scrutiny Committee – 23 June 2021
Executive – 30 June 2021

Subject: Early Years – Tendered Day-care settings

Report of: Strategic Director for Children and Education Services

Summary

The vision for all children in Manchester is that they are happy, safe, healthy and successful and that they are able to fulfill their potential through having the best possible start in life and accessing high quality education. Currently 97% of the 133 registered early years settings in the City are judged to be good or better and there are no inadequate settings. Ensuring that young children continue to access the highest quality early years provision has never been more important than now as we start to recover from the pandemic and recognise the impact that it has had on our youngest children.

This report outlines a set of proposals to support the continued provision of high quality Early Years settings across the City. The report specifically provides Executive with an overview of the impact of the current Early Years tendered day-care model (whereby providers offer day-care from a Council owned building), on the Council's duty to oversee sufficient day-care for preschool children across Manchester; the Early Years Budget and ongoing maintenance of Early Years buildings which remain part of the corporate estate.

All 56 buildings in the Early Years estate were in scope for this exercise. This includes 37 buildings which currently offer day-care in either stand alone buildings or in a shared site with a Children's Centre, in addition to play centres in parks and standalone Children Centre buildings. It is proposed that capital investment is required for 55 sites of these over the next 15 years to address the current condition of the buildings. In addition, a review for each site has been undertaken to ascertain if tendered day care is still the correct use of the building or if a different approach should be explored. In carrying out this review, all the current leases due to expire/ have expired/in need of a review due to the change in approach will need to be re-negotiated with the current provider. Improving the present condition of the buildings and changes to the arrangements of the tendering of day-care sites will ensure that going forward buildings are maintained to a high standard whilst at the same time sustaining the quality of settings and sufficient early years provision across the City.

Local Authorities under the Children Act 1989 have a duty to oversee 'day-care for preschool and other children as appropriate'. Subsequently whilst the closure of 17 daycare settings since 2015 has been successfully mitigated albeit creating a financial pressure due to loss of income from the building, there are 37 settings which are subject to these arrangements and the risk that other providers will withdraw from

Manchester. This potentially presents a significant risk to the Council's ability to meet its sufficiency duty and increase further the financial pressure on the Early Years budget.

In addition, there are further issues this with model which include reputational damage to the Council especially where some buildings are not statutorily compliant, as parents/carers still associate these building as being part of the Council's estate with the Council being responsible for poor upkeep. The loss of high-quality childcare providers to the City because they are unable to work to the original terms and conditions or afford to make the significant capital investment that some of these building may now require is also a risk.

Recommendations

The Resources and Governance Scrutiny Committee and the Children and Young People Scrutiny Committee are asked to note and comment on the report.

Executive are recommended to:

- 1.0 Note 17 of 37 leases have been surrendered since December 2015 and the potential impact on the council's ability to meet its 'sufficiency duty'.
- 2.0 Note the continued negative budget implications on the Early Years budget which continues even if the status quo is maintained.
- 3.0 Approve the recommendation for the use of each building moving forward.
- 4.0 Approve the re-negotiation of the current leases by corporate estates with day care providers, making clear the responsibility of the lease holder and the corporate landlord in the re-negotiated lease.
- 5.0 Support the proposal to include the Early Years estate portfolio in the Council's future Asset Management Programme, at an estimated cost of £0.7m per year.
- 6.0 Approve a budget increase of £3m, funded by capital receipts, to fund the priority works.

Wards Affected: All

| Manchester Strategy outcomes | Summary of the contribution to the strategy |
|---|---|
| A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities | Early Years childcare is essential to enable families to access employment opportunities. |
| A highly skilled city: world class and home grown talent sustaining the city's economic success | The Early Years sector offers significant employment to support the Manchester economy. |

| | |
|--|--|
| A progressive and equitable city: making a positive contribution by unlocking the potential of our communities | Early Years SSCC at hubs of the community offering opportunities to access local support when needed. |
| A liveable and low carbon city: a destination of choice to live, visit, work | The capital investment in the Early Years portfolio will allow the outdated buildings to be in line with modern building expectations. |
| A connected city: world class infrastructure and connectivity to drive growth | Early Years childcare at a local level allows families to connect with employment in the right location |

