



Resources and Governance Scrutiny Committee

Date: Tuesday, 21 June 2022

Time: 2.00 pm

Venue: Council Antechamber, 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 Antechamber

Public access to the Council Antechamber is on Level 2 of the Town Hall Extension, using the lift or stairs in the lobby of the Mount Street entrance to the Extension.

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Membership of the Resources and Governance Scrutiny Committee

Councillors - Simcock (Chair), Andrews, Davies, Good, Kirkpatrick, Lanchbury, B Priest, Rowles and Wheeler

Supplementary Agenda

5. **Revenue and Benefits update** 3 - 62
Report of the Deputy Chief Executive and City Treasurer

This report provides an update on the activity of the Revenues and Benefits Unit as set out in the October 2021 Scrutiny Report, including details of Covid schemes and cost of living schemes delivered by the service.

6. **Capital Outturn Report** 63 - 104
Report of the Deputy Chief Executive and City Treasurer attached

This report informs Members of the capital outturn position for 2021/22 including total expenditure and funding, confirms that funding sources have been managed to best utilise resources available to fund the capital programme and presents a revised capital programme for the 2022/23 financial year after taking into account the final outturn position.

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 **Friday, 17 June 2022** by the Governance and Scrutiny Support Unit, Manchester City Council, Level 2, Town Hall Extension , Manchester M60 2LA

**Manchester City Council
Report for Information**

Report to: Resources and Governance Scrutiny Committee – 21 June 2022

Subject: Update from the Revenues and Benefits Unit

Report of: Deputy Chief Executive and City Treasurer

Summary

This report provides an update on the activity of the Revenues and Benefits Unit as set out in the October 2021 Scrutiny Report, including details of Covid schemes and cost of living schemes delivered by the service. The report covers:

- Benefits administration, including Council Tax Support and the management of the Welfare Provision Scheme and other discretionary schemes;
- The financial support provided as part of the Test and Trace Scheme;
- The financial support provided by the Household Support Fund scheme;
- The financial support provided by the Energy Grant Scheme; Performance in the collection of council tax and how we balance collection, whilst working in an ethical way and supporting those residents on a low income; and
- Performance in the collection of business rates. The financial support provided to businesses through various Business Rates Reliefs and grants. The report will provide data for the 2021/22 financial year and available data to show activity during the early part of the 2022/23 financial year.

Recommendations

The Committee is recommended to consider and comment on the information in the report.

Wards Affected: The services provided by the Revenues and Benefits Unit are provided across all wards in the city. The wards with higher deprivation have higher levels of residents in receipt means tested benefits and discretionary awards.

<p>Environmental Impact Assessment - the impact of the issues addressed in this report on achieving the zero-carbon target for the city</p>
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<p>The Council's transformation work and response to covid restrictions has meant that the service has worked hard to avoid unnecessary travel by looking to provide services online, by phone or in the local area where possible.</p>

<p>Equality, Diversity and Inclusion - the impact of the issues addressed in this report in meeting our Public Sector Equality Duty and broader equality commitments</p>

<p>The report provides an update on Revenues and Benefits activity and performance impacting Manchester residents and businesses. Consideration of equality, diversity</p>
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and inclusion issues for Manchester residents and businesses have been taken into account in the development and delivery of the schemes covered in the report.

Manchester Strategy outcomes	Summary of how this report aligns to the OMS/Contribution to the Strategy
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	The policies that support the work of the Unit are in the spirit and in accordance with policies to maximise financial well-being and ensure that the economy is supported to recover post-covid.
A highly skilled city: world class and home grown talent sustaining the city's economic success	The report provides details on our covid discretionary grant schemes that have been developed to support the city's economic recovery and support good employers that are committed to the employment of Manchester residents and the provision of the living wage.
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	This report provides details of how we provide support to residents on a low income as well as our approach to recovery, which is fair and consistent and allows residents to manage other household bills.
A liveable and low carbon city: a destination of choice to live, visit, work	The report provides details on our covid discretionary grant schemes that have been developed to support the city's economic recovery
A connected city: world class infrastructure and connectivity to drive growth	The report provides details on our covid discretionary grant schemes that have been developed to support the city's economic recovery

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

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

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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.

Manchester's support for families living in poverty
Economy Scrutiny 9 September 2021
Executive 15 September 2021
<https://democracy.manchester.gov.uk/documents/s26082/Manchesters%20support%20for%20families%20living%20in%20poverty.pdf>

Manchester Poverty Truth Commission Key Findings
<https://www.mhcc.nhs.uk/wp-content/uploads/2021/07/Agenda-Item-1.3-Manchester-Poverty-Truth-Commission-201921-key-findings-and-impact-report.pdf>

Enforcement Agency Code of Practice 2021/22
https://www.manchester.gov.uk/downloads/download/5938/enforcement_agency_code_of_practice_council_tax_201415

Taper cut: Analysis of the Autumn Budget changes to Universal Credit - The Resolution Foundation 6 Nov 2021
<https://www.resolutionfoundation.org/publications/taper-cut/>

Welfare Provision Scheme Policy
https://secure.manchester.gov.uk/downloads/download/5237/welfare_provision_scheme_policy_2020-21

Discretionary Housing Payments Policy
https://www.manchester.gov.uk/downloads/download/4494/discretionary_housing_payments_-_2013_council_policy

1.0 Introduction

This report provides an update on the activity of the Revenues and Benefits Unit as set out in the October 2021 Scrutiny Report, including details of Covid schemes and cost of living schemes delivered by the service.

The report will also cover the activity of the Unit as part of the Council's wider role in the administration of support to residents and businesses.

1.1 Support to residents

The Council has worked hard to ensure that any funding that is available, either from local or government funds, has the best impact for our residents and on our communities, supporting the Council's policies and the Our Manchester Strategy.

When considering support, the national context is considered, especially in relation to the wider welfare benefits regime. Whilst the Council is unable to mitigate for all changes to the welfare reform system there are important contextual factors which impact on the level of demand for discretionary support. The Government response to the cost of living pressures provides a range of nationally and locally delivered government funded schemes; while increasing inflation and financial pressures indicate a continuing and substantial need for welfare support.

The report provides details of the discretionary support that is provided. This includes the business as usual schemes and the additional Covid and cost of living related schemes.

1.2 Council Tax

The council tax that is collected is extremely important and enables the Council to deliver essential services.

The pandemic had a huge impact on residents' ability to pay Council Tax. The 2021/22 in-year collection rate was 89.81%, which was 0.34% lower than 2020/21's rate of 90.15%, and 2.92% lower than 2019/20's collection rate of 92.73%. Residents are still suffering the effects in 2022/23 and although it is recovering, the collection rate has not yet reached 2019/20 levels, meaning reduced levels of revenue for the city.

The Council's Revenues Service is aware of our responsibility to be proportionate and reasonable in the collection of council tax that is owed and where possible works to engage with residents to deliver and sustain payment arrangements. The report details the approach to the collection of money owed and how vulnerable and low-income households are supported.

1.3 Support to businesses

As with council tax, the money collected in business rates has a direct impact on the Council's budget. Unless funded by the government any discretionary reliefs and grants are met by the council and ultimately by council taxpayers in the city.

Businesses' ability to pay the business rates liability has been hugely impacted by the pandemic. Despite all the grants and reliefs that have been awarded over the last 17 months, the business rates collection rate for 2021/22 was 94.79%, up 6.88% on 2020/21's rate of 87.91%, but down 2.79% on 2019/20's collection rate of 97.58%. There has been some recovery during 2021/22 and early 2022/23 but businesses are still struggling in many sectors of the city's economy.

Unlike council tax, the government provided some support for the Council to mitigate some of the reduction in Business Rates income.

1.4 Scope

This report does not provide details of the extensive financial and other support that is provided to residents by all areas of the Council. This was covered in a separate report that went to Economy Scrutiny and the Executive in September 2021.

This report is split into the following areas:

- Introduction to the Unit
- Changes to Universal Credit and welfare support 2021/22
- Additional support to residents provided during the pandemic Additional cost of living support provided for 2022/23
- MCC welfare support schemes, including Council Tax support, the Welfare Provision Scheme and other discretionary schemes
- Performance in the administration of Benefits including Council Tax Support
- Support to businesses
- Summary of covid related schemes now ended and what is in place for 2022/23
- Performance in the collection of council tax and how we balance collection, whilst working in an ethical way and supporting those residents on a low income
- Performance in the collection of business rates.

The report will provide data for the 2021/22 financial year and year to date data for the 2022/23 financial year.

2.0 Background

2.1 Introduction to the Unit

The Revenues and Benefits Unit delivers two large service areas: billing, collection and recovery of money due to the Council and the assessment and payment of several areas of benefits and financial support paid to residents.

The Revenues Service is responsible for the collection of all council tax, business rates, benefit overpayments, miscellaneous income and adult social care debt as the result of a financial assessment for care.

The Benefits Service assesses entitlement and makes payments for Housing Benefit, Council Tax Support, the Welfare Provision Scheme, Adult Social Care charges and several areas of discretionary support, as required to support the Council's priorities.

2.2 The impact of Covid on our activity

As with many areas of the Council, the impact of the pandemic has been significant.

During the pandemic the service was maintained throughout. This was because we already have a mature model and regime for colleagues' homeworking that has been in place for many years and was extended to include the remainder of the workforce at short notice. The only people that had to remain in the office were those staff that had to deal with post, including scanning and indexing.

In addition, further activity to support residents to submit and manage accounts and applications for financial support was introduced, including the acceptance of photographic evidence to support claims.

The service also picked up significant, additional work as a result of the pandemic, including the development of grant schemes and other support across many areas, including welfare support, council tax and business rates. Delivery of these schemes was achieved by careful planning and resource management and the flexibility, commitment and professionalism of our colleagues at a time when many of them had personal challenges due to the pandemic.

For some services, the Council acts as an agent and partner of the government, for example the administration of Housing Benefit or administering reliefs and grants. As a result, the rate of immediate change and fast-moving government policy decisions have had an impact on the work that we had to do. In many cases this has resulted in colleagues working across service areas and picking up new work areas.

It is worth recognising that the temporary £20 uplift to Universal Credit, as well as the one-off hardship grant to provide a grant of £150 towards the council tax for some low-income residents (funded by government in 2020/21 and the Council in 2021/22) had a positive impact and in some areas reduced demand on discretionary schemes.

There were also a range of grant schemes to support businesses in the city that were intended to mitigate the impact of covid on businesses and the economy.

Further detail on these areas is included in the following sections linked to functional areas.

2.3 Government changes to Universal Credit and Working Tax Credit impacting on residents' income.

2.3.1 Withdrawal of the temporary uplift to UC

Universal Credit was increased by £20 a week (or £1,040 a year) in April 2020 as part of a government support package when the country first went into lockdown. This uplift had a positive impact on residents and the economy of the city.

The government withdrew this additional UC payment from 6 October 2021. This withdrawal has had a negative impact on low-income households in the city, including those that are working, and impacted on discretionary budgets including the Welfare Provision Scheme.

Single people under 25 were hardest hit by the change, because they have the lowest standard allowance for Universal credit. The withdrawal of the uplift saw their UC fall by about 25%.

- For single people under the age of 25, the standard allowance with the uplift was £344. When the uplift was cut this fell by more than 25% to £257.33. From April 2022 the standard allowance is £265.31
- For single people over 25, the standard allowance went down from £411.51 to £324.84. A 21% decrease in monthly income. From April 2022 the standard allowance is £334.91
- For couples under 25, the amount paid reduced by almost 18% from £490.60 to £403.93. From April 2022 the allowance is £416.45
- For joint claimants where at least one is over 25, it reduced from £596.58 to £509.91 - a 14% decrease. From April 2022 the allowance is £525.72

2.3.2 Adjustment to Universal Credit (UC) taper rate

In December 2021 the UC taper rate was reduced from 63% to 55% and the work allowance, for those who receive it, was increased by £500 per annum. The DWP described this as a tax cut for the lowest paid in society advising that 1.7 million households will on average keep around an extra £1,000 on an annual basis.

The reduction of the taper will only benefit UC Claimants in work of which there are 27,985 (March 2022) in Manchester representing 37.4% of claimants. The adjustment is of more benefit to those who do not receive a Work Allowance in their UC calculation. This work allowance allows residents to earn up to a certain amount before their UC is reduced. It is only available to those who are responsible for a child or young person, or the claimant or partner are living with a disability or health condition which affects their ability to work. The level of Work Allowance reduces for residents who also receive help towards their rent in their UC award by £229. Of the 64,420 Manchester households in receipt of UC, 62.6% receive Housing Support, about the same as the national average. Figures on how many people in Manchester receive the work allowance in their UC calculation are not available.

Research by the Resolution Foundation suggests that the change in the taper rate will be of most benefit to families with higher earnings at the limit of UC eligibility.

They estimate that 73% will be worse off under this change than they would if the £20 per week uplift had been retained. This could impact more in Manchester where 71% of claimants receive less than £1,000 per month in UC compared to 68% nationally.

2.3.3 Assessment of the impact of the removal of the UC uplift and adjustment to the UC taper on the city's residents and economy

The number of UC claimants in the city doubled at the start of the pandemic. The number remained relatively stable at just under 80,000 during the first half of 2021. In July 2021 there were 78,132 UC claimants in Manchester and in April 2022 the number had fallen to 75,722.

19.1% of working age people are claiming Universal Credit in Manchester, 2.7% more than the average for English Core Cities and approximately 5.4% above the national average. The reduction of the taper will only benefit UC Claimants in work of which there are 27,985 (March 2022) representing 37.4% of claimants and will be of more benefit to those who do not receive credit toward their housing costs as this reduces the amount of Work Allowance by £229. Of the 64,420 Manchester households in receipt of UC during February 2022, 62.6% receive Housing Support. This is about the same as the national average.

Research by the Resolution Foundation suggests that the change in the taper rate will be of most benefit to families with higher earnings at the limit of UC eligibility. They estimate that 73% will be worse off under this change than they would if the £20 per week uplift had been retained. This could impact more in Manchester where 71% of claimants receive less than £1,000 per month in UC compared to 68% nationally.

The Council has tried to model the financial impact based on data held. After removing those households in receipt of no financial award and considering the small variation in decrease in benefit applicable to different household structures, there is a loss of benefit income for Manchester residents totalling £4.95m per month as a direct result of the uplift being removed. This will impact an estimated 57,075 (February 2022) Manchester households receiving Universal Credit. This equates to £59.36m per annum or £1.14m per week loss of benefits income.

The largest household group who has been impacted by the removal of the uplift are single claimants with no children. There are 28,429 such claimants as of February 2022. 19,291 single claimants with children are impacted, 1,627 couples without dependent children and 7,716 couples with dependent children are impacted. N.B. Rounding has been applied for statistical reasons therefore these figures plus the nil award households do not sum to the overall total.

2.3.4 Adjustment to the rate of Working Tax Credit

In April 2020 the basic rate of Working Tax Credit (WTC) was increased by £20 a week. In order to ensure that residents got to keep this extra money, changes were made to the way Housing Benefit and our Council Tax Support (CTS) scheme were calculated. If these changes had not been made residents would have found their

Housing Benefit and CTS reduced as the increase in WTC would have been considered as extra income. This £20 increase remained in place until April 2021. In March 2021 the government announced that this extra £20 a week would be replaced by a one-off payment of £500 paid in April 2021. This £500 payment was disregarded for Housing Benefit and CTS calculation purposes.

2.3.5 Increase to the Local Housing Allowance Rates

In April 2020, as a result of covid, the government unexpectedly increased the Local Housing Allowance (LHA) rates on which Housing Benefit is based. The rates were adjusted to meet the 30th percentile of the rented properties in the LHA area. The LHA rates were kept the same in April 2021 and April 2022 meaning that the value of the 2020 increases will be lost if further uprating of LHA rates is not applied in future years.

The table below shows the current rates for the two areas we use in Manchester. Most people in the city fall within the Manchester Central area.

Central	Shared	One Bed	Two Bed	Three Bed	Four Bed
April 2020	£75.50	£138.08	£149.59	£166.85	£218.63
Southern	Shared	One Bed	Two Bed	Three Bed	Four Bed
April 2020	£82.82	£120.82	£149.59	£172.60	£253.15

3.0 Additional and discretionary Support provided by the Council 2021/22

The following sections detail some of the discretionary support provided by the Council and administered by the Revenues and Benefits Unit. Some of these are new schemes in response to covid and some are business as usual. In addition to this, some are covered by government grants and others are wholly funded by the Council.

3.1 Free School Meals – Alternative Support

During 2021/22 government directed schemes providing funding of £15 for each eligible child were delivered by the Council. The Council ensured that pupils in school nursery classes and 6th forms received support in addition to children eligible for Free School Meals. Vouchers were provided via schools and other key groups following an approach developed by Children's Services. The following amounts were paid out:

- Easter and May half-term 2021 - £1.6m
- Summer 2021 - £3.2m
- Autumn half-term 2021 - £0.637m
- Christmas 2021 - £1.180m
- February half-term 2022 - £0.63m

3.2 Discretionary Housing Payments

3.2.1 2021/22

DWP DHP funding of £1,969,859 was received for the year with the Council providing an additional £1m of funds.

To be eligible for consideration for DHP assistance a resident must already qualify for Housing Benefit or Universal Credit (Housing Element). DHP payments are typically made in the form of short-term awards to ease transitions and to give residents time to seek resolution of their difficulties. Support includes easing the impact of the household benefit cap; mitigating the application of size criteria in the social rented sector; and assistance for residents in short-term homelessness accommodation to address rent arrears that may otherwise constrain move on options. Each application is considered on the circumstances of the case.

£2,910,661 was paid out with decisions made on 4,106 cases resulting in 2,380 awards. 265 of the 4,106 applications referenced Covid19 as a contributing factor for the DHP request and 77% were paid.