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

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

Financial Consequences – Revenue

In 2012, the Council took the decision to withdraw from the direct provision of day-care services in order to move to a new model, with the Council acting as commissioner of day-care services within Council owned building. The condition of the Manchester City Council estate for tendered day care is in a poor state, which is having an impact on the environment Manchester children are experiencing. The cost of maintaining the buildings is prohibitive with providers requesting that the Council takes responsibility for repair and maintenance of the property whereupon they would be willing to pay a higher market rent. Over the last 3 years the existing arrangement with providers has led to 17 settings withdrawing from the market. With lease income being lower than expected and running costs of maintained tendered day care sites being higher than budgeted for there is a £400k recurring pressure on the budget; with a risk this may increase should 'provider income' reduce further.

This report also sets out the financial support offered early years providers during the pandemic.

Financial Consequences – Capital

The proposals in this report would increase the capital budget by £3m, funded by capital receipts, for the priority works, and would widen the scope of the future Asset Management Programme to include the sites where the Council will have landlord responsibilities.

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1.0 Introduction

- 1.1 The vision for all children in Manchester is that they are happy, safe, healthy and successful and that they are able to fulfil their potential through having the best possible start in life and accessing high quality education. Over the last 6 years there has been a significant improvement in the quality of our Early Year settings and currently 97% of the 133 early years settings in the City are judged to be good or better and there are no inadequate settings. Early years day-care is provided across the City by 108 different private voluntary and independent providers (PVI) of which 25 providers operate 2 or more settings. The vast majority of these providers work with our Local Authority Quality Assurance team within Children and Education Directorate who provide support and challenge on practice, ensure that providers are meeting the City's priorities and are compliant with OFSTED requirements. Over the last year much of this support has focused on supporting the sector to respond to the pandemic.
- 1.2 During the pandemic Manchester's early years sector has been essential in continuing to make childcare provision available with the majority remaining open throughout. Although the number of children attending settings is increasing now, take up of childcare places throughout this year has been much lower than previous years even though during the most recent period of lockdown Early Years settings were allowed to remain open for all children. Feedback from our schools and settings is that the pandemic has particularly adversely impacted our youngest children and this will be a priority focus of our recovery plan. Consequently, ensuring that young children continue to access good and outstanding early years provision in high quality environments fit for purpose has never been more important than now.

2.0 Background

- 2.1 In 2012, the Council took the decision to withdraw from the direct provision of day-care services in Council owned buildings in order to move to a new model, with the Council acting as commissioner of day-care services. As a result of this decision, the Council entered into a tender exercise seeking day-care operators who would take leases of 37 properties across the City.
- 2.2 The opportunity to lease a building was determined following a competitive tender process with potential tenants submitting a bid outlining their preferred lease term, rental to be paid and their proposed capital investment into the building. All leases included a full repair and maintenance responsibility for the buildings.
- 2.3 Many providers when submitting their bids had assumed a level of income would be generated to cover their costs including maintaining the building based on the Early Years market at the time. Subsequently, the Government has introduced free early years provision for children aged 2, 3 and 4 but the rates of funding for this free entitlement has reduced the overall income for providers and also reduced the opportunity to income generate by offering additional hours particularly in the most deprived neighbourhoods in the City which has meant that many providers no longer have enough income to cover

unexpected costs associated with the building. Further to this, the impact of the pandemic has provided further financial challenges for day-care providers. In late 2015, the Council was approached by an operator who was experiencing financial difficulty due to several factors including the condition of the building, increased wage bills and other financial factors. A decision was taken to permit the early surrender of the lease with the building being subsequently re-tendered.

2.4 Following this initial surrender, there has been a further 16 leases surrendered with the reasons cited as:

- Building in poor condition
- Increased staff costs
- High utility costs
- High business rates
- Increased competition
- movement of 3 and 4 years old to Primary schools
- 2 year old funded places at DfE hourly rate
- Additional 15 hours for 3 and 4 years olds at DfE hourly rate

2.5 Each re-tender exercise takes approximately 5 – 6 months with the Council responsible for the property in the interim period, along with this, families with children displaced from the settings are required to seek alternative childcare provision.