All the DHP cases due to end between 1 April and 31 July 2021 were reviewed and where appropriate extended to either 13 September 2021 or 29 November 2021. 378 cases were extended to 13 September and 160 were extended to 29 November 2021. These extensions did not require a new application in recognition of the very limited opportunities available to residents to secure cheaper accommodation or secure employment. Because these cases were extended without contact from the resident or landlord, we do not know how many of these would have indicated Covid-19 as a factor in requiring DHP but it is reasonable to assume that a proportion would have done so.

3.2.2 2022/23

The DWP have provided Discretionary Housing Payments funding of £1,367,767, representing a one-third reduction in DWP funding compared to 2021/22. An additional £1 million funding has been provided by the Council. At 1 June 2022 we have paid and committed £840,100.

Based on current spend the full DWP and Council contributions will be used within the financial year. Demand for and spend against the DHP budget is closely monitored and if need for an additional Council contribution is identified this will be raised at the time.

3.3 Discretionary Council Tax Payment Scheme (DCTP)

3.3.1 2021/22

£6,388,389.57 was paid in Council Tax Hardship Payments in the form of £150 credits towards the council tax bill for 43,915 households.

This award means that for those households in the lowest bands, their council tax is almost paid for the financial year. The table at Appendix One shows the number of working age CTS recipients across the different council tax property bands and the amount that they had left to pay after maximum CTS and the £150 hardship payment had been made.

In addition to above DCTP was applied as follows:

- £187,627 paid out to support 349 care leaver council tax cases;
- £92,066 was paid out to 305 households impacted by the 2-child limit within the benefit regulations; and
- £95,529 was paid out in support of 465 other Discretionary Council Tax Payment applications. These would have been considered on the individual merits of each case in accordance with the Council's policy.

3.3.2 2022/23

At 1 June 2022, £63,660 has been paid out to support 88 care-leaver cases and £8,600 paid out in support of 43 other Discretionary Council Tax Payment applications. These have been considered on the individual merits of each case in accordance with the Council's policy

232 cases affected by the 2-child limit have been identified and work on awarding Discretionary Council Tax to support these families is currently underway.

All DCTP is funded by the Council.

3.4 Welfare Provision Scheme

3.4.1 2021/22

Demand for support from the core WPS reflects the continuing impact of Covid and the cost of living pressures on residents and the number of households moving from temporary homelessness accommodation into general needs housing where WPS support is provided.

The core WPS budget of £600,000 was topped up in response to the level of demand with an additional £216,000 of Council contingency funding drawn down to cover the additional spend.

Spend against reported application reasons up to 31 March 2022 is shown below:

Reason for Application	Number Approved	Value of Awards
Moving Home / Resettlement	1,663	£707,331
Other Reason	1,267	£87,023
Carers Emergency Fund	609	£76,260
Disaster	269	£21,117
Travel	13	£470
Total	3,821	£892,200

3.4.2 2022/23

Demand for support from the core WPS remains high. This reflects rising cost of living pressures and the number of households moving from temporary homelessness accommodation into general needs housing where WPS support is provided.

Spend against reported application reasons up to 30 April 2022 is shown below:

Reason for Application	Number Approved	Value of Awards
Moving Home / Resettlement	159	£68,874
Other Reason	208	£9,800
Carers Emergency Fund	83	£7,887
Disaster	30	£1,048
Travel	1	£60
Total	481	£87,668

Based on current demand and projected spend the £600,000 would need to be increased if the present level of support is to be maintained throughout the year. Particularly with the impact of emergency fuel poverty, that can be supported by the existing scheme criteria. However, additional funding would need to be identified

3.5 Support for Carers

3.5.1 2021/22

The £100,000 budget in 2021/22 was funded by the Council. This element of the wider WPS service was developed for 2021/22 in consultation with Carers Manchester Contact Point (CMCP), Manchester Carers' Forum and Carers' Commissioning. Access to this budget is now directed through the CMCP and Carers Team. In 2020/21 £76,260 was paid to 609 Carers' Emergency Fund cases.

3.5.2 2022/23

The £100,000 budget was retained for 2022/23 and fully funded by the Council. As at 30 April 2022, a total of £7,887 has been paid to 83 cases.

3.6 Food Poverty

3.6.1 2021/22

£100,000 was directed to the Our Manchester Food Partnership to administer and distribute to help alleviate food poverty in the city. This represents a City-wide approach to food support provision which is responsive to locality-based needs ensuring that food support is made available across all 32 wards and that our most vulnerable residents' needs are being met.

3.6.2 2022/23

£100,000 will be directed to the Our Manchester Food Partnership in the Autumn of 2022 to administer and distribute to help alleviate food poverty in the city.

3.7 Test and Trace Support Payment Scheme

3.7.1 Background

Government introduced the Test and Trace Support Payment Scheme in late September 2020. The scheme ran from 28 September 2020 to 23 February 2022. Timeframes for applications meant that payments to eligible people were maintained up to 7 April 2022. The scheme and associated funding has ended.

The aim of the scheme was to support residents whose earnings were affected by staying at home and isolating for ten days. Eligible residents applied to their local authority for a one-off payment of £500. The scheme was extended by the government several times since its inception. Because of how the budget has been incrementally agreed and passed to local authorities, the Council had to be cautious in our administration of discretionary budgets.

The Council set up a team to administer this scheme ensuring appropriate linkages with public health colleagues. The team was selected from our benefit operations staff.

3.7.2 Criteria and scheme detail

The £500 Test and Trace Support Payment was for people on a low income required to self-isolate. The details of the scheme are shown at Appendix Two.

3.7.3 Payments and Budget position

The table below shows the number of and value of awards made over the lifetime of the scheme, and numbers of applications declined, at 12 April 2022.

Status	Main scheme allocation	Discretionary scheme allocation	Total combined allocation
Approved	4,491 (£2,245,500)	4,993 (£2,496,500)	9,484 (£4,742,000)
Declined (can work from home or no loss of income)	837	310	1,147
Declined – not asked to isolate by Test and Trace	314	224	538
Declined – not employed/self employed	240	64	304

Declined – not in receipt of benefit	52	1	53
Declined – other reason	3,446	5,311	8,757
Total declined	4,889	5,910	10,799
Pending (email sent for further information)	0	1	1
Total outcomes	9,380	10,904	20,284

In respect of the main scheme the main reasons for a claim being declined using the reason 'other' are as follows:

- The start date of the self-isolation was prior to 28 September 2020
- No loss of income for s/e people who are getting maximum Universal Credit
- No reply to request for information
- Live outside of MCC area and need to claim from another council.

In respect of the discretionary scheme, the largest percentage of refusals are because they do not meet the broad financial eligibility criteria agreed with other Greater Manchester authorities, cognisant of the budgets that were available at the time.

The final reconciliation process with government is underway. Manchester City Council and government data are in close alignment and indications have been received that government will cover the full cost of payments made.

3.8 Household Support Fund

3.8.1 2021/22

The Government first announced the Household Support Fund scheme in September 2021 running for a six-month period from October 2021 to end of March 2022. Manchester City Council received £6.453m to support residents. No new burdens funding was provided.

Government guidance required that at least 50% of the total funding must be spent on families with children. In terms of type of support, the expectation was that the Household Support Fund should primarily be used to support households in the most need with food, energy and water bills.

The Council's approach was designed to maximise the provision of support to the poorest Manchester residents during the winter period.

The Council administered the Household Support Fund scheme in four key parts to support Manchester residents:

Support to families to provide free school meals during the holidays

Free school meal voucher payments of £15 per pupil per week for the Christmas and February half-term school holidays in the 2021/22 financial year distributed to eligible households on a pupil basis via schools.

A total of £1,887,650 was paid to an eligible cohort of around 40,000 children.

A universal offer to recipients of Council Tax Support and other key groups

A payment to all households in the city in receipt of CTS (used as broad universal indicator of need and responsibility for housing costs and that avoided a new claim process). Other key groups, including care leavers responsible for the Council Tax bill in their property and residents who are exempt from council tax due to being severely mentally impaired, were also covered.

The universal offer provided a one-off cash grant of £100 to households with dependent children and £70 to households without children. Payments were made by cheque.

Payments were issued to 55,548 Households to a value of £4.3m

A discretionary Household Support scheme

A discretionary scheme using £300k of the grant funding and accessed through an online form, was administered by the Welfare Provision Team.

The discretionary scheme was designed for households with responsibility for household bills and in receipt of means tested benefits who were not identified for support via the Universal Offer. This included residents not in receipt of Council Tax Support and residents living in shared or other accommodation who do not have a liability for Council Tax but have responsibility for household bills, for example utility bills.

Payments were issued to 2,653 Households to a value of £258,120. The remainder of the discretionary budget is accounted for by PayPoint payments made to residents unable to cash their cheque and who required an alternative payment option.

Third sector support offer

The Council set aside a further £250k for distribution via Citizens Advice Manchester and Macc. A further £50k was directed to the Manchester Food Partnership. Payments of £100 to households with dependent children and £70 to households without children in line with the Universal Offer and based upon an assessment of presenting need were issued to 2,366 households to a value of £226,971. £23,030 was funded the administration overhead costs to Citizens Advice and Macc.

3.8.2 2022/3

The government has announced three phases of Household Support Fund support covering three six-month blocks from October 2021 to March 2023. Each phase provides £6.453m to Manchester to administer and allocate to help households who are not eligible for other kinds of help or need further support. The Household Support Fund helps those in most need with the cost of essentials such as food, clothing and utilities.

Government guidance requires that at least one-third of the total funding must be spent on families with children and one-third spent on pension age households. The expectation is that the Household Support Fund should be used to support households who need it most to receive vital support to meet essential household costs; in particular with food, clothing, energy and water bills.

The Council is administering the Household Support Fund scheme in 2022/23 in three key parts to support Manchester residents:

Support to families with children who are eligible for Free School Meals

£2.2m of the fund (34%) is directed to this group. This consists of

- £15 payment for each eligible child based upon school census data and distributed in late May.
- A further payment of c£40 to £45 for each eligible child based upon school census data, distributed in the summer.
- Money distributed to households on a pupil basis via Manchester schools. A reciprocal arrangement applies across Greater Manchester Authorities for children attending schools outside Manchester
- The payment is not a substitute for Free School Meals. The Free School Meal eligibility criteria is being used as a proxy for need and the schools voucher payment mechanism used as the fastest method of issuing support.

A universal offer to recipients of Council Tax Support and other key groups

One-off cash grants to all households in receipt of Council Tax Support, being used as a broad universal indicator of need and responsibility for household costs. To be issued by BACS payments (where bank details held) or as Post Office vouchers. This is to consist of:

- A grant of £160 per pension age household in receipt of Council Tax Support (c.£2.15m of the fund or 33%).
- A grant of £50 per working age household in receipt in Council Tax Support (c£1.7m of the fund or 26%).
- A grant of £50 to care leavers and severely mentally impaired (SMI) residents who receive discounts or exemptions from Council tax (c£120k or 2% of the fund).

Third sector support offer

The Council has set aside a further £300k for distribution via Citizens Advice Manchester and Macc including further work with the Manchester Food partnership.

4.0 Help with energy bills and the cost of living

4.1 The Government is providing a £37 billion package of support which includes the Energy Bills Support Scheme.

4.1.1 All domestic energy customers in Great Britain will receive a £400 grant to help with the cost of their energy bills through the Energy Bill Support Scheme. This will be automatically added to customers' energy accounts over six months from October 2022 and will not need to be paid back. The Council is not involved in this scheme.

4.1.2 Households liable for Council Tax in Bands A-D in England will also receive a £150 Council Tax Rebate, also known as the Energy Grant, to help with the rising cost of bills. Local authorities also have a discretionary fund to make further payments of up to £150. This is administered by council's and full detail of Manchester's discretionary scheme is available in Appendix Three.

4.1.3 In addition the Government announced the following:

- All pensioner households will receive an extra £300 to help them cover the rising cost of energy in November or December 2022. This payment will go as a top up to the over 8 million pensioner households who receive the Winter Fuel Payment. For most pensioner households, this will be paid by direct debit, is not taxable and does not affect eligibility for other benefits. The government will make these payments directly to households across the UK.
- 2.2 million low-income households currently receive a £140 warm homes rebate on their energy bills. From 2022, proposed changes will see the scheme be worth £475 million a year with nearly 3 million households receiving a £150 rebate.
- The Winter Fuel Payment Scheme provides payments of £200 for households with someone of State Pension Age, or £300 for Households with someone aged 80 or over. This increases the baseline payment from £100 to £200.
- Cold Weather Payments of £25 extra a week are paid to poorer households when the temperature is zero or below. This is an established scheme and not an additional level of support.

4.2 £650 Cost of Living payment for those on benefits

More than 8 million households on means tested benefits will receive a payment of £650. This includes all households who receive Universal Credit, Income-based Jobseekers Allowance, Income-related Employment and Support Allowance, Income Support, Working Tax Credit, Child Tax Credit, Pension Credit. Department of Work and Pensions will make the payment in two lump sums – the first in Autumn 2022, . Payments from HMRC for those on Tax Credits only will follow shortly after each to ensure there are no duplicate payments. The government will make these payments directly to households across the UK.

4.3 £150 Disability Cost of Living Payment

People with disabilities will receive an extra £150 to help with the particular extra costs they face. Six million people who receive Disability Living Allowance, Personal Independence Payment, Attendance Allowance, Scottish Disability Benefits, Armed Forces Independence Payment, Constant Attendance Allowance and War Pension Mobility Supplement will receive the support as a one-off payment in September 2022. These payments will be exempt from tax, will not count towards the benefit cap, and will not have any impact on existing benefit awards. The government will make these payments directly to households across the UK.

5.0 Benefits administration

5.1 Caseload

The transfer of cases to Universal Credit continues. This means that although Universal Credit claims increased substantially during the pandemic the number of claims for Housing Benefit administered by the Council continues to reduce. This is because new claims for benefit from working age people are made through Universal Credit and this includes most housing costs. The Council will now only receive new Housing Benefit claims from residents of pension age and people in temporary or supported accommodation.

It should be noted that although residents claim housing costs as part of their UC claim any discretionary support for rent costs is still directed to the Council administered Discretionary Housing Payment scheme.

Following completion of the roll-out of Universal Credit in the summer of 2018 average monthly reductions in the caseload in October 2021 were:

- HB working age caseload 1.28%;
- HB pension age caseload 0.32%; and
- CTS caseload 0.13%.

Between November 2021 and April 2022 the average monthly reductions were:

- HB working age caseload 0.95%;
- HB pension age caseload 0.20%; and
- CTS caseload 0.79%.

The pandemic saw the CTS caseload rise from its lowest reported level of 50,609 on 1 April 2020 to a peak of 53,387 at 1 September 2020 before dropping to a new lower level of 49,195 at 1 April 2022.

The ongoing government response to the cost-of-living pressures mean that it is difficult to offer a definitive assessment of the future demand on HB and CTS. However, it is reasonable to expect that the HB caseload will continue to reduce while fluctuations in the CTS caseload may occur during 2022/23.

The following table shows the caseload from March 2019 to the present across Housing Benefit and CTS. It may be helpful to note that not all residents in receipt of HB or UC have council tax liability and so numbers of CTS cases do not correlate to HB here, or UC figures elsewhere in the report.

	March 2021	September 2021	December 2021	March 2022
Total Caseload HB / CTS	59,578	57,804	56,386	55,628
HB live claims	36,575	34,913	34,104	33,507
Social Housing	30,091	28,976	28,425	28,105
Private	6,470	5,937	5,679	5,402
Under 60 and working	4,281	3,962	3,732	3,479
CTS live claims	52,836	51,581	50,263	49,195
Claiming Universal Credit	18,075	18,169	17,618	17,530

5.2 Speed of processing

Despite the pressures of the pandemic, Benefits Operations achieved good average speed of processing outcomes helping to ensure that residents received timely financial support:

HB & CTS	2020/21	2021/22				2022/23
	Q4	Q1	Q2	Q3	Q4	Apr '22
New claim -avg days	19.18	18.73	18.20	15.86	18.90	20.09
Changes - avg days	5.39	8.56	10.13	8.26	5.91	8.63

6.0 Council Tax Support

Council Tax Support (CTS) is a local means tested support scheme funded by the Council that provides financial support to residents towards their council tax liability.

The Council's scheme provides means tested support to working age residents of up to 82.5% of the council tax that is due. Government has determined that pensioners must still be assessed for means tested support towards their council tax based on 100% of the council tax that is due, resulting in a more generous scheme for residents of pension age.

In Manchester the scheme is broadly split with one third pensioners and two thirds working age residents. This is across both claimant numbers and amount paid.

The table at appendix one provides this data split by council tax band by claimant numbers

Residents' benefits will be changing all the time as their circumstances change, this includes coming on and off benefits. Examples of other changes include address changes, family composition, income details and work status. The levels of transience within the caseload and the number of people going on and off benefits, along with the high levels of deprivation in the city make the administration of Council Tax Support and the collection of council tax challenging and complex. The Council

has worked hard to make the process of claiming CTS as simple as possible. This includes linking into the DWP UC claim process and using claim details.

Council Tax Support costs the Council around £39m per year and any increase in council tax charged results in the same percentage increase in the costs of the scheme.

7.0 Support to Businesses during the Pandemic

Covid Business support administered by the Council

In addition to wider support provided by the government to businesses affected by the pandemic, including business loans and furlough and the self-employed income scheme, the Council has been required to administer several schemes on behalf of the government.

These have included business rates relief (reducing the amount of business rates that are due) and a series of grants; some prescribed and funded by government and others where the council was given an amount of money and was expected to determine criteria based on local economic priorities.

Any business rates relief is paid as a reduction to the amount of business rates payable rather than a cash grant to the business. If the account then goes into credit a refund is paid.

7.1 2020/21 Financial year

7.1.1 Expanded Retail Discount

Since 2019/20, the Government has provided a 'Business Rates Retail Discount' of 33% for retail properties. This was to be increased to 50% in 2020/21. In direct response to Covid, this was expanded to include properties in the leisure and hospitality sectors and increased to provide full relief (100%) from the business rates that were due to be paid for the financial year. It was renamed as 'Expanded Retail Discount' (ERD). To award the discounts we used the Council's local discretionary powers (under S47 of the Local Government Finance Act) and claimed full reimbursement from the government.

Businesses eligible for the Expanded Retail Discount included the following:

- Shops;
- Restaurants, cafés, bars or pubs;
- Cinemas or live music venues;
- Assembly or leisure properties - for example, a sports club, a gym or a spa; and
- Hospitality properties - for example, a hotel, a guest house or self-catering accommodation.

In 2020/21, 4,981 businesses (18.3% of the city's businesses) received this relief and the amount of relief awarded was £148.882m.

7.1.2 Nursery relief

The government also provided a specific discount to childcare providers. This was called Nursery Relief and provided full relief from the business rates that were due to be paid for the financial year. As with ERD scheme above, the amount paid was reimbursed by the government.

To qualify a nursery had to be liable for business rates and:

- included on Ofsted's Early Years Register; and
- be a provider of care and education for children up to 5 years old (early years foundation stage).

In 2020/21, 81 nurseries received this relief and the amount of relief awarded was £0.896m.

7.2 2021/22 Financial Year

7.2.1 Expanded Retail Discount

On 3 March 2021 the government confirmed that the Expanded Retail Discount and the Nursery Relief would continue to apply in 2021/22 at 100% for three months, from 1 April 2021 to 30 June 2021, and at 66% for the remaining period, from 1 July 2021 to 31 March 2022. This means that eligible businesses will only have to pay 25% of their Business Rates for the whole of the year.

The timing of the award meant that the Council had to re-bill the affected businesses in July 2021.

The government confirmed that there would be no cash cap on the relief received for the period from 1 April 2021 to 30 June 2021. From 1 July 2021, relief is capped at £105,000 per business, or £2 million per business where the business is in occupation of a property that was required, or would have been required, to close, based on the law and guidance applicable on 5 January 2021, the date the second national lockdown commenced.

Allowing for national caps and the reduced scheme provision from July, we estimate that £91.5m of business rates relief would be awarded in 2021/22. This estimate was provided to the government and was fully funded via Section 31 grant with a full reconciliation at year end with any excess award being funded by the government and conversely any reduced award being returned. To 31 March 2022 £76.577m was awarded in Expanded Retail Discount and £0.632m in Nursery Relief.

7.2.2 Covid-19 Additional Relief Fund (CARF)

The fund is available to support those businesses affected by the pandemic but are ineligible for existing support linked to business rates. The relief is available to reduce chargeable amounts in respect of the 2021/22 financial year only. On that basis, this

relief is only payable to businesses that had a business rates liability during this period.

The scheme is to support businesses who have not been able to submit an appeal to the Valuation Office Agency to reduce their business rates because of the pandemic following a change in the rules by the Government.

The following property types are not eligible:

- shops, restaurants, cafes, drinking establishments, cinemas and live music venues
- those used for assembly and leisure
- hotels, guest and boarding premises and self-catering accommodation

We have had two application windows for businesses to apply for this support – the first opened in January 2022 and closed on 15 April 2022. We are currently paying awards from this window, and we are on target to pay circa £15m.

A second application window opened from 1 June 2022 and will run until 15 July 2022. Take up of this scheme by businesses has been slow across all Council's despite considerable local publicity. It is anticipated that once this application window closes, there will be a residue amount of CARF remaining and a universal payment will be made to all remaining business rate accounts that are eligible.

The Council's £23.9 million allocation of CARF must be used by the end of September 2022 therefore the scheme will run for the first 6 months of 2022/23, but can only be used to cover losses incurred during 2021/22.

8.0 Business Grants determined by government

8.1 Background

In addition to relief from business rates payable, the government has also provided for a range of cash grants administered by billing authorities where it prescribed and determined the amount of, and eligibility for, the grants.

These grants have been paid from March 2020 with the final scheme ending on 31 March 2022. The grant periods and amounts have broadly been a direct response to the country moving through the various Covid restrictions, lockdowns and impact of the Omicron variant. The intention was to provide direct support to those businesses where the government determined that they had to close completely or were significantly impacted by the restrictions. The grants were part of a wider package of business support that included furlough etc.

Initially, the government support took the form of one-off grants in the spring/summer of 2020/21 to small business and those in the retail, hospitality and leisure sector, with £105.87m being awarded to 8,490 businesses up to the end of September 2020.

From October 2020, there was then a series of Local Restriction Support Grant (LRSG) payments made to eligible businesses as the city moved into tier three restrictions, followed by local restrictions and national lockdowns; and closed with another stage of one-off grants in April 2021 linked to businesses re-opening (Restart Grants).

There was also a one-off Christmas Support Payments where £1,000 was awarded to wet let pubs, and Closed Business Lockdown Payments ranging from £4,000 to £9,000 depending on the size of the business and its RV.

On 21 December 2021 in response to the rise of the Omicron variant Government introduced the Omicron Hospitality and Leisure Grant (OHLG) to provide support to hospitality, leisure and accommodation businesses. Grant payments ranged from £2,667 to £6,000 depending on the size of the business.

The amount and eligibility of grants paid within these schemes was based on government criteria, including having a liability for business rates. Where possible, the Council only required one application, and payments to businesses were made automatically as new payment periods became due.

To ensure that we paid out to all those businesses that were eligible, we undertook a significant amount of take up activity.

8.2 Summary of grants and dates

Grant	Business type	Eligible from date											
		11-Mar	27-May	10-Jun	05-Aug	28-Sep	23-Oct	01-Nov	05-Nov	02-Dec	31-Dec	05-Jan	01-Apr
Small Business Rate Grant	All businesses in receipt of small business rate relief	SBRG											
Retail Hospitality and Leisure Grant	All businesses in receipt of retail relief	RHLG											
Discretionary Fund Grant	All business not entitled to SBRG or RHLG												
(Sector)	Nightclubs & sexual entertainment venues												
Tier 2 (Open V1)	breakfast, leisure businesses & Tier 3 (Open)												
Tier 3 (ClosedV1)	Pubs, bars, casinos, betting shops, soft play centres, adult gaming												
Additional Restrictions Grant	Not eligible for local and/or national restriction grants and in the hire and supply chain												
National (Closed)	ClosedV1, non-essential retail, leisure, hospitality accommodation, personal care facilities												
Christmas Support Payments	Wet-led pubs												
Closed Business Lockdown Payments	Retail, hospitality and leisure businesses												
Expanded Additional Restrictions Grant	Not eligible for additional restrictions grant or local restrictions support grant												
Restart Grant	Non-essential retail, hospitality, accommodation, leisure, personal care & gym businesses												
Restart ARG	Essential and non-essential retail, and hospitality, accommodation, leisure, personal care & gym, tourism, culture, airport and the supply to ...												

NB this table includes all grants administered during the period including discretionary grants covered in section 12 onwards, excluding Omicron related grants announced in December 2021.

8.3 Payments for business grants determined by government

8.3.1 Background

The table in section 11.4 below shows a breakdown of government allocations, awards to businesses and amounts to be returned across the support schemes from March 2020 to 31 March 2022.

The main thing to note is that the government allocations were based on the property descriptions held by the Valuation Office Agency (Special Category Codes or SCAT codes). Broad assumptions were made on business activity over the pandemic based on these codes. These codes were, and remain, inaccurate in both description and property activity.

The grant funding was therefore a projected estimation of potential spend rather than an accurate picture of eligibility or a target. Unfortunately, the Council does not have any discretion and can only award funds to a business if they meet the criteria determined by government.

8.4 Payment summary against estimated funding

The table below shows that £242.264m Small Business Grant; Retail, Hospitality & Leisure Grant; various Local Restriction Support Grant (LRSG), Restart and Omicron grant has been received by the Council, £198.816m was allocated to businesses to 31 March 2022 and £43.448m is returned, or to be returned, to the government.

The Council does not have any discretion with this and can only use the funding to award based on the detailed criteria set by the government. We also cannot use any unspent money on other schemes.

Business Support Scheme	Govt Funding	Number of Payments	Allocation	Balance to return to Govt
	£000	count	£000	£000
Small Business Grant	115,600	6,464	64,640	9,730
Retail, Hospitality & Leisure Grant		2,026	41,230	
LRSG Closed (Tier 3)	502	370	335	78
LRSG Sector		64	89	
LRSG Closed Addendum (National Lockdown)	11,187	3,942	7,018	4,168
Christmas Support Payments	250	245	245	5
LRSG Closed version 2	4,791	1,432	3,011	572
LRSG Closed Addendum Tier 4		3,787	1,208	
LRSG Closed Addendum post January	34,359	7,920	21,687	12,672
Closed Bus Lockdown Payment	33,552	3,930	21,057	12,495

Restart Grant Strand 1: Non-essential Retail	35,935	1,224	4,147	3,382
Restart Grant Strand 2: Hosp, Accom, Leis, Pers Care & Gym		2,618	28,406	
Omicron Hospitality & Leisure Grant	6,090	1,413	5,744	347
Total SBG, RHL, LRSG, Restart & Omicron	242,264	35,435	198,816	43,448

NB. The number of payments shown in the table above reflects the number of payments made by the Council not the number of businesses that received a grant. It may be possible a single business received several payments over the COVID 19 period.

9.0 Discretionary business grants where the Council acted as Principal and had some discretion on eligibility

9.1 Discretionary business grant schemes

In addition to the main business support grants, the Council has managed four discretionary schemes:

- Local Authority Discretionary Grant Fund;
- Local Restrictions Support Grant (Open) (LRSG Open);
- Additional Restrictions Grant (ARG); and
- Additional Restriction Grant (Omicron)

For these grants the government allocated an amount of money to each local authority. Any unspent grant had to be returned to Government. Any excess awarded was not funded by government and would be a pressure on the Council. We have returned £10k relating to Local Authority Discretionary Funding Grant, with a further £5k to be returned shortly. This represents just 0.046% of the discretionary funding given by the Government.

9.2 Discretionary schemes spend

The following table provides a summary of funding and spend across all areas of discretionary spend with further details below.

Business Support Scheme	Govt Funding	Number of Payments	Allocation	Balance to return to Govt
	£000	count	£000	£000
Local Authority Discretionary Funding Grant	5,432	958	5,423	10
LRSG Open	7,864	1,918	7,861	3
ARG for businesses with RV	20,920	1,480	3,637	1
ARG for businesses with no RV		1,541	5,987	

ARG for Taxi drivers		3,164	1,240	
ARG for Childcare / Day-care		592	1,503	
ARG for Cultural / Entertainment		147	2,632	
ARG for Charity		110	867	
ARG for Business of Economic Importance		16	1,113	
ARG Restart RV		240	1,277	
ARG Restart Non RV		345	1,466	
ARG Emergency Business Support		282	1,196	
ARG Omicron	999	657	997	2
Total LADFG, LRSG Open and ARG	35,215	11,450	35,199	15

NB. The number of payments shown in the table above reflects the number of payments made by the Council not the number of businesses that received a grant. It may be possible a single business received several payments over the COVID 19 period.

An ARG top up grant of £4.311m was provided to the Council on 16 July 2021, as the original allocation of £16.609m was fully applied by 14 June 2021, meeting the government's criteria on which to apply for further top-up funding. This brings total ARG funding to £20.920m.

A further £0.999m was provided in December 2021 to fund the ARG Omicron scheme.

Further detail on each of the schemes is included in the following sections.

10.0 Local Authority Discretionary Grant Fund

10.1 Background and funding

The Local Authority Discretionary Grant fund was designed to help businesses with no business rates liability, but with fixed property costs, that did not qualify for the Small Business Grant or the Retail, Hospitality and Leisure Grant in the spring/summer of 2020. The level of funding provided was £5.4 million.

10.2 Eligibility and payments

The scheme provided support for start-up and micro businesses, small business in the digital and creative sector, businesses within enterprise zones, charities and independent hospitality and retail businesses. To qualify, businesses had to show they were a small business, sole trader, micro business or charity with ongoing, fixed costs of more than £1,500 per year. They had to have been trading on or before 11 March 2020 and they had to demonstrate that they had suffered a reduction in income due.

Payments ranged between £2,500 and £25,000 depending on the level of fixed building costs shown. In total, 958 businesses received a total of £5.42m with the vast majority receiving £5,000 (839). The funding was £10k underspent and returned to government.

11.0 Local Restrictions Support Grant (Open)

11.1 Background and funding

The Local Restrictions Support Grant (Open) was for rate-paying businesses not required to close due to Tier 2 or 3 restrictions (over the summer of 2020) but were severely impacted. The level of funding provided to Manchester was £7.864m.

11.2 Eligibility and payments

This scheme was retrospectively announced by the government in October 2020 and we were advised that it was to provide support to the hospitality, leisure and accommodation sectors or other affected businesses in the city from 5 August 2020, until they had to close as part of local or national restrictions. They could then receive funding under Local Restrictions Support Grant (Closed).

Due to the timing of when the scheme was launched, payments were made to qualifying businesses where they had been deemed eligible for a Local Restrictions Support Grant (Closed) payment. This meant that businesses only had to submit one application form via the Council's website in order to receive all the funding they were due under both schemes.

Payments made mirrored the split by RV in the main scheme and businesses received payments of between £2,635 and £6,900 based on their size and how they were affected by the various tiers. Payments were made in addition to other grants.

The full allocation of £7.864m was paid to 1,918 eligible businesses. The £3k underspend represents returned or recovered grant after the scheme closed in May 2021.

12.0 Additional Restrictions Grant

12.1 Background and funding

The cumulative government funding for Manchester was £20.920m. This was made up of an initial allocation of £11.698m on 24 Nov 2020, a further £4.911m allocation on 18 January 2021 following national lockdown announcements and a top up amount of £4.311m received on 16 July 2021 as the first two allocations were fully applied by 14 June 2021.

A further £0.999m was received on 13 January 2022 to facilitate the ARG Omicron scheme.

The Additional Restrictions Grant had a main scheme that broadly mirrored the main grants for businesses required to close or severely impacted but not eligible for other grants. This was then followed by several local sub schemes.

12.2 Additional Restrictions Grants for businesses with a rateable value

12.2.1 Eligibility and payments

This part of the discretionary scheme was aimed at businesses that were registered for business rates that were not required to close during the periods of lockdown but were seriously impacted. Initially, this was aimed at businesses in the supply chain to personal care services, hospitality, accommodation or leisure sectors, recognising that demand had significantly reduced.

Grants were paid to these businesses for the period from 23 October 2020 up to 31 March 2021, based on the business RV, along with a one-off payment. After 1 April 2021 support under Additional Restrictions Grant was made in the form of a one-off payment to all recipients of a payment under the scheme outlined above, called a Restart Grant.

The table below shows the maximum a business could have received if they had received all the available parts of the scheme.

Rateable value	ARG 23.10.20 to 31.3.21	One-off payment Paid from 1.2.21	Restart ARG paid from 1.4.21	Maximum Payment
Up to £15k	£7,622.57	£4,000	£5,600	£17,222.57
£15k to £51k	£11,428.71	£6,000	£8,400	£25,828.71
Over £51k	£17,142.57	£9,000	£12,600	£38,742.57

The scheme was extended further from 5 January 2021 to include businesses registered for business rates that were significantly impacted by a downturn in the daytime economy or in tourism or cultural sectors or the airport supply chain, recognising the impact of the significant reduction in visitors to the city centre in particular. Again, grants were paid up to 31 March 2021.

Examples of the grants that a business could qualify for under this scheme are contained in appendix four.

12.3 ARG for Businesses without a Rateable Value

12.3.1 Background

This part of the scheme recognised that many businesses that were affected did not conform to the standard operating model of leasing premises and paying business rates. It was designed to support businesses that were not registered for business rates but were still required to close under the periods of lockdown or that were not required to close but were seriously impacted.

12.3.2 Eligibility and payments

This was initially aimed at businesses forced to close or severely impacted and in the supply chain of the hospitality, accommodation or leisure sectors. Grants were paid for the period from 23 October 2020 to 31 March 2021.

From 11 February 2021, the scheme was expanded to offer support to those businesses in the daytime economy whose trade had been significantly affected by the absence of workers, commuters and tourists in the city due to the lockdown restrictions. It also included self-employed company directors or sole traders without fixed property-related costs.

Businesses who received grants under this scheme also received a one-off payment from 1 February 2021 and, as above, a Restart Grant for the period after 1 April 2021.

The table below shows the maximum a business could have received if they had received all the available parts of the scheme.

Fixed costs	ARG 23.10.20 to 31.3.21	One-off payment paid from 1.2.21	Restart ARG paid from 1.4.21	Maximum possible payment
Up to £15k	£7,942.72	£4,000	£5,600	£17,542.72
£15k to £51k	£13,857.28	£6,000	£8,400	£28,257.28
Over £51k	£17,142.57	£9,000	£12,600	£38,742.57

Examples of the grants that a business could qualify for under this scheme are contained in appendix four.

12.4 Additional Restrictions Grant sub-schemes

In January 2021, the Executive agreed sub-schemes to provide additional support to some key business areas in the city. This was based on the eligible funding at that point.

12.4.1 Cultural Sub Scheme - £2.632m

To be eligible for support under this scheme, a properly constituted organisation had to:

- Have a lease, license or similar arrangement over a building or part of a building in the Manchester area which provides cultural, entertainment or convention facilities, and which includes liability for fixed property costs and/or business rates.
- Have been trading on 5 November 2020 and to still be trading.

In addition, where it is a facility that is managed by a company which operates on a national basis, they had to declare that the funding will be invested entirely in the Manchester-based venue that is eligible for the award.