2.6 The Council's approach when presented with a request to surrender has been until recently, to accept the surrender rather than seeking to work with the provider to explore whether a period of financial assistance may enable providers to remain within the property. The current position has been to work with the provider to consider different options in order to maintain the day-care places. However, this also impacts on the budget for the Early Years.

2.7 All day care sites that have not been re-tendered in the last three years are due for renewal of leases in the next 10 years. This will cover a total of 24 sites.

2.8 As part of an exercise commissioned to understand the risks and costs going forward, all 56 buildings within the Early Years portfolio have been subject to a condition survey to identify the structural condition of each site and the costs of addressing any issues. This includes 37 buildings which currently offer day-care in either stand alone buildings or in a shared site with a Children's Centre, in addition to play centres in parks and stand alone Children's Centre buildings. All buildings which are designated as a Sure Start Children's Centres will provide a core purpose which supports school readiness, delivery of health and wellbeing services, parenting skills and parenting aspirations.

3.0 Results of stock condition surveys

3.1 Through the completion of stock condition surveys of all settings, we now have a clear picture of the current condition of building within this portfolio. The current market capital rebuild value of the portfolio is £53 million. The condition

surveys have identified a capital investment requirement of £30 million over the next 15 years, more immediately the capital investment for the next 5 years would be £12 million. This is broken down into three spend priority groups;

- Priority 1 - Assets which have a strict legal statutory compliance.
- Priority 2 - Assets which are deemed to have a “business critical” impact – i.e. affect operation of the building or its functional use or increase reputational risks to the Council due to the overall condition.
- Priority 3 - Assets which could be deferred, low risk or non-critical to the Council.

3.2 Through prioritisation of group 1 and 2, the capital investment requirement over the next 15 years would be £13 million, with the more immediate capital requirement over the next 5 years of £5.2 million.

4.0 Review of early years buildings within the portfolio

- 4.1 Each site has been reviewed considering condition survey; ward sufficiency data; current lease arrangements; clawback funding with the DFE where the building is designated as a Children’s Centre and early years locality requirements for the building.
- 4.2 Input from colleagues in education, social care, early years, finance and procurement and corporate estates have recommended the following use of each building moving forward;
- 4.3 Lease re-negotiation – 24 sites. These building have been identified as required to support sufficiency and early years core purpose. All these sites are currently tendered by early years day-care providers. It is proposed that for these sites the Council will engage in renegotiation of the lease arrangements for these sites. Through this re-negotiation it will be made clear the responsibility of the lease holder and the landlord in maintaining the building. A clear asset management plan will be needed to oversee the maintenance of the site. A review of re-charges where the building is shared for early years core purpose will also be required. The lease re-negotiations will be with 13 different provider groups.
- 4.4 Removal from portfolio – 1 site – Fulmead has been transferred to housing and no longer in scope for this portfolio.
- 4.5 Sale of site – 2 sites – Scout Drive Children’s Centre is at an advanced stage of sale to the current lease holder and is currently progressing with corporate estates. Royal Green Children’s Centre is currently leased as a standalone building. Due to the significant capital investment required over the next 5-years, sale of the site to the current leaseholder should be explored. These sites do not incur de-designation or clawback as they are stand-alone sites.
- 4.6 Re-tender of site – 2 sites – Slade Lane Children’s Centre and South Gorton Sure Start Centre are currently vacant due to leases being surrendered in Spring 2020. Sufficiency assessments for each locality indicate both sites need

to be re-tendered to identify day-care providers under the same lease arrangements covered in 5.2.1.