Grants were paid at the following levels

- Small - (rateable value of £0 to £15,000) received a payment of £13,395.85 or £16,744.80 if they qualified for a heritage premium*
- Medium - (rateable value of £15,001 to £50,999) received a payment of £20,093.76 or £25,117.20 (if they qualified for a heritage premium*).
- Large - (rateable value of £51,000 to £499,999) received a payment of £30,140.64 or £37,675.80 (if they qualified for a heritage premium*).
- Very Large - rateable value of £500,000 or over received a payment of £45,210.96 or £56,513.70 (if they qualified for a heritage premium*)

*The heritage premium was issued to facilities that were listed or which are on the Council's heritage assets list. Any heritage assets operated by a university did not receive the additional heritage premium. A further payment was made in December 2021 to provide additional support to cultural businesses.

After due consideration, 88 eligible organisations were paid a total of £2,631,752.

12.4.2 Charities sub scheme - £0.867m

Eligibility for support under this scheme was determined based on the following criteria:

- Being a registered charity;
- Having fixed property related costs (rent, mortgage); and
- Being required to close under government restrictions or having been severely impacted.

Charities undertaking religious or political activities were excluded and grants were paid at three levels:

- Small - (rateable value of £0 to £15,000) received a payment of £6,163
- Medium - (rateable value of £15,001 to £50,999) received a payment of £9,245
- Large - (rateable value of £51,000 to £249,999) received a payment of £13,867
- After due consideration, 110 groups were paid a total £867,460.

12.4.3 Strategic business support sub scheme - £1.113m

This scheme focused on businesses that suffered a significant negative impact on trade, which in turn has affected the safeguarding of skills and jobs that are vital to the economic recovery and growth of the city. Unlike other sub schemes, applications were requested under this scheme. Qualifying criteria included:

- Businesses that employ over 75 staff or businesses with fewer than 75 employees but who provide jobs with skills in high demand, or which attract higher wages
- Businesses that provide well paid and secure work, with good terms and conditions which is crucial in reducing Manchester's high rate of in-work poverty and family poverty, for example businesses that are signed up to the Greater Manchester Good Employment Charter and pay the Manchester Living Wage
- Businesses that provide permanent lower or entry level skilled jobs in high volumes that support local communities
- Businesses in sectors which will support future growth and the creation of opportunities for residents in sustainable industries and support Manchester's 2038 zero carbon commitment
- Specialist or highly skilled businesses that support the Airport supply chain or aviation sector

Grant values were allocated based on the businesses' annual fixed property costs and the size of their operating losses.

Under this scheme, 15 businesses were given grants totaling £1,113,108.

12.4.4 Nurseries and childcare providers - £1.503m

This scheme focused on supporting the childcare sector in Manchester, which had remained open and responsive to the needs of keyworker and vulnerable children throughout the pandemic and which plays a key role in supporting the local economy.

Eligibility for support under this scheme was determined based on the following criteria:

- They had to remain open; and
- Had to be registered with Ofsted and actively delivering childcare and claiming Govt childcare funding through the Early Years Access & Sufficiency Team in the Autumn term 2020 and Spring term 2021.

Qualifying businesses were paid three separate instalments based on their rateable value:

- Small - (rateable value of £0 to £15,000) received a total payment of £8,000
- Medium - (rateable value of £15,001 to £50,999) received a total payment of £12,000
- Large - (rateable value of £51,000 to £249,999) received a total payment of £18,000

In addition, 172 childminders were each granted a one-off award of £500, a total grant allocation of £86,000, for providing childcare opportunities throughout the pandemic.

In total 311 organisations and individuals received a total of £1,503m under this scheme and, despite the challenges presented by the pandemic, sufficient childcare was maintained in the city for those that needed it.

12.4.5 Licensed Taxi trade - £1.240m

Taxi drivers are generally self-employed and can access government schemes for financial support due to lost earnings. Any funding included in this scheme was in addition to earnings support, for example furlough, self-employed support etc. One of the criteria set by government was that it should not cover wages or salary payments.

Eligibility for the scheme was determined on the basis that:

- The recipient is an existing vehicle licence holder with the Council (and had no compliance related issues outstanding) and would be granted the relevant amount to cover:
 - the fee for the next annual renewal of their vehicle licence and the requisite number of tests required by the Council (each vehicle is required to be tested 1, 2 or 3 times throughout the year dependent on age)
- As a vehicle licence holder, they are classed as a small business with a fixed asset cost (the vehicle)
- As a vehicle licence holder we know definitively that their business as a transport provider was severely affected between March 2020 and March 2021 by the various lockdowns and restrictions on supply industries i.e. hospitality – this was evidenced in January 2021 in reports to Committee detailing the mileage reductions recorded on licensed vehicles compared to previous years
- The maximum amount that any one recipient could receive in relation to their licence was £482 (average = £300).

In total £1,240,238 was paid to eligible licence holders.

13.0 2022/23 Financial Year

13.1 Expanded Retail Discount

The Government confirmed that the Expanded Retail Relief would continue for 2022/23 but renamed it the Retail, Hospitality and Leisure Relief Scheme. The amount of relief awarded was reduced to 50% for the whole year and the cap was increased to £110,000. Businesses in the retail, hospitality and leisure sectors will qualify for any period that they are in occupation and trading. There are no business rates grants schemes for 2022/23.

14.0 Conclusions

The Revenues and Benefits Unit has performed well during a challenging period, responding to covid to delivery business as usual and undertaking significant new activity.

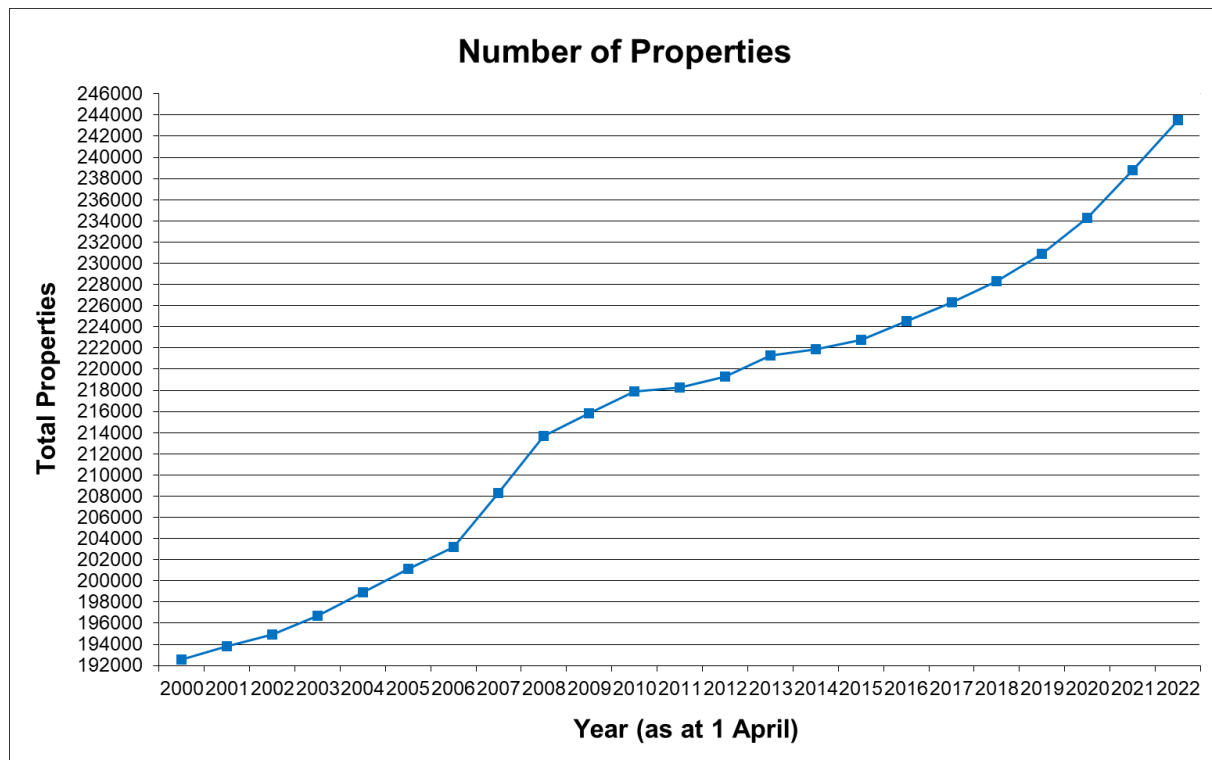
15.0 Performance in the collection of council tax and how we balance collection whilst working in an ethical way and supporting those residents on a low income

15.1 Background

Council tax is essentially a property tax which is levied on the broad capital value of domestic properties. The Valuation Office split all domestic properties into eight bands from A to H, with an amount charged linked to each band. Calculation of the amount payable follows a weighted calculation set by central government. Properties in Band A pay two thirds of the tax levied on Band D properties; those in Band H pay twice the tax levied on Band D.

15.2 Properties in the city

The number of properties within the city has been increasing annually and has increased from 192,588 in 2000, to 243,478 at the end of March 2022, a 26% increase.



56% of the properties in the city are in band A, with 95% being in bands A-D (inclusive) and less than 1% (1,380 properties) are in the top two bands of G and H.

A full breakdown of properties split into bands and across wards based on March 2022 data is shown as appendix two.

15.3 Council Tax Debit

The following table shows data across the last two financial years including the total number of banded properties, the associated debit, the amount of council tax support that was paid, the 2020/21 hardship award and the remaining balance to be collected.

	Banded properties	Council Tax to be collected	Council Tax Support paid	Balance to be collected
2019/20	234,284	£243,222,000	£38,933,000	£204,289,000
2020/21	238,807	£262,859,000	£49,141,000*	£213,718,000
2021/22	243,478	£281,417,000	£49,025,000	££232,392,000

*Includes £6.643 million in 2020/21 and £5.899 million in 21/22 (current snapshot rather than full year) of covid hardship payments.

15.4 Collection Performance

15.4.1 Background

Council tax collection is measured by the percentage of the collectible debit that is collected in the year that it relates to. Every year the Council sets a target for collection. In recent years the Council has seen an incremental improvement until the pandemic.

The level of deprivation and transience has an impact on collection, and we spend significant activity tracing and chasing residents that have moved property and have not provided a forwarding address.

We also measure the amount of arrears that we collect from previous years. The ultimate collection rate is circa 96.5%, however this takes several years to achieve. This is because we often make plans that extend longer than the financial year and we will stack debt into long term affordable arrangements so that council tax is not paid at the expense of other household bills.

When considering council tax debt our approach in recent years has been to take a holistic approach to recovery, where possible collecting the current year plus an amount towards the arrears. Emphasis is placed on finding a sustainable payment arrangement based on wider household responsibilities (especially property costs and priority debt) with residents who engage with us. Whilst taking this approach recovery levels have improved.

Where the Council does not hold any intelligence on a household's financial status and they fail to engage, there is very little that a council is able to do to recover council tax that is owed other than go through an agreed legal process. The next step if a resident will not engage with us and has not responded to the multiple letters, the

summons and the liability order and we do not hold employer or benefit details, is to send the account to the enforcement agents for them to collect. In 2019/20, enforcement agents collected around £3.24 million in council tax owed to the Council.

Ultimately a resident can be made bankrupt or committed to prison for failing to pay their council tax. This is rare and is usually where the household has significant arrears and is failing to engage with the council and or the magistrates' court. For bankruptcies, the resident would have to have significant equity (over £25,000 at least) before action was initiated).

15.4.2 Collection rate and arrears collection from previous years

The following table shows the collection rates and arrears collection over recent years. Arrears collection has increased significantly when compared to previous years, beyond performance levels seen during 2019/20 which was an exceptional year due to the success of the HMRC attachment of earnings trial. This is likely to be because of residents repaying Council Tax that was not paid in year during 2019/20 and 2020/21 when collection performance dropped because of the Covid-19 outbreak.

	2017/18	2018/19	2019/20	2020/21	2021/22
Collection rate	93.01%	92.81%	92.73%	90.15%	89.8%
Arrears collected	£6.8m	£6.2m	£7.2m	£6.4m	£9.1m

15.4.3 Year to date performance 2022/23

Collection in the current financial year is still being affected by the pandemic. The impact of the pandemic on collection rates has been mitigated to some extent by the £150 hardship payment. However, the collection rate is still lower than it was two years ago but the recovery of arrears from previous years is higher, shown in the table below that shows a snapshot of performance as at the end of August.

	30 April 2020	30 April 2021	30 April 2022
In-year collection rate	9.15%	10.09%	9.41%
Arrears collection	£1.01m	£1.40m	£1.72m

Ongoing and historic pressures caused by the pandemic continue to have a detrimental impact on residents' incomes and collection rates over the last three years have reflected this.

15.5 Proportionate and reasonable collection methods

15.5.1 Recovery data

Where possible, and based on intelligence about the city over many years, we take a fair and proportionate approach to recovery of the council tax that is due, -seeking to engage with residents and agree affordable payment plans.

The table below shows the annual data for the number of council tax accounts, along with the number of reminders and summons issued. It also shows the number of bankruptcies and the number of residents that were committed to prison for non-payment.

This shows that although the number of properties has been rising year on year and until last year, the number of CTS claimants reducing, the number of accounts receiving reminders, summons has been incrementally reducing. Unfortunately, the nature of council tax debt and the importance of the money that is collected to the Council, means that we will always have recovery activity. However, the aim is that we engage with residents in the most effective way and build a relationship that avoids costs and escalation wherever possible.

	2017/18	2018/19	2019/20	2020/21	2021/22
Properties	228,296	230,896	234,284	238,807	243,478
Reminders	120,300	118,500	110,400	72,000	107,580
Summons	57,800	56,000	52,000	20,500	39,574
Bankruptcies	11	5	7	0	1
Committals	0	0	0	0	0

Over 37,000 fewer reminders were issued during 2020/21 compared to 2019/20. However, 35,580 more reminders have been issued during 2021/22 compared to 2020/21. The principal reasons for this are increases in the numbers receiving maximum Council Tax Support combined with the payment of £150 hardship payment that was paid out to anyone in receipt of Council Tax Support, around 30,000 residents. This meant that, in many cases, residents had virtually nothing to pay, meaning no reminder was issued. While the number of reminders for 2021/22 has increased from 2020/21, the number is 2,820 less than 2019/20.

Summons issued and Liability Orders granted were much reduced during 2020/21. This was mainly because the Magistrates Court was closed for much of the year, and only reopened for online hearings with very limited courts available to all the Greater Manchester local authorities. These restrictions have continued in to 2021/22 with hearings only available once every two months. This caused an inevitable delay in taking recovery action.

Over the last five years there have been 24 residents made bankrupt and none have been committed to prison for non-payment of Council Tax.

15.5.2 Extended payment arrangements and Direct Debit take up

The Council offers a range of payment methods and instalments at no additional cost to the resident. Although the cheapest and most efficient way for the Council is collection by monthly direct debit, other payment arrangements including local payzone and post office payments where cash can still be used are available.

Payment plans can also be set for the full twelve months rather than the standard ten-month arrangement on request.

Direct debit payments have been increasing year on year with many residents opting for a 12 monthly direct debit arrangement. This is partly because of the various sign-up channels being maximised via the Council's website, but also because payment by direct debit is the automatic choice for many people moving into the city.

£149.6m (£135.2m in 2020/21) was collected by direct debit during 2021/22, an increase of 10.7% when compared with the year before. This is due to the increase in the council tax from April 2020, as well as more residents choosing to pay by this method. It should be noted that the amount collected by direct debit as a percentage of the total amount due reduced slightly, indicative of the impact of the coronavirus outbreak.

The table below shows the total council tax due and the amount and percentage collected by direct debit:

	2017/18	2018/19	2019/20	2020/21	2021/22
Total Council Tax due	£177.9m	£188.5m	£204.3m	£213.7m	£232.4
Amount collected by DD	£113.2m	£120.8m	£130.9m	£135.2m	£149.6
% debit collected by DD	63.6%	64.1%	64.1%	63.2%	64.4%

For many residents in receipt of Council Tax Support there was no subsequent Council Tax to pay due to the allocation of hardship payments.

There are 209,834 live council tax accounts with a balance to pay including residents in receipt of some CTS. The table below shows the number of people who have some council tax to pay and the number and percentage paying by direct debit. Following a dip last year, the percentage of residents paying by direct debit is now higher than in March 2020.

	2017/18	2018/19	2019/20	2020/21	2021/22
Accounts with something to pay	198,000	201,000	204,484	209,834	212,816
DDs	108,300	110,500	112,271	114,744	123,448
% paying by DD	54.7%	54.9%	55.0%	54.7%	58.0%
% change in number Of DDs	3.6%	2.0%	1.6%	2.2%	6.0%

15.6 Enforcement agents (EAs)

15.6.1 Reducing referrals to enforcement agents

Over many years we have steadily reduced the number of cases being passed to enforcement agents from 54,000 accounts per year in 2009/10 to 18,000 in 2019/20. This has been achieved through several measures including:

- Vetting cases where residents have failed to engage to see what intelligence is held on our systems.
- Not referring those residents in receipt of maximum CTS that have a balance to pay.
- Improving the checks on those about to be passed to enforcement agents to identify a more effective and less severe recovery method, for example deduction from benefit or from salary.
- Introducing an additional warning letter before a case is sent to EAs, emphasising the costs that could be incurred and urging the resident to engage.
- Improving the intelligence that is held, including taking part in a trial with HMRC where we received employer details for nearly 1,600 residents with Council Tax arrears. These were used to contact the resident and encourage engagement or apply for an attachment of earnings. The trial will be repeated on a larger scale later this year.

No cases for 2020/21 debt were passed to the bailiff during the 2020/21 financial year, as a result of this total referrals to EAs was 23,000 during 2021/22 as residents with debts from 2020/21 who have not engaged with the Council have been passed on, along with those with debts from the current year. A further 16,000 cases require vetting as residents have failed to engage, which may mean that higher levels of cases are referred again during 2022/23.

15.6.2 EA code of conduct

As well as all fees being covered by legislation, all enforcement agents contracted to the Council must adhere to a strict code of practice which covers:

- The professional standards they must adhere to;
- The procedures they must follow;
- Guidance on how quickly the money should be repaid; and
- When it is inappropriate to take action.

The code also always includes the requirement to operate a body worn camera when dealing with a resident and a robust set of vulnerability criteria that they must adhere to (appendix three).

15.6.3 Management of EA costs

Additional requirements were placed on the enforcement agents to minimise costs charged to residents and to monitor behaviour:

- EAs must write and phone at least seven times before an in-person visit is attempted, with costs restricted to £75.
- Where the debt is less than £150, cases are returned without an in-person visit (which would add £235 in costs to the resident's debt).
- There is extensive vulnerability criteria and guidance contained in the Enforcement Agent code of conduct which forms part of the contract with the Council. They are instructed to stop action and return cases to the Council where vulnerability is identified.

15.6.4 Impact of the pandemic on EA work

- All recovery action was suspended between March and September 2020. When it resumed, additional steps were built into the recovery process to minimise costs. This includes longer payment arrangements being offered by Council staff and enforcement agents.
- No 2020/2021 accounts were passed to EAs.
- The Debt Recovery Policy and Enforcement Agent Code of Practice were amended to specifically recognise the impact of the pandemic on residents in the city.
- EAs supported the Council by visiting businesses to encourage grant take up.

15.7 Discretionary Council Tax Payment scheme

The Council has a discretionary scheme to provide financial help to residents who face pressures additional to those on Universal Credit. Details were provided in sections 3.15 and 3.24.

15.8 Care Leavers' Discount

The Care Leavers' Discount is available to people under the age of 25 who have a Council Tax Liability and were in care at their 16th birthday. Care leavers qualify for a 100% discount if they live alone and a reduced level of help if they live with others. The Unit works closely with colleagues in Children's Services to ensure that discounts are captured. This will often include wider work including writing off costs etc where contact has been late.

The Council also agreed a reciprocal agreement across Greater Manchester local authorities so that all care leavers wherever they are living across GM can access the same level of support.

Other discretionary schemes including DHP and WPS reference care leavers and ex armed forces as special groups that may need tailored and additional support with council tax and discretionary support.

15.9 Manchester Poverty Truth Commission

Officers and members from the Council were involved in the recent Manchester Poverty Truth Commission that was published earlier last year. This included the commissioner role and to take part in a specific session on how the collection of council tax could be improved.

One of the key areas as part of the commission's work was the approach to the collection of council tax. One of the recommendations which is being taken forward is further work within the community.

The Commission suggested piloting a new approach with a different dialogue to find a way that supports early contact and a more supportive and responsive relationship

that builds on existing trust, relationships, networks and expertise in our communities.

This included the Council working with the resident to:

- Ensure that the amount being paid is correct
- Ensure that there is a health-check on the account, checking that all discounts and exemptions are being claimed and paid
- Provide specific support to people who could be exempt from council tax due to meeting the specific definition of 'severely mentally impaired'
- Examine whether household income is being maximized and if other benefits should be in payment. Based on current income details, discuss the best way to maintain council tax payments and clear any arrears
- Council staff should consider, where appropriate, discretionary support and withdrawal of some costs if this means that repayment plans can be maintained. Agree next steps and build on this with regular contact and links that initially can be set up in the community setting.

These principles have been shared across the service and reinforce the requirements of council staff to support and inform the dialogue that we have with residents.

15.10 Working with partners - pilot with the Oasis Centre, Gorton

Following the outcomes from the Poverty Truth Commission, we considered ways in which we could improve engagement with residents who may not normally contact us. As part of a pilot we have been looking at ways to improve targeted outreach work with those residents that we have struggled to engage with.

After discussions with the management team at the Oasis Centre, we gave their staff direct access to four named individuals in the council tax back office. On one day a week, they can contact these staff and discuss and resolve issues brought up by the local community who visit the centre.

Although the number of contacts is low, the service has been extremely well received by staff at the Oasis Centre, as well as those residents that have been helped. It is hoped that, once the residents have come to understand and trust the service, that it could be upgraded by having a Council Tax Officer at the Oasis Centre to allow face to face contact.

As well as the above, development staff from the Revenues and Benefits Unit have provided some free training to volunteers at the Oasis Centre to improve their understanding of Council Tax Support and Council Tax exemptions and discounts.

Having evaluated this model, we are now seeking to replicate this good practice model and learning with other organisations in other areas of the city.

16.0 Performance in the administration collection of business rates

16.1 Business Rates in the city

There are 27,380 properties registered to pay business rates in the city. Business rates are charged on most non-domestic properties, including (not an exhaustive list):

- shops
- offices
- pubs
- warehouses
- factories
- holiday rental homes or guest houses
- car parking spaces
- advertising units

16.1.1 How business rates are calculated

Business rates are calculated using a property's 'rateable value' (RV). The RV is a property's estimated rental value on the open market and is assessed by the Valuation Office Agency (VOA), an arm of central government. There are specialist valuation methods for things like pubs and larger, unique venues like football stadia, hospitals and airports. The government then decides on the business rates multiplier which is applied to the RV. The business rates multiplier is currently 51.2 pence (49.9 pence for small businesses) so a business with an RV of £100,000 will pay £51,200 in business rates this year.

The last revaluation, conducted by the VOA and which came into effect on 1 April 2017, refers to values as of 1 April 2015. Revaluations usually take place every five years to ensure it reflects relevant market rental values. The next revaluation is due in 2023 (delayed by the pandemic) and the frequency may reduce to three years from then

Businesses with an RV of less than £12,000 qualify for 100% Small Business Rates Relief (SBRR) and businesses with an RV of between £12,000 and £15,000 get a tapered amount of relief.

Since 2017, the ten Greater Manchester authorities, including Manchester, are part of the Greater Manchester 100% of Business Rates pilot. As 1% of business rates is transferred to the Greater Manchester Combined Authority (fire and rescue element) the Council retains 99% of business rates.

Any business rates income in excess of Manchester's assessed funding need is still paid back to central government to be redistributed in the form of tariffs and top ups but the Council now retains all the growth it achieves in its business rates base. Under the new regime Revenue Support Grant and Public Health grant are not received but are met from within the Business Rates income with the assessed funding need adjusted accordingly.

The collection of business rates income and the impact on the budget is not covered within this report and is included in the Council's revenue budget reports.

16.2 Collection Performance

The following table shows the income and collection performance over the past 4 years. The table shows the significant impact that the pandemic has had on business rates collection in the city.

	In year cash collection	Percentage collected
2017/18	£344,644,000	95.66%
2018/19	£356,005,000	96.91%
2019/20	£363,617,000	97.58%
2020/21	£203,087,000*	87.91%
2021/22	£282,293,000	94.79%

*This figure has been reduced by £148.9 million due to the introduction of the 100% Expanded Retail Discount which meant that retail, hospitality and leisure businesses in the city had nothing to pay for 2020/21 (see below).

The government introduced the Tax Income Guarantee (TIG) scheme to help mitigate the impact of the pandemic on Council's revenue collection in December 2020.

TIG is calculated by comparing the predicted level of collection for 2020/21 with the actual level of collection for 2020/21. Adjustments are made for retained Enterprise Zone income above the baseline, costs of collection, Section 31 grants received and adjusted for allowable appeals. Central government then funds 75% of any resulting loss. For Manchester, this amounts to £19.219 million.

17.0 Conclusions

The Revenues and Benefits Unit has performed well during a challenging period, responding to covid to deliver business as usual and undertaking significant new activity.

18.0 Recommendations

The Committee is recommended to consider and comment on the information in the report.

Appendix One - The number of working age CTS recipients across the different council tax property bands and the amount that they had left to pay after maximum CTS and the £150 hardship payment 2021/22

Impact of CTS and £150 hardship payment	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
Total no. of working age households in receipt of CTS	30,324	3,673	1,607	391	123	20	7	0
No. of working age households with 100% CTax charge in receipt of CTS	10,091	1,786	982	239	81	11	3	0
CTax to pay - 100% charge with maximum CTS and £150 award	£60.68	£95.79	£130.90	£166.02	£236.25	£306.48	£376.70	£482.04
No. of Working age households with 75% CTax charge in receipt of CTS	20,233	1,887	625	152	42	9	4	0

CTax to pay- 75% charge with maximum CTS and £150 award	£8.01	£34.34	£60.68	£87.02	£139.69	£192.36	£245.03	£324.03
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Appendix Two – Test and Trace Support Payment Scheme

i The £500 Test and Trace Support Payment supported people on a low income required to self-isolate because the following conditions applied:

- Tested positive for Covid 19; or
- Been identified as a close contact of someone who has tested positive for Covid 19.
- From 16 August 2021 people who are fully vaccinated and identified as contacts are no longer required to self-isolate. This means that fully vaccinated contacts are ineligible for the Test and Trace Support Payment from 16 August 2021.
- Also, from 16 August 2021 anyone under the age of 18 who is a contact is exempt from self-isolation. This means that most parents and guardians will not be eligible for the Test and Trace Support Payment if their child is identified as a contact, as their child will no longer be required to self-isolate.

Residents were eligible if they are employed or self-employed, cannot work from home, and will lose income as a result. The parent or guardian of a child or young person who is self-isolating may also be eligible for the Test and Trace Support Payment.

A resident must have been told to self-isolate by NHS Test and Trace, and as such they are legally required to do so. If a resident has been notified by the NHS COVID-19 app to self-isolate and applies for the Test and Trace Support Payment, they are also legally required to self-isolate.

In addition to the main scheme the Council was provided with funds to provide a discretionary scheme to support residents who have been instructed to self-isolate but do not meet the main-scheme financial requirements. The discretionary criteria were initially agreed across Greater Manchester authorities. As with other schemes, the developing nature of the scheme and late confirmation of funding arrangements resulted in complexity and challenges managing the budget. Although demand has been fluctuating and the budget position was not clear at times the Council maintained a timely response and a rationale and proportionate approach cognisant of the budget and public health priorities.

ii Test and Trace Main Scheme

The main scheme applied to residents in receipt of one of the following benefits - Universal Credit, Working Tax Credit, income-based Employment and Support Allowance, income-based Jobseeker's Allowance, Income Support, Housing Benefit and/or Pension Credit.

iii Test and Trace Discretionary Scheme

The discretionary scheme was open to residents who:

- Are not in receipt of a welfare benefit covered by the main scheme, and

- Will face financial hardship as a result of not being able to work while they are self-isolating.
- The discretionary scheme is also open to residents who have no recourse to public funds, but they meet the rest of the criteria.

Appendix Three - Energy Grant Scheme (£150 payments)

On 4 February 2022, the government announced a package of measures, known as the Energy Bills Rebate, to help households with rising energy bills, worth £9.1 billion in 2022-23. The scheme, as presently described by government, includes:

- A £150 non-repayable grant for eligible households in England in council tax bands A – D, known as the Council Tax Rebate.
- £144 million of discretionary funding for billing authorities to support households who are in need but are not eligible for the £150 Council Tax Rebate, known as the Discretionary Fund.

£150 Council Tax Rebate

This core scheme pays £150 to every household that meets the following criteria:

- They occupy a property valued in council tax bands A – D on 1 April 2022. This includes property that is valued in band E but has an alternative valuation of band D as a result of the disabled band reduction scheme
- The property is someone's sole or main residence
- The property is a chargeable dwelling, or in exemption classes N (solely for full time students, but not a hall of residence), S (where the liable person is under 18), U (where the liable person is severely mentally impaired), or W (where the liable person is a dependant relative who is over 65 or permanently disabled and living in a separately banded unit within a single property such as a self-contained annexe)

Only one payment of £150 can be made to each eligible household and the scheme is fully funded by the Government. The table below provides a breakdown of the number of properties in each band in the city, along with the numbers of residents who pay by Direct Debit and the numbers in receipt of Council Tax Support.

Band	Direct Debit			No Direct Debit			Totals	
	CTS	No CTS	All	CTS	No CTS	All	Total	%
Band A	10,178	43,589	53,767	35,509	37,563	73,072	126,839	56.28%
Band B	1,997	21,355	23,352	3,986	11,432	15,418	38,770	17.20%
Band C	1,119	21,471	22,590	1,810	9,324	11,134	33,724	14.96%
Band D	307	10,540	10,847	482	5,353	5,835	16,682	7.40%
Band E	89	3,782	3,871	123	1,579	1,702	5,573	2.47%
Band F	18	1,799	1,817	28	863	891	2,708	1.20%

Band G	2	757	759	4	228	232	991	0.44%
Band H		49	49		17	17	66	0.03%
Totals	13,710	103,342	117,052	41,942	66,359	108,301	225,353	

Nearly 96% of eligible properties in Manchester are in Bands A to D.

1.1 Method of payment

Where the Council holds a live Direct Debit instruction a direct payment is made into the liable person's bank account. A total of 113,073 Direct Debit payments were made in April and early May.

Where there is no Direct Debit instruction in place, the Council has issued a Post Office Voucher to the liable person. By 10 June 2022 a total of 94,968 vouchers had been issued and 40,367 cashed.

Pre-payment checks were undertaken to ensure that the payment details used match the liable person's details.

1.2 The Discretionary Fund

This scheme is designed to help those who are not eligible under the core scheme but may still be facing hardship. This includes households living in property valued in bands E – H that are on income related benefits or those where the energy bills payers are not liable for council tax. The government has clarified that the discretionary fund can be used to make targeted top-up payments to the most vulnerable households in Bands A – D (for example, those on means tested benefits). The Council can determine locally how best to make use of this funding to provide payments to other households who are energy bill payers but not covered by the Council Tax Rebate. However, Government has set out the following criteria:

- Funding paid to Councils under the Discretionary Fund is to be passed on directly as grants to households that the billing authority chooses to support
- Payments made under the discretionary scheme do not have to be £150 exactly, the Council may use its discretion.
- Any unspent funding by 30 November 2022 will be required to be repaid to government and in the event of an overspend, no additional funding will be provided.
- Support from the Discretionary Fund does not have to be provided in relation to the position on 1 April 2022, but councils should take all reasonable steps to ensure they are not providing additional support to an individual from a household that has already received a payment under the Council Tax Rebate unless making targeted top-up payments for the most vulnerable households in Bands A – D.

The Council received £1,626,150 in funding for the Discretionary Fund.

1.3 Delivery of the Discretionary Fund

The discretionary fund is being used to make awards of £150 to the following groups:

- Vulnerable residents on means tested benefits including -
- Households on CTS in Bands A, B, C, D (and disabled E) with 3 or more children.
- Households on CTS in Bands A,B,C,D (and disabled E) where the claimant/partner aged 80 or over
- Households on CTS in Bands E,F,G or H
- Households in Bands F, G, H where the disabled band reduction applies
- Households registered as SMI in Bands E – H
- Households where the liable person receives a Carer's Discount

Description of cohort	Est. cases	Est. spend
On CTS, in bands A-D, three or more children	4,162	£624,300
On CTS, in bands A-D, claimant or partner 80 or over	4,110	£616,500
On CTS in bands E-H	212	£31,800
Bands F,G or H with disabled band reduction	30	£4,500
Bands E to H with a carers discount	12	£1,800
Bands E to H with an SMI exemption	19	£2,850
	8,545	£1,281,700

The Council holds the data to identify these households and is issuing payments by Direct Debit where records are held or otherwise issuing a Post Office Voucher. These payments will be issued in mid to late June.

In addition the Council is administering an online application process with a budget of £340k to offer support to residents who cannot be directly identified through the use of available data.

- Residents in Houses of Multiple Occupation (HMOs) where the landlord is liable for the Council Tax, but the residents are liable for their energy bills.
- New residents in the city who have not received the £150 payment at a previous address, including those moving into their first home in bands A – D where they are in receipt of CTS. It is not possible to accurately estimate how many there will be in this category, but it is not expected to be many.
- Other residents in Bands E to H who make an application and are in receipt of an income-based benefit.
- Students - although halls of residence are specifically excluded, students will qualify if:
 - They have a joint tenancy and are liable for Council Tax (under the main scheme)
 - They live in an HMO but have direct responsibility for energy costs.

1.4 Administration and New Burdens

The administration of the scheme will be undertaken by staff from the Revenues and Benefits Unit along with up to ten temporary staff recruited to work within the Customer Service Organisation.

The Council will provide estimates of the new Burden's funding to Government, but this is something that is centrally calculated.