- 4.7 Transfer to school – 1 site – Chorlton Darley Avenue will be transferred to Barlow Hall Primary School through a memorandum of understanding.
- 4.8 Continuation of current arrangement – 13 sites – These sites are currently used for core purpose only or are a school/college/alternative provision/Maintained Nursery School site. Current arrangements are sufficient at the present time, with the addition of capital investment from stock condition surveys needs to be kept in scope.
- 4.9 Current community asset transfer (CAT) in place – 3 sites – Buildings are currently used by community groups under CAT arrangements. Arrangements can continue but capital investment from stock condition surveys needs to be kept in scope.
- 4.10 Consideration of alternative use – 8 sites (4 shared sites with Children's Centres which deliver core purpose). These sites are all currently empty with no tendered day care provision and sufficiency assessments in locality indicate they do not need to be re-tendered for day-care. Through discussions with partner agencies different options have been explored including a community asset transfer process. Decisions regarding the use of vacant Early Years buildings will consider whether there is sufficient supply of early learning places in the local area, alternative options for use of the building and the City Council's strategic priorities. Options will be considered on a case by case basis to ensure the best use of the premises to support strategic aims and to enhance services for local children and their families. In the event that childcare sufficiency isn't an issue, Early Years will look to allow alternative partners to use buildings. For example, the charity Manchester Thrive whose programmes promote good physical and mental health for families with a focus on prevention, have recently begun operating from Sharston Children's Centre. Work is progressing with 2 local primary schools who are interested in using empty day-care spaces within other Children's Centre buildings with the intention they will offer community/early years and out of school activities in the building alongside the Early Years commissioned outreach provider. Working in partnership with schools is seen as an opportunity to make the best use of the space available to deliver high quality provision which meets the needs of local children and their families.
- 4.11 Move Sure Start Children's Centre designation – 1 site. Moss Side Sure Start Children's Centre is currently leased by an early year's provider. The sites stock survey has indicated that £340k will need to be invested over the next 5 years. In addition, the stock condition survey indicates in years 5-10 a further £800k investment would be required. The DFE claw back for this site is 144K.
- 4.12 Given the significant capital investment required the proposal is to de-designate Moss Side SSCC and move the designation of this Centre to St Mary's CE Primary School. The school is adjacent to the SSCC and as the designated children's centre site, we would make use of the school bungalow to deliver

some elements of core purpose, along with other community assets in the neighbourhood.

- 4.13 Moss Side SSCC is currently run and managed by Martenscroft Nursery School. The school has long established relationships and collaborative partnership working with a number of key stakeholders which include local schools, childcare settings, Power House library and Moss Side Leisure Centre. Children's centre core purpose has been successfully delivered from these sites and has given the opportunity to bring services and programmes together for families and young children to have access to integrated, easily accessible early years and family support. This proposal will also support closer and more strategic working with the head teacher at St Marys and school partners from the Heart of Manchester Partnership to ensure children are better prepared to start school.

Given the minimal impact of the proposals there is no duty to hold a statutory consultation, however if proposals are agreed we will ensure that families are kept informed and supported whilst the changes take place.

There is also a provider who is interested in using the vacated part of this building to deliver services for young people in Moss Side and who may be able to access the investment required for this building. Discussions will be had with the current daycare provider to determine a way forward taking account of the changes proposed.

5.0 Financial implications – revenue

- 5.1 Due to the number of leases being surrendered and properties re-tendered since 2015, there are several financial risks associated with the current day-care tender model. When a day-care site closes, clearly there is no income and the costs related to maintenance and utilities are covered by MCC, with a typical time period of 9-12 months from the point retendering commences to the site being re-occupied.
- 5.2 The cost of maintaining the buildings is prohibitive with providers requesting that the Council takes responsibility for repair and maintenance of the property whereupon they would be willing to pay a higher market rent. Over the last 3 years the existing arrangement with providers has led to 17 settings withdrawing from the market. With lease income being lower than expected and running costs of maintained tendered day care sites being higher than budgeted for there is a £400k recurring pressure on the budget; with a risk this may increase should 'provider income' reduce further.