Appendix Four – Council Tax Support data by ward and claimant**Table 1 – Working age CTS claimants by ward and band (as at 31.03.2022)**

Ward	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Grand Total
Ancoats And Beswick	523	146	73	7	2			751
Ardwick	1174	164	73	6				1417
Baguley	1166	59	24	8	1	2		1260
Brooklands	776	138	32	15	2	2		965
Burnage	941	81	101	10	3			1136
Charlestown	1193	88	26	15	1			1323
Cheetham	1032	224	81	10				1347
Chorlton	176	58	47	13	1		1	296
Chorlton Park	664	66	76	17	14	2	1	840
Clayton And Openshaw	1451	139	36	8				1634
Crumpsall	793	195	96	25	3			1112
Deansgate	43	29	16	40	14	9	2	153
Didsbury East	112	58	81	14	2			267
Didsbury West	166	52	42	9	2	1		272
Fallowfield	663	66	18	7	5			759
Gorton And Abbey Hey	1558	122	9	1				1690
Harpurhey	1854	124	20	7				2005
Higher Blackley	1076	95	36	6	2			1215
Hulme	971	170	29	7	5			1182
Levenshulme	929	125	48	3	1	1		1107
Longsight	1172	190	60					1422
Miles Platting And N/Heath	1810	83	23	1				1917
Moss Side	1436	99	24	2				1561
Moston	975	116	25	4				1120
Northenden	843	132	30	9	3			1017
Old Moat	705	85	65	8	3			866
Piccadilly	54	33	40	30	11	1	1	170
Rusholme	698	79	69	6	1			853
Sharston	1174	86	25	8	8			1301
Whalley Range	781	134	61	25	4	1		1006
Withington	360	80	80	3	9	1		533
Woodhouse Park	1211	81	9	3		1		1305
Grand Total	28480	3397	1475	327	97	21	5	33802

Table two: Non-working age CTS claimants by ward and band (as at 31.03.2022)

Ward	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Grand Total
Ancoats And Beswick	347	54	7	5				413
Ardwick	467	75	11	3	1			557
Baguley	522	22	19	8	3	1		575
Brooklands	360	91	26	15	9	1		502
Burnage	417	70	81	2	1	1		572
Charlestown	549	49	18	8				624
Cheetham	420	71	16	2				509
Chorlton	121	64	83	11	5	1		285
Chorlton Park	355	45	65	37	13	3		518
Clayton And Openshaw	596	63	15	1				675
Crumpsall	317	84	35	22	3			461
Deansgate	25	2	6	3	1			37
Didsbury East	73	34	96	23	2	2		230
Didsbury West	104	67	37	19	3	3		233
Fallowfield	339	18	7		4	1		369
Gorton And Abbey Hey	608	47	11	1	1			668
Harpurhey	644	42	4					690
Higher Blackley	552	84	27	6	1			670
Hulme	327	39	4					370
Levenshulme	346	33	38	1				418
Longsight	486	101	22	1				610
Miles Platting And N/Heath	799	34	7	2	1			843
Moss Side	627	24	9					660
Moston	346	90	39	5				480
Northenden	391	75	34	15	4	3		522
Old Moat	291	46	34	7	1			379
Piccadilly	10	69	30	9	3			121
Rusholme	273	43	71	7	4			398
Sharston	485	95	26	13		1		620
Whalley Range	217	65	40	42	4			368
Withington	173	50	80	6	5			314
Woodhouse Park	663	25	7	2	2	2		701
Grand Total	12250	1771	1005	276	71	19	0	15392

Appendix Five - Number of properties by ward and band (as at 31.03.2022)

	A	B	C	D	E	F	G	H	U	Grand Total
Ancoats And Beswick	2346	2504	3471	642	98	36	5	2	268	9372
Ancoats And Clayton			1							1
Ardwick	5836	2009	827	46	6	4	8	2	228	8966
Baguley	5218	932	595	196	82	38	2	2	5	7070
Brooklands	3416	1631	929	577	262	73	35		33	6956
Burnage	4192	835	1678	159	57	4	1		3	6929
Charlestown	5316	1350	573	247	25	1	3		1	7516
Cheetham	4564	1178	747	892	16		3	1	40	7441
Chorlton	1412	1919	1967	454	337	46	19	1	14	6169
Chorlton Park	3363	1094	1591	866	295	63	25	1	50	7348
Clayton And Openshaw	6546	1209	489	47	9	4	2		280	8586
Crumpsall	3918	1614	723	269	58	13	10	3	50	6658
Deansgate	2926	453	2107	3644	1735	1279	428	64	1671	14307
Didsbury East	685	716	2928	1282	311	297	221	4	44	6488
Didsbury West	1777	1411	1724	1328	761	665	339	18	32	8055
Fallowfield	3061	1033	675	242	47	5	1	8	17	5089
Gorton And Abbey Hey	7423	1256	273	38	14	1	3	1	106	9115
Harpurhey	7178	1054	262	55	14	2	2	1	17	8585
Higher Blackley	5229	1026	545	156	39	13	6	2	4	7020
Hulme	4451	2445	1985	1232	532	35	26	5	92	10803
Levenshulme	5862	1161	676	46	9	3	1		6	7764
Longsight	4922	1497	381	11	6	2		1	5	6825
Miles Platting And N/Heath	7300	938	386	33	12	3	5	1	180	8858
Moss Side	6535	854	351	88	48	3			20	7899
Moston	4669	2156	905	105	28	2	1	2	7	7875
Northenden	3412	1411	1142	344	172	101	13		3	6598
Old Moat	3385	1036	1084	559	155	37	4	3	15	6278
Piccadilly	850	1176	2428	3724	785	250	37	2	975	10227
Rusholme	3415	1155	1005	268	52	66	5	6	62	6034
Sharston	4620	1265	714	340	107	8		2	1	7057

Whalley Range	3976	1323	859	737	106	19	16	3	148	7187
Withington	1971	1449	1989	299	262	72	7		15	6064
Woodhouse Park	5760	977	113	92	36	12	14	4	15	7023
Grand Total	135534	42067	36123	19018	6476	3157	1242	139	4407	248163

*Band U properties are those that are in the planning pipeline but have not been completed yet. There is no Council Tax liability for these.

Appendix Six – Vulnerability criteria

Copied below is the most recent version of the vulnerability criteria contained in the EA code of practice:

Before the enforcement agency adds the enforcement fee, they must, using their professional judgement, explicitly consider whether the debtor falls into the following vulnerability categories.

Where the debtor:

1. Appears to have been severely impacted by Covid 19. This could include ongoing significant health conditions (long covid) or a significant drop in income that can be evidenced.
2. Appears to be severely mentally impaired or suffering severe mental confusion.
3. Has young children and severe social deprivation is evident.
4. Is disputing liability or claims to have paid, applied for a rebate, Council Tax Support (CTS), discount or any other relief not yet granted. Under these circumstances the enforcement agent should report this back to the Council.
5. Is heavily pregnant and there are no other adults available in the household.
6. Is in mourning due to recent bereavement (within one month).
7. Is having difficulty communicating due to profound deafness, blindness or language difficulties. In these cases, the Council would make arrangements for the appropriate support in terms of a signer or translation services etc.
8. Has severe long-term sickness or illness including being terminally ill.

This judgement must be based on telephone conversations, written responses, visits by company employees not acting as enforcement agents and visits by enforcement agents. A clear statement that the debtor's vulnerability has been considered must be recorded on the debtor's record before the enforcement fee is added. When an enforcement agent makes the first visit to the property and decides that the debtor is vulnerable, no enforcement fee should be added, and the account should be returned to the Council.

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Appendix Seven - ARG examples

ARG with RV examples:

Cleaning company to the hospitality sector – with business rates liability

A cleaning company that provides cleaning services to pubs, clubs, restaurants had been heavily impacted due to the restrictions within the hospitality sector.

The business was able to claim Additional Restrictions Grant funding of £11,622.57 for the period up to 31 March 2021 and a one-off £5,600 in Restart Additional Restrictions Grant to help them adjust to the gradual reopening of the sector they operated in.

Linen hire company – with business rates liability

A business that supplied linen hire and laundry services for events, restaurants, bars, caterers, gyms, beauticians and the accommodation sectors were severely impacted as the sector they supplied had to close. Their income reduced by 90% but they could not claim any help under the schemes for businesses that were forced to close due to local or national restrictions.

The business was able to obtain an Additional Restrictions Grant of £11,003.22 and a one-off Restart Additional Restrictions Grant of £5,600.

Post Office in the city centre business – with business rates liability

A post office in the city centre also incorporating a convenience store depended heavily on the day-time economy from commuters, tourists and other people visiting the city for hospitality or leisure purposes. Due to local and national restrictions the business was severely impacted as visits to the city centre reduced significantly and office workers moved to homeworking.

This business was not mandated to close and therefore could not claim help under grants that were for businesses that could not trade. However, they were able to claim Expanded Additional Restrictions Grant funding of £12,143 which included a one-off payment of £6,000. They were also entitled to a one-off Restart Additional Restrictions Grant of £2,800 to help them prepare for the lifting of restrictions in April 2021 and the gradual return of visitors to the city.

In total this business received £14,943 in support under the Additional Restrictions Grant scheme which was vital in its survival during restrictions.

Coffee shop in a city centre station –with business rates liability

A takeaway coffee unit beyond the ticket barriers at Victoria Station with access only granted to rail passengers were forced to close. This was a business decision based on the collapse of commuter trade within the station. They did not qualify for help under grants for businesses that could not trade. However, they were able to claim Expanded Additional Restrictions Grant funding of £12,143 which included a one-off payment of £6,000. They were also entitled to a one-off Restart Additional Restrictions Grant of £8,400 to help them prepare for the lifting of restrictions.

In total this business received £20,543 in support under the Additional Restrictions Grant scheme.

ARG without an RV examples

Barbers in the city centre not liable for business rates

A barber in the city centre could not claim Local Restrictions Support Grant or Restart Grants in the city centre because they were not registered for Business Rates due to the set-up of their premises.

Due to the lockdowns and restrictions the business had to close due to government guidelines and turnover had dropped by over 50% in 2020 compared to 2019.

The business was able to claim Additional Restrictions Grant funding of £17,964.43 for the period up to 31 March 2021 and a one-off £8,400 in Restart Additional Restrictions Grant funding to help them open safely when restrictions eased in the personal care sector from April 2021.

Beauty studio – ARG no business rates liability

A beauty studio in Affleck's Palace could not claim Local Restrictions Support Grant or Restart Grants in the city centre because they were not registered for Business Rates due to the set-up of their premises.

Similar to other retail businesses they had no customers attending when local or national restrictions were in place and lost a significant part of their annual turnover.

The business was able to obtain an Additional Restrictions Grant of £11,246.29 and a one-off Restart Additional Restrictions Grant of £5,600.

Appendix Eight - Examples of the support available to residents in 2022/23

(note this does not include awards made under HSF part 3 as guidance for this scheme has not yet been released)

Working age, single person in receipt of UC and CTS in band A property will receive

Energy Grant payment £150
 Household Support fund part 2 £50
 Energy bills support £400
 Cost of living payment (awarded in 2 instalments) £650
 Total £1,250

Working age couple in receipt of UC, CTS and Personal Independence Payments in a band A property

Energy Grant payment £150
 Household Support fund part 2 £50
 Energy bills support £400
 Cost of living payment (awarded in 2 instalments) £650
 Disability cost of living payment £150
 Total £1,400

Working age couple on Working Tax Credit and CTS in a band B property with 3 children

Energy Grant payment £150
 Discretionary Energy Grant payment £150
 Household Support fund part 2 £50
 Energy bills support £400
 Cost of living payment (awarded in 2 instalments) £650
 Total £1,400

Pension age couple in a band B property. In receipt of state retirement and occupational pensions

Energy Grant payment £150
 Energy bills support £400
 Pensioner cost of living payment £300
 Total £850

Pension age single person in receipt of Guarantee Credit and CTS in a band E property

Energy Grant Discretionary Payment £150
 Energy Bills Support £400
 Cost of Living Payment (awarded in 2 instalments) £650
 Pensioner cost of Living payment £300
 Total £1,500

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**Manchester City Council
Report for Resolution**

Report to: Resources and Governance Scrutiny Committee – 21 June 2022
Executive – 29 June 2022

Subject: Capital Programme Outturn 2021/22

Report of: The Deputy Chief Executive and City Treasurer

Summary

This report informs members of:

- (a) The outturn of capital expenditure for 2021/22.
- (b) The financing of capital expenditure for 2021/22.
- (c) The major variances between the 2021/22 outturn and the previous Capital Programme monitoring report submitted in February 2022.
- (d) The revised capital programme budget for 2022/23 and subsequent years as a result of the review of the programme following outturn.

Recommendations

1. The Resources and Governance Scrutiny Committee are asked to note the report.
2. The Executive is requested to:
 1. Recommend that the Council approve the virements over £0.5m between capital schemes to maximise use of funding resources available to the City Council set out in Appendix C.
 2. Note the outturn of capital expenditure 2021/22 was £293.2m.
 3. Note the changes to the outturn attributable to movement in the programme that occurred after the previous monitoring report to Executive in February 2022.
 4. Approve virements under £0.5m within the capital programme as outlined in Appendix B, including those related to inflation.
 5. Approve the budget increases under delegated powers outlined in section 10 and recommend that Council approve the changes
 6. Note the decisions of the Deputy Chief Executive and City Treasurer regarding the funding of capital expenditure in 2021/22 including the use of £99.6m Grants and Contributions, £12.3m Capital receipts, £28.3m Revenue funding and £153.0m Borrowing.

7. Note the revised capital programme for 2022/23 shown in Section 9 and Appendix F.

Wards Affected: All

Environmental Impact Assessment - the impact of the decisions proposed in this report on achieving the zero-carbon target for the city
Under the governance process for capital expenditure decision making, zero and low carbon measures are a key component. All capital projects are reviewed throughout the approval process with regard to the contribution they can make to Manchester being a Zero-Carbon City. Projects will not receive approval to incur costs unless the contribution to this target is appropriate.

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 capital programme contributes to various areas of the economy including investment in public and private sector housing, education and children's social care, transport infrastructure, major regeneration activities, environmental, cultural and leisure services.
A highly skilled city: world class and home grown talent sustaining the city's economic success	The capital programme includes substantial investment in education and also provides opportunities for the construction industry to bid for schemes that could provide employment opportunities at least for the duration of contracts.
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	The capital programme includes investment in adult and children's social care, education, housing and the environment, cultural and leisure services, all of which contribute towards the strategy.
A liveable and low carbon city: a destination of choice to live, visit, work	Investment in all areas of the capital programme contributes towards this community strategy, notably the investment in sustainable and affordable housing, building schools for the future, transport, environmental and major regeneration programmes.
A connected city: world class infrastructure and connectivity to drive growth	The capital programme includes investment in highways infrastructure, and broadband expansion.

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

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

Financial Consequences – Revenue

All Revenue consequences are included in the Revenue Budget Outturn report.

Financial Consequences – Capital

The Capital Outturn 2021/22 for Manchester City Council is £293.2m compared to the revised budget of £329.0m submitted to Executive in February 2022.

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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.

- Report to the Executive 17th February 2021 – Capital Strategy and Budget 2020/21 to 2024/25
- Report to the Executive 17th March 2021 - Capital Programme Update
- Report to the Executive 2nd June 2021 – Capital Programme Update
- Report to the Executive 30th June 2021 – Capital Programme Update and Capital Programme Monitoring 2020/21 Outturn

- Report to the Executive 28th July 2021 – Capital Programme Update
- Report to the Executive 15th September 2021 – Capital Programme Update
- Report to the Executive 20th October 2021 – Capital Programme Update
- Report to the Executive 17th November 2021 - Capital Programme Monitoring 2021/22
- Report to the Executive 19th January 2022 – Capital Programme Update
- Report to the Executive 16th February 2022 – Capital Strategy Report and Capital Programme Monitoring 2021/22
- Report to Executive 16th March 2022 - Capital Programme Update
- Report to Executive 1st June 2022 – Capital Programme Update

1. Introduction

1.1. The purpose of the report is to:

- Inform the Executive of the capital outturn position for 2021/22 including total expenditure and funding;
- Confirm that funding sources have been managed to best utilise resources available to fund the capital programme; and
- Present a revised capital programme for the 2022/23 financial year after taking into account the final outturn position as reported.

1.2. A summary of each part of the programme is included within the report, providing details on the major projects. This is presented alongside a summary of the outturn position, and as a result any changes to the budget that are required.

1.3. Appendix A provides a detailed review of the activities undertaken by major projects and explains the variances to budget for 2021/22. Appendix B provides details of other material variations in the programme. Appendix C details the virements requested to reflect the revised budget forecast. Appendix E shows the outturn position for the Council's prudential indicators. Appendix F details the full revised capital budget for each project, taking into account the virements requested, the new budgets introduced, and any re-profiling between years.

2. Contributing to a Zero-Carbon City

2.1. To reflect the climate change emergency that the Council has declared, capital expenditure business cases are now required to include carbon measures for both during the project progression stage and the ongoing lifecycle post completion. The intention is that the carbon footprint of a scheme is considered as part of the decision-making process. This work is ongoing and will reflect the decisions taken by the Council on how it will meet the future carbon reduction targets in order to become carbon neutral by 2038.

2.2. In February 2021 Executive agreed to the adoption of the Manchester Low Carbon Build Standard for future capital projects, and this has been implemented. Work is now ongoing to develop specific measurable carbon metrics across the capital programme, for both during and post-acquisition/construction phases of a project, that will enable comprehensive reporting on the intended and achieved carbon reductions created through the programme. It is intended that this will form part of these monitoring reports.

2.3. Carbon reduction has been a focal point for the 2021/22 capital programme, with projects such as the Civic Quarter Heat Network, purchase of electric refuse vehicles, carbon reduction measures across the Council's estate and tree planting all progressing.

3. Capital Programme Outturn 2021/22

3.1. The final capital outturn for the Manchester City Council Capital Programme in 2021/22 is shown in the table below. The programme delivered over £293m of

capital investment during the year, against the initial start budget finalised in June 2021. There have been a number of variances from the forecast position reported in February 2022, the main variances relate to Co-op Academy, Our Town Hall, The Factory, Hammerstone Road Depot, Housing Infrastructure Fund and Gorton Health Hub, and are discussed in more detail in the following sections.

Manchester City Council Programme	2021/22					Variance Q4 to Q3
	Current Budget	Forecast at Q1	Forecast at Q2	Forecast at Q3	Outturn Q4	
	£'m					£'m
Highways	66.0	57.8	48.0	40.9	37.0	(3.9)
Neighbourhoods	47.3	36.7	38.6	35.7	31.3	(4.4)
The Factory and St John's Public Realm	56.5	53.3	50.6	42.6	42.6	(0.0)
Growth and Development	96.2	93.0	83.2	64.3	43.5	(20.8)
Our Town Hall Refurbishment	70.9	67.7	60.4	53.8	49.7	(4.1)
Housing – General Fund	17.7	15.8	18.6	17.1	16.6	(0.5)
Housing – Housing Revenue Account	31.2	31.0	28.3	23.8	24.2	0.4
Children's Services	46.4	44.9	33.7	31.1	29.2	(1.9)
ICT	7.1	7.0	6.4	6.4	7.4	1.0
Corporate Services	19.0	15.0	14.5	12.4	11.7	(0.7)
Total (exc. contingent budgets)	458.3	422.2	382.3	328.1	293.2	(34.9)
Contingent Budgets	45.0	45.0	45.0	0.0	0.0	0.0
Total	503.3	467.2	427.3	328.1	293.2	(34.9)

- 3.2. The impact of the outturn and the future capital forecast is shown in section 10.
- 3.3. The outturn position for the 2021/22 financial year is higher than the average spend over the past three years and represents the continued significant investment in Manchester with over 220 live projects progressing during the year, a major achievement given the impact of the pandemic.
- 3.4. The future years programme has been adjusted to reflect the outturn position and the subsequent reprofiling of capital spend is shown in the table above, alongside any underspends with any associated funding released for other investment priorities. This will then form the baseline budget for the 2022/23 monitoring.
- 3.5. A review of the top 10 projects is provided in Appendix A. These projects cover 63% of the total programme. Appendix B provides details of any other material changes in the programme since the last report to Executive.
- 3.6. The programme contains some budgets yet to be allocated to specific projects

but reserved for a particular purpose, such as Education Basic Need funding, the ICT Fund and the budget for inflation pressures. These will be allocated as the schemes are progressed and the business case for approval completed, or in the case of inflation the business case showing the impact of inflationary pressures on a scheme completed. The funding will be released following approval through the Council's capital approval process.

4. Summary of Main Variances to the Approved Budget

- 4.1. There have been a number of changes to the programme since the Outturn report to Executive in June 2021. Overall, the spend against the approved in year programme of £458.3m is £165m lower. The main reasons for this are summarised below, with the major variances outlined in more detail in Appendices A and B in the report:
- 4.2. £29m Highways – The Active Travel Fund and Northern Quarter Cycling scheme have reprofiled £5.1m and £3m respectively into futures years, as detailed in Appendix B. In addition, inclement weather and capacity issues with third parties has delayed the Highways Maintenance Programme with £4.5m slipping into 2022/23.
- 4.3. £16m Neighbourhoods – This includes Beswick Hub Rugby Football League £2.6m reprofiling and £2.2m relating to Indoor Leisure - Abraham Moss as detailed in Appendix B. The Manchester Aquatic Centre will reprofile £4.5m into future years to reflect the fact the main contract was signed in April 2022, which has had an impact on the progress on site.
- 4.4. £51m Growth and Development – This includes £7.1m of the Housing Infrastructure Fund (HIF) funding for enabling works in Victoria North will move into 2022/23. There is also £9.3m reprofiling required for Hammerstone Road Depot, and £8.9m Carbon Reduction Programme/Public Sector Decarbonisation Fund detailed in Appendix A. With other major variances of £4.1m for House of Sport and £4.4m for Campfield Development outlined in Appendix B.
- 4.5. £21m Our Town Hall – This will now be spent in 2022/23 in line with the current programme of works which was agreed and revised after the budget was set.
- 4.6. £17m Children's Services - £11.6m of this relates to the revised start on site date for the Co-op Academy in Belle Vue, detailed in Appendix A.
- 4.7. Expenditure is almost £36m lower than that forecast in the report to Executive in February 2022. The largest change relates to the £8.2m reprofiling across Public Sector Decarbonisation Scheme and the Carbon Reduction programme which has seen delays in designs and contract approvals linked to the supply chains.

5. Social Value

- 5.1. Every capital project is required to consider the social value which could be realised, either through procurement or other routes, through the creation of the asset. This is one of the key requirements of the capital expenditure approval

process. Some examples of the social value delivered during 2021/22 include:

- 5.2. Our Town Hall (OTH): Further engagement with schools has led to a significant rise in school/college career/employment sessions and STEM sessions, with a rise of 24 and 7 respectively over the previous 3 months. Having confirmed a total of 6 PlanBEE placements on the project for 2022, employers worked with the learning provider throughout May to recruit residents to these vacancies; a notable success of this round of recruitment being that 4 female applicants have been offered roles. Work is underway between employment broker Framework Training and supply chain employers, to look at the viability of delivering a shared apprenticeship scheme in Property Maintenance Level 2. Currently employers are assessing the apprenticeship standard, with a view to offering commitment, with Framework managing and coordinating the scheme. Having established a new work placement model for 14-16 year olds, Lendlease and its supply chain has been delivering in school work experience to North Ridge SEND School students. Activities have been interactive and STEM based with each session focusing on the Skills For Life strategy. Following the success of this model, project employers will deliver similar in school sessions to other schools throughout the remaining project timeline
- 5.3. Northwards Housing: At the end of Q4 Northwards Housing contractors are supporting 11 trainees who started working in previous financial years and a further 8 trainees who started in 2021/22, all drawn from the local area.
- 5.4. Highways are currently using the Social Value Portal to track, monitor and report social value delivery across the service. During the financial year 2021 - 2022, there has been significant social value provided by various contractors across the service equating to delivered social local economic value of circa £3million. Common areas of social value have been around community support e.g. offer of materials, labour and donations in kind as well as volunteering hours and help for the homeless. The highlights include:

Major Projects:

- Total community project donation of £10,600 (City Centre) including a donation of £500 to the Friends of Sackville Gardens (a community group that encourages residents to maintain and upkeep the local gardens). The donation was used for a concrete base so that a shed could be installed to keep tools and planting equipment safe. Further donations of bark, bulbs and planters were also provided to support the local community as well as some grounds work and refurbishment undertaken. 89 hours of volunteering for Perry's Pantry in Didsbury. Rosgals provided a driver for 22 hours a month over a 9-month period to deliver food parcels across the City.
- Pothole repairs and drainage works were undertaken at Brunswick Church to improve the surface of the car park, prevent accidents and to make it more accessible. (Longsight)

Network Management:

- £3,500 donation to Mustard Tree Charity to tackle homelessness (Ancoats)

- 24 hours volunteering for Read Manchester Campaign. Bethell's provided 2 staff members to deliver books to schools across Greater Manchester
- Community project at Dell Care home. Bethells provided paving slabs and materials equating to the value of £950 and 16 hours' worth of labour to reinstate a safe path for residents. (Gorton)

6. Capital Financing 2021/22

6.1. The funding of the 2021/22 Capital Programme is summarised below:

	£m	%
Capital Expenditure	293.2	
Financed by:		
Government Grants	81.8	27.9%
Other External Contributions	17.7	6.1%
Capital Receipts	12.3	4.1%
Revenue Funding	7.3	2.5%
HRA Major Repairs Reserve	21.1	7.2%
Borrowing	153.0	52.2%

- 6.2. Capital funding decisions are delegated to the Deputy Chief Executive and City Treasurer and the Executive is asked to note the following decisions for the funding of the capital expenditure incurred in 2021/22.
- 6.3. £81.8m of government grant has been used. Any unused grant has been carried forward for use in 2022/23. The programme was managed to ensure that any grant with a risk of claw back due to time constraints or other factors was fully utilised in 2021/22. Similarly, any external contributions that have not been used will be carried forward into 2022/23.
- 6.4. The balance of available capital receipts carried forward from 2020/21 was £94.0m. A further £35.2m receipts were received in 2021/22 including pooled housing receipts. Drawdown from capital receipts was £12.3m leaving a balance for use in future years of £114.4m. The majority of this relates to the HRA with £80.1m of capital receipts available for investment. The use of housing capital receipts has been delayed due to the success in achieving external grant funding for a number of key projects. The insourcing of Northwards Homes has allowed the Council to review the programme in more detail and a revised programme is being developed to utilise these resources.
- 6.5. Revenue contributions were used to finance expenditure of £7.3m, including works in Neighbourhoods Leisure via the Waterfall Fund, funding of works through the Capital Fund and various Highways projects.
- 6.6. The Major Repairs Reserve funds expenditure on the HRA capital programme. The use of this reserve includes the annual contribution from the HRA revenue

budget.

- 6.7. Capital expenditure to be financed by borrowing of £153m has been applied to fund the programme. The borrowing figure represents the amount to be funded by borrowing in the long term, rather than the actual long-term borrowing taken in year, which is a treasury management and cash flow decision. In previous years the Council has borrowed less external long-term debt than required, by utilising its internal cash balances rather than take interest bearing external debt, as such the Council is in an ‘under borrowed’ position. During 2021/22 this position has been partially reversed, with £250m of long-term external debt borrowed during the year.
- 6.8. The minimum revenue provision for 2021/22, excluding PFIs and leases, was £30.1m. This is the funding set aside to repay the debt incurred through funding previous capital expenditure through borrowing. This has been funded from the Council’s capital financing budget.

7. Inflation Impact on the Capital Programme

- 7.1. Inflation in the UK in the 12 months to March 2022, as measured through the CPI, is currently 7.0%, and is expected to increase further with the Bank of England warning that 10% is possible this year. The impact on the construction sector has been significant.
- 7.2. The latest monthly statistics of building materials and components from the Department for Business, Energy and Industrial Strategy (BEIS) for February 2022 noted that the price index for all construction works was 20.2% higher than the previous year. This included significant price increases for some construction materials, such as concrete reinforced bars (43.6%) and fabricated structural steel (35.9%).
- 7.3. There is little sign of the inflation pressures abating, with companies continuing to issue warnings on future cost increases. The Turner & Townsend UK Market Intelligence report published in April suggests tender price inflation in 2022 of 8.5% for real estate and 6.0% for infrastructure, with forward forecast tender price inflation in 2025 of 4.0% for real estate and 5.0% for infrastructure.
- 7.4. Within the contingent budgets noted above a proportion is earmarked for inflationary pressures that are causing projects to exceed their existing budget.
- 7.5. Officers are reviewing major projects within the programme that are facing imminent inflationary pressures. The key schemes include:
- a) Abraham Moss Leisure Centre
 - b) Hammerstone Road Depot
 - c) Manchester Aquatics Centre
 - d) National Cycling Centre
 - e) Silk Street Housing Project
 - f) This City – Rodney Street
 - g) The Factory and
 - h) Our Town Hall

- 7.6. The inflation contingency currently stands at £28m and has been profiled over a number of financial years to reflect the expected timing of any contract increases over the life of the programme. All the above schemes will be reviewed and any inflationary increases that require funding will be approved via the capital approval check point process and be reported as a Key Decision, as appropriate.
- 7.7. The remainder of the capital programme will continue to be closely monitored and reported to members.

8. General Programme Risks

- 8.1. Unlike the Revenue Budget the Capital Budget is subject to change as new schemes and /or external funding is received. The budget is prepared in February each year on the best estimate of the start date and spend profile for each scheme and is refreshed in June for the Outturn Position. Most capital schemes cover multiple years and as the scheme develops the spending profile across financial years changes to reflect the agreed start on site date and delivery of the work packages. This report is intended to highlight the total life and cost of schemes, which is more important than their in year position, and their associated risks. All projects carry risk such as delivery risk, third party risk and market risk, including build cost and inflation.
- 8.2. Where funding sources for the programme are time-limited, such as the Public Sector Decarbonisation Scheme, officers will continue to monitor progress against these schemes to seek to maximise the level of grant funding used.

9. Capital Programme Re-phasing and Variations

- 9.1. Based on the monitoring information above, it is proposed that the capital programme budget is re-phased to reflect the planned delivery of projects in 2022/23 to 2025/26. The cumulative impact of these adjustments are shown in the table below. The future programme will be reviewed throughout 2022/23 to reflect changes to the proposed profile of spend.

Proposed Capital Programme variations 2021/22 to 2025/26

	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	Total Programme £m
Revised Capital Budget (2020/21 Outturn and subsequent approved additions)	503.3	496.0	218.2	12.9	0	1,230.4
Forecast Re-profile	(207.5)	16.2	65.4	95.5	30.4	0
Cost Variations	(1.4)	(9.7)	(2.3)			(13.4)
Under/Over	(1.2)					(1.2)
Budget Increases proposed as part of this		8.8	30.3	7.6		46.7

report						
Proposed Capital Budget	293.2	511.3	311.6	116.0	30.4	1,262.6

Virements in 2021/22

- 9.2. The schemes that require virements in 2021/22 and future years, as shown in Appendix C.
- 9.3. The Council is recommended to approve virements over £0.5m within the capital programme as outlined in Appendix C.
- 9.4. The Executive is recommended to approve virements under £0.5m within the capital programme as outlined in Appendix C.
- 9.5. As shown in the table above, there are a number of budget reductions across years that can be removed from the Capital Programme which total £48.9m. This is made up of:
- a) The loan element of the funding agreement within Biomedical Investment is not required, reducing the budget requirement by £7.3m.
 - b) The Parkhill Land Assembly programme is now part of Project 500, a partnership between the Council and registered housing providers (RPs), involving the disposal of small sites across Manchester to RPs to deliver affordable Housing. Therefore this will now not be developed by MCC, reducing the budget requirement by £4.3m.
 - c) A removal of £0.3m from the Strategic Acquisitions Programme relating to the residual budget for the Spire.
 - d) The Government funded Next Steps Accommodation Programme has ended with the remaining £1.5m budget released following the programme deadline. The new Rough Sleepers Accommodation Programme has replaced this work and has received further funding.
 - e) The second tranche of the pandemic related support for Manchester Airport Group of £35.5m will not be required and will be removed from the programme.

10. Increases to the Capital Programme

- 10.1. There are schemes that have been developed or have received external funding that are now ready for inclusion in the Capital Programme. More detail on the schemes can be found at appendix D and they are summarised below. The total increase to the programme is £46.7m. These schemes are included in the proposed programme shown in section 9 and are affordable within existing and forecast capital resources.

For Executive approval:

- Neighbourhoods – Off Street Car Parks: Additional funding is required to carry out works to one of the Council’s multi storey car parks, identified as

part of the Fire Risk Assessment. This includes internal fire doors and a new fire alarm. Electric works are also required to Bloom Street Car Park for a new power supply for lighting. A capital budget increase of £0.369m in 2022/23 is requested, funded by Parking Reserve.

- Northwards ICT Work. Northwards Housing Limited (NHL) came back into Manchester City Council (MCC) in July 2021. Work is continuing to migrate the Northwards ICT infrastructure in the City Council infrastructure. The funding will finance a multi-disciplinary migration team as well as the required hardware, software and supplier fees to conduct the migration in a fashion that protects live services to tenants. The work will also ensure a more secure, supportable and resilient IT Service to underpin Housing Operations and which also will address lack of investment in ageing and end of life infrastructure that is outsourced to third parties to manage. A capital budget increase of £2.491m in 2022/23 and £1.599m in 2023/24 is requested, funded from a revenue contribution from the HRA.
- Private Sector Housing – Disabled Facilities Grant (DFG). Government grant allocation for home adaptations for people with disabilities. A capital budget increase of £0.855m in 2022/23 and £7.628m in 2023/24 is requested, funded by Government Grant

For Council Approval:

- Public Sector Housing – Northwards Housing Capital Programme 2022/23. The programme will deliver essential health and safety work, security improvements and environmental improvements across the Council's Housing estate. Internal work will continue for low rise properties replacing kitchens or bathrooms as well as rewiring and heating renewal as required, in line with the Decent Homes programme. External works to high rise properties will include, but not limited to, window replacements, reroofing, external wall insulation and work to balconies. Carbon efficiencies will be found through works replacing gas boilers with ground source heat pumps and other low carbon heating, external wall insulation, triple glazed windows, solar PV panels and low energy lighting replacement. A capital budget increase of £2.475m in 2022/23, £21.047m in 2023/24 and £7.599m in 2024/25 is requested, funded by an RCCO from the HRA.
- Corporate Programme - Elizabeth Tower GP surgery – The development at Great Jackson Street to build 8 new residential blocks attracted a S106 agreement whereby the developer provided an accommodation space to house a GP surgery and ancillary facilities to service the city centre's growing residential population. The space has a gross internal area of 742.5m², and a long lease has been signed by NHS property services (NHSPS). There is no NHS England capital funding available to support the fit out of the facility, with the responsibility for the fit having to be funded from local NHS partnership resources. It is proposed that this work is funded from the Health Integration reserve, which is held by the Council to be used in partnership with local health agencies (MHCC). The

works have been tendered by NHS property services in line with public sector procurement requirements and the total fit out costs will be £2.6m. MHCC sought advice from NHS England on the mechanisms by which the funding could most effectively be transferred to NHSPS to ensure maximum benefit to the Manchester Locality. This route is for MCC to transact the funding to the GP practice(s) by way of a grant agreement and the GP practice(s) then transact the funding to NHS PS who will complete the facility. A capital budget increase of £2.6m in 2022/23, funded by RCCO from Integration Reserve.

11. Capital Programme Forecast for 2022/23 and future years

11.1. If the virements, and increases set out above are approved, the revised capital programme for 2022/23 and future years is shown in the table below:

Manchester City Council Programme	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	Total £m
Highways	51.2	15.0	4.4		70.6
Neighbourhoods	64.1	15.3	2.8	2.8	85.0
The Factory and St John's Public Realm	46.5				46.5
Growth and Development	110.1	82.5	13.6	15.0	221.3
Town Hall Refurbishment	82.3	83.6	35.8		201.7
Housing – General Fund	24.9	38.3	5.4	7.5	76.1
Housing – Housing Revenue Account	34.8	30.2	15.7	5.0	85.7
Children's Services	48.3	12.1			60.4
ICT	9.5	1.6			11.1
Corporate Services	15.2	1.4	0.5		17.1
Total (exc. Contingent budgets)	486.9	279.8	78.3	30.3	875.3
Contingent Budgets	24.4	31.8	37.7	0.1	94.0
Total	511.3	311.6	116.0	30.4	969.4

11.2. The forecast budget for 2022/23 is ambitious compared to previous annual expenditure.

11.3. The large-scale projects due to begin in 2022/23 include Campfield Redevelopment and Home Arches, Back of Ancoats Mobility Hub and Public Realm, This City Housing Delivery and Collyhurst Housing Scheme. As these are in their early stages, the estimated start dates are likely to change and it is very likely some of the budgets will slip into future years, potentially leading to a variation against the in-year budget.