6.0 Financial implications - capital

- 6.1 It is proposed that the sites for which, following lease renegotiation, the Council will have landlord responsibilities are included within the Council's existing Asset Management Programme, which provides ongoing maintenance funding for the Council's corporate estate. It is forecast that this will require an average capital investment of £0.7m per annum. This will be included in future budget requests

for the Asset Management Programme.

- 6.2 However, it is recognised that the priority 1 and 2 works should be undertaken urgently, given the risks associated with them. These works are not included in the existing Asset Management Programme.
- 6.3 It is therefore proposed that these works, expected to cost c. £3m, are progressed within the next 2 years, and therefore a budget increase of £3m funded from capital receipts is recommended.

7.0 Further actions

- 7.1 Through the process of stock condition surveys, it has been recommended in addition that asbestos site surveys should be completed. Asbestos surveys would need to be completed for all 55 buildings and the costs associated will need to be factored into the asset management plan.
- 7.2 Through the process of re-negotiating/re-tendering 26 sites, rent appraisals should be conducted to ascertain if the correct market value is being applied and if there should be a change to the current terms and condition of the lease. Proposals to improve the terms and conditions of the leases connected to the delivery of day-care will be made in consultation with day-care providers. Day-care providers have been notified in writing/by email of the proposals to revise the current lease arrangements with a view to making them fairer to lease holders. The revisions will make roles and responsibilities around repairs and maintenance of the buildings much clearer. A reference group of day-care contract and lease holders has been established to assist in, and inform, the review process which is being progressed via a task and finish group.

8.0 Support Provided to Early Years Settings During the Pandemic

- 8.1 As mentioned earlier in this report the pandemic has created additional financial challenges to the Early Years day-care sector. Early Years providers were able to furlough staff and claim a grant to help them to continue paying part of their employees' wages who would otherwise have been laid off during this pandemic. To mitigate some of the sector's financial pressures and to ensure that providers were able to continue to support children throughout the crisis, support through business rates relief, protecting early years funding levels and additional grants has been provided.
- 8.2 Business rate holiday was applied to nurseries in 2020/21. A discount to business rates will apply in 2021/22.
- 8.3 The early years sector experienced challenges throughout the first national lockdown where a number of providers temporarily closed during the coronavirus pandemic. The council provided funding to those providers that closed and additional funding where settings remained open, to provide care for vulnerable children and the children of critical workers.
- 8.4 During the autumn term in acknowledgment that funding arrangements for

many early years settings did not cover normal income levels due to fewer children attending, settings were funded on the basis of level of attendance prior to the pandemic.

- 8.5 Funding was offered to private, voluntary and independent sector where support for these providers were not covered by other grant schemes. £1.5m of the Additional Restrictions Grant was paid to the sector.

9.0 Conclusion

- 9.1 The continued provision of high quality sustainable Early Years day-care as part of our Early Years offer is a priority for the Council and is more important than ever in our recovery from the pandemic. Manchester has a number of high quality Early Years day-care providers operating in the City from Council owned buildings who are at risk due to the market not generating enough income for them to pay for the full maintenance of the building as initially intended and more recently due to financial challenges linked to the pandemic. This is also impacting on the Early Years budget which is covering the costs of empty building. We also know that some of these buildings now require significant capital investment and are in poor condition. This is particularly evident in the most deprived areas of the City where income generation for day-care providers is more limited. It is important that the Council therefore intervenes to protect and retain high quality day-care in the City. This paper contains a number of recommendations which if taken forward will support this priority.

10.0 Recommendations

Executive are recommended to:

1. Note 17 of 37 leases have been surrendered since December 2015 and the potential impact on the council's ability to meet its 'sufficiency duty'.
2. Note the continued negative budget implications on the Early Years budget which continues even if the status quo is maintained.
3. Approve the recommendation for the use of each building moving forward.
4. Approve the re-negotiation of the current leases by corporate estates with day care providers, making clear the responsibility of the lease holder and the corporate landlord in the re-negotiated lease.
5. Support the proposal to include the Early Years estate portfolio in the Council's future Asset Management Programme, at an estimated cost of £0.7m per year.
6. Approve a budget increase of £3m, funded by capital receipts, to fund the priority works.

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