11.4. In the above table, contingent budgets have been shown separately. These include, the inflation fund, and other unallocated programme budgets including

the ICT investment plan, and Education Basic Need, the majority of which are expected to be spent in future years.

- 11.5. The budget will change as new schemes will be added throughout the year, and specific projects funded through the contingent budgets are brought forward through the Council's capital approval process.

12. Capital Resources

- 12.1. The table below summarises the current funding assumptions for the Capital Programme based on the current forecast. This will continue to be reviewed to ensure that optimum value for money is achieved.

	Draft Funding 2022/23 £m	Draft Funding 2023/24 £m	Draft Funding 2024/25 £m	Draft Funding 2025/26 £m	Draft Funding All Years £m
Grants	120.7	78.4	26.8	3.6	229.5
Contributions	31.6	9.5			41.1
Capital Receipts	19.7	11.3	4.4	7.5	42.9
Revenue Contributions to Capital	46.9	49.4	24.3	5.0	125.5
Capital Fund	5.5	3.9	0.5		9.9
Borrowing	286.9	159.2	60.0	14.3	520.4
Total	511.3	311.6	116.0	30.4	969.4

- 12.2. Modelling the Council's cash flow based on the funding assumptions above and the forecast use of reserves and anticipated changes to working capital, provides an assessment of the ongoing affordability of the forecast capital programme.
- 12.3. The current modelling forecasts that the programme remains affordable within the revenue budget available. The model is based on a number of assumptions, including the timing of future borrowing and forecast future interest rates. As these assumptions change, the capital financing model including use of capital financing reserves is updated.

13. Prudential Indicators

- 13.1. The prudential indicators as at the end of March 2022 are shown at appendix E.

14. Contributing to the Our Manchester Strategy

(a) A thriving and sustainable city

The capital programme contributes to various areas of the economy, including investment in public and private sector housing, education and children's social care, transport infrastructure, major regeneration activities, environmental, cultural and leisure services.

(b) A highly skilled city

The capital programme includes substantial investment in education and also provides opportunities for the construction industry to bid for schemes that could provide employment opportunities at least for the duration of contracts.

(c) A progressive and equitable city

The capital programme includes investment in adult and children's social care, education, housing and the environment, cultural and leisure services, all of which contribute towards the strategy.

(d) A liveable and low carbon city

Investment in all areas of the capital programme contributes towards this community strategy, notably the investment in sustainable and affordable housing, building schools for the future, transport, environmental and major regeneration programmes.

(e) A connected city

The capital programme includes investment in highways infrastructure, and broadband expansion.

15. Key Policies and Considerations**(a) Equal Opportunities**

By investing in building adaptations, access for people with mobility difficulties is made easier.

(b) Risk Management

The capital programme is based on forecast costs and funding, and as such there are risks to achieving the programme from external factors such as shortage of labour or materials, alongside market risks such as price fluctuations and interest rate charges. The Strategic Capital Board, and associated Portfolio Boards for each part of the programme, are tasked with regular monitoring of costs, delivery, quality and affordability, to help manage and mitigate these risks.

(c) Legal Considerations

None.

Appendix A - Major Projects 2021/22 Outturn against Current Budget

1.1 The top ten budget by value remaining are shown in the table below:

Project	Current Budget 2021/22	Forecast at Q3	Outturn 2021/22	In Year Variance	Total Budget (All Years)	Total Variance (All Years)
	<i>£m</i>					
Our Town Hall Refurbishment	70.9	53.8	49.7	(4.1)	306.3	0.0
The Factory & St John's Public Realm	56.5	42.7	42.6	(0.1)	196.8	0.0
Housing Infrastructure Fund (Victoria North)	12.5	4.0	5.4	1.4	51.0	0.0
Carbon Reduction Programme & Public Sector Decarbonisation (PSDS)	20.6	20.3	11.6	(8.7)	48.1	0.0
This City Housing Delivery	0.7	0.7	0.5	(0.2)	33.7	0.0
Back of Ancoats Mobility Hub and Public Realm	1.1	0.0	0.3	(0.8)	33.0	0.0
Co-op Academy Belle Vue	21.6	9.2	9.9	0.7	31.5	0.0
Collyhurst*	2.0	0.4	0.3	(0.1)	31.3	0.0
Manchester Aquatics Centre	7.5	5.2	3.0	(2.2)	30.5	0.0
Hammerstone Road Depot	11.4	3.8	2.1	(1.7)	31.6	0.0

*Public and Private Sector Housing

Our Town Hall Refurbishment

1.2 The Our Town Hall project is forecasting to be within the overall budget, but market conditions, inflation and tender returns prices are putting pressure on the budget, along with ongoing discovery and validation of certain packages such as Stone, Chimney and Windows which is creating uncertainty in costs

1.3 For 2021/22 the out-turn spend is £49.7m against a Budget of £70.9m, a variance of £21.2m. This is an increased variance from Quarter 3 of £4.1m. The programme of works was agreed after the budget was set, which changed the profile for the various work packages especially MEP which slipped £9m and Fit-out slipping £4.3m. The contingency spend of £7.8m was also not in line with forecast and will not be needed until 2022/23.

1.4 The project has currently placed orders for the value of £163m, with a further

£16m currently out to tender, and cost surety is now expected to reach 90% by June 2022. The risk profile for each package is actively being managed.

- 1.5 The Plaster package has now started on site ahead of the latest 19.2 Programme, Scaffolding has now been completed to Cooper Street Tower and Clock Tower, the Public Realm is still progressing well with further elements handed over. The Joules & Dalton Statues have been relocated to out-side the entrance to the Visitors Experience and the Timber Clean to the Great Hall has been completed along with the lift shaft at Lloyd St.

The Factory

- 1.6 The Factory is currently reporting to budget, but has significant cost pressures, including inflation and higher costs for work packages such as the MEP package as the detailed design and specifications are finalised. This position also assumes there are no changes to the programme duration.
- 1.7 The project has only two remaining packages to tender, Seating and Circular windows. Work package certainty is currently 78% and is expected to reach 90% by July 2022. The project has also now received all the Kickstart funding of £21m, with funding from Government and National Lottery Heritage Fund of £8.8m still to claim.
- 1.8 Good progress is being maintained on site. The precast mastic to the Theatre is almost complete, and work is on-going to install the primary plant, the Truck lift fit-out and the Foyer ceiling. The Orchestra pit floating slab has now been cast, the Tower crane has been removed and the structural infill is progressing
- 1.9 The spend profile for the project has changed with the finalisation of design detail and revised start on site dates and resequencing of work for the External Envelope, MEP works package and Joinery & Panel installation

Housing Infrastructure Fund (Victoria North)

- 1.10 The total budget for the Housing Infrastructure fund is £51.0m, and the project is due to complete in 2024. The project has broadly separated into two packages of work. Infrastructure Works and River Works. The main planning application for the Infrastructure Works, funded through the Homes England Housing Infrastructure Fund (HIF) has now been submitted, with the planning consultation process currently underway.
- 1.11 The first phase of the enabling works (approved late last year) commenced in February 2022. The project team is currently working to discharge all relevant planning conditions to ensure the next stages of work can commence. Demolition of existing structures including the Creamline Dairies buildings is due commence in June 2022, with commencement of the haul?????? due start just after in July. The design team are progressing the RIBA Stage 4 design, as the project moves towards the final contract stage for the main works package.
- 1.12 Site investigation for the river works are now completed following a variety of

delays from the contractor and bad weather. The final reports from the investigations are due any time. The Hydrological modelling continues to be updated to inform the design development that will be undertaken over the coming months. Engagement will continue with the Environment Agency concerning the design development for both flood mitigation works and the wider infrastructure scheme. A planning application for the River Works package is due to be submitted later in the year.

Carbon Reduction Programme including Public Sector Decarbonisation Scheme

- 1.13 Phase 1 of the Carbon Reduction Programme is almost complete and will save 1,400 tCO₂ annually. Remaining works include the installation of LED lighting at the Sharp Project (on site installation commenced). Installation of LED lighting at the Tennis & Football Centre once suitable access can be secured, this project has been delayed as the building is being used as a vaccination centre. Energising the installed Solar PV at the Space Project & Sharp Project which is dependent upon Electricity North West
- 1.14 Works at the National Cycling Centre and Hammerstone Road, part funded by the European Regional Development Fund (ERDF), will be delivered in stages and are expected to start in quarter 1 of 2022/23, in line with other works at those sites. Detailed design and costings for the National Cycling Centre are expected by the end of May 2022.
- 1.15 Public Sector Decarbonisation Scheme (PSDS) grant funded works are forecast to complete by the end of June 2022, in line with the revised funding deadline. The one exception to this is the battery at Hough End Leisure Centre which has been delayed due to a manufacturing issue. Based on current guidance the cost of any works that complete beyond June 2022 will need to be met by the Authority, this cost is estimated to be circa £200k for which existing carbon reduction budget will be utilised.

This City Housing Delivery

- 1.16 The total budget for This City Housing Delivery is £33.7m and the first scheme is scheduled to complete in 2023/24. It comprises a mixed development of market and accessible rent properties, transferring to the Council-owned company during the build.
- 1.17 The first phase is the first development to be built by This City. This City is Manchester City Council's newly created housing vehicle which aims to utilise Council-owned land to demonstrate that a high-quality housing product, meeting zero carbon aspirations and providing accessible homes set at Local Housing Allowance (LHA) rates is achievable.
- 1.18 The scheme will:
- Promote equity and fairness - the first phase is expected to provide homes at accessible rents for Manchester residents
 - Reduce carbon emissions – the scheme is targeting Association of Environmentally Conscious Buildings accreditation, which meet or exceed

the MCC and RIBA targets for 2030 developments.

Back of Ancoats – Mobility Hub and Public Realm

- 1.19 The project was approved in March 2022 with a total budget of £33m. The project is expected to complete in 2025/26. There is a variance of £0.8m due to the budget being set before work commenced and the programme of works not being finalised.
- 1.20 For the Ancoats Mobility Hub, a main contractor has been appointed via the North West Construction Hub under a two-stage design and build contract, with a Pre-Construction Services Agreement in place. This PCSA will cover the RIBA Stage 3/4 design development and demolition of the existing structures at the Poland Street site, which will take place in the summer once the Equipment and Adaptations Partnership (MEAP) have relocated. Appointment of the contractor to the main build will take place at the end of the year, following Stage 2 pricing in the Autumn.
- 1.21 In parallel, work is ongoing to establish the commercial operating model for the Mobility Hub and produce a business plan for Homes England, as required by the GFA. Procurement of an operator will take place over summer, building on soft-market testing undertaken in conjunction with Manchester Life earlier this year.
- 1.22 The Public Realm Strategy (PRS) for Ancoats was approved by the Executive in March this year. The planning application for the first project – the removal of the Jersey Street bridge – is due to be determined at the end of May. Works will be undertaken over the Summer, once a contractor is appointed. Alongside those works, the planning application for the improvements to Ancoats Green will be prepared over the summer, with extensive engagement planned with residents and stakeholders.
- 1.23 The Eastern Gateway team is working with Neighbourhood Services and the Parks and Highways teams to agree the long-term management and stewardship arrangements for Ancoats.

Co-op Academy Belle Vue

- 1.24 The total budget for the Co-op Academy Belle Vue project is £31.5m and the project is expected to complete in October 2022. For 2021/22, there is a variance of £11.6m as the start on site date was later than originally envisaged meaning that significant elements of the high value work packages will be delivered in 2022/23. However, this had the benefit of the works requiring crane lifting or working outside the building envelope to be progressed in better weather conditions than originally allowed for.
- 1.25 The school opened as planned in September 2021 in temporary accommodation on the site of Connell College, also part of Co-op Academy Trust, and pupils will remain on this site until the new building is completed.
- 1.26 Key risks around the project remain the volatility of the UK construction market

with shortages of materials and labour leading to price and programme uncertainty. Where possible fixed price arrangements have been entered into or suitable risk allowances included within the contract sum.

Collyhurst

- 1.27 The current budget for the first phase of the Collyhurst Programme is £30.5m and is due to be spent by March 2024. The budget has been reprofiled whilst the Development and Funding Agreement (DFA) negotiations with Far Eastern Consortium (FEC) and the ongoing Pre-Construction Services Agreement (PCSA) negotiations that FEC are undertaking with their preferred contractor are concluded. It is expected they will complete to enable a start on site in Autumn 2022. The expenditure forecasts for the scheme have been reprofiled with the scheme expected to be completed in 2025/26.
- 1.28 During the last quarter, the Council's bid for funding through Homes England's Shared Ownership and Affordable Homes Programme (SOAHP) has been approved, securing a contribution of £6.890m towards the cost of delivery.
- 1.29 In the next quarter, Officers will continue to work with FEC to progress and conclude the PCSA process and agree a fixed cost for the scheme. Once the construction contract is finalised, legal work can resume to make and submit to Government the Compulsory Purchase order (CPO), which was approved at March Executive
- 1.30 Risks remain around market volatility in the contracting sector, particularly in light of current Global events and the potential effect on delivery costs and the housing market, which may slow the pace of construction. Officers are working to secure a price for delivery of the Councils scheme and the programme will be continually evaluated throughout delivery to ensure development is suitably phased.

Manchester Aquatics Centre

- 1.31 The total budget for the Manchester Aquatics Centre refurbishment is £30.5m and the project is scheduled to complete in Summer 2024. For 2021/22, the outturn was £3.0m against a budget of £7.5m, a variance of £4.5m. This is due to the main contract being finalised later than previously forecast whilst the final costs were agreed. The strip-out works are progressing under a letter of commitment, and the main contract is now signed and sealed for Phase 1.
- 1.32 Additional core drilling surveys were completed to understand the buildup of the existing floor and work has now commenced on the demo/soft strip, compound, civils works, removal of the moveable floors and pool tank tile integrity survey. Value engineering is ongoing, and the project team are awaiting submission of the VE cost plan from the contractor.

Hammerstone Road Depot

- 1.33 The total budget for the Hammerstone Road project is £31.6m and the project is

due to complete in May 2024. For 2021/22, the spend was £2.1m compared to a revised budget of £11.4m, a variance of £7.6m. This is due to the delay in entering in the main contract.

- 1.34 The contract commencement date has been pushed back to allow further investigative works to the brickwork and steel frame within the loco shed, drainage and boundary wall to reduce risk within the main contract and respond to comments from planners. Some of the delay to the contract commencement date will be mitigated because of the benefits that will arise from these exploratory works being undertaken pre-contract. The budget for the main scheme is being finalised with likely pressures due to discovery issues and the impact of inflation. The scheme remains a priority because it is the main depot facility owned by the Council, that is well located for servicing the whole city, that also plays host to other city services such as the library store, fleet and taxi servicing facilities and HGV electronic charging infrastructure.
- 1.35 A Letter of Commitment has been issued to the contractor in order to procure key sub-contractors including M&E, cladding and demolition works, which secures a fixed price on these elements and maintains the current programme.
- 1.36 In the next quarter, the Main Contract agreement and budget will be finalised. RIBA 5 design and Procurement of packages issued under the Letter of Commitment will continue, along with demolition works and asbestos removal to ancillary outbuildings and remediation works to the Gorton Lane boundary wall.
- 1.37 Key risks on the project are budget pressures, arising from the current market conditions and the inherent structural and ground contamination risks remaining on a building of this nature and historic use and maintaining the depot as a working site during construction.

Appendix B - Other material changes to the programme

1.1 Other material changes to the Capital Programme are detailed below:

Project	Current Budget 2021/22	Forecast at Q1	Forecast at Q2	Forecast at Q3	Outturn 2021/22	In Year Variance	Total Budget (All Years)	Total Variance (All Years)
Integrated Working – Gorton Health Hub	14.7	10.6	10.2	9.3	8.8	(0.5)	23.1	0.0
Emergency Active Travel Fund (EATF)	5.5	1.8	0.7	0.5	0.4	(0.1)	5.5	0.0
Campfield Redevelopment	4.4	3.7	3.7	0.0	0.0	(0.0)	21.3	0.0
House of Sport	5.5	5.5	5.5	3.3	1.4	(1.9)	8.4	0.0
Northern Quarter Cycling Scheme	5.1	5.1	2.7	2.9	2.1	(0.8)	10.7	0.0
Rugby Football League – Beswick Hub	3.0	0.4	0.4	0.4	0.4	0.0	3.0	0.0
North Manchester New Builds 3	3.4	3.4	1.5	1.2	1.8	0.6	12.2	0.0
Indoor Leisure – Abraham Moss	8.8	8.8	6.5	6.5	6.6	0.1	22.3	0.0
Manchester Digital Security Innovation Hub (Cyberhub)	2.0	2.0	0.0	0.0	0.0	0.0	2.0	0.0
Piccadilly Gardens – Phase 1	1.7	0.3	0.3	0.3	0.1	0.2	1.8	0.0

Integrated Work – Gorton Health Hub

1.2 Within the Corporate Services portfolio, the Gorton Health Hub programme aims

to improve access to primary care for local residents, shift care from higher cost hospital settings, increase local employment and release land for new affordable housing. Pre-lets have been now been agreed with the NHS. The scheme was put on hold to allow the scope to be revised and options appraisals reviewed. Following agreement of the chosen option a full cost plan construction is underway and in line with programme, expect fit out in August and completion in October.

Emergency Active Travel Fund Development Works

- 1.3 The Emergency Active Travel Fund (ATF) within the Highways portfolio currently includes works to the City Centre (Triangle) and the Wythenshawe Active Travel Fund scheme, which were first and second ranked as part of Transport for Greater Manchester's (TfGM) project prioritisation exercise. Both will seek to introduce permanent infrastructure to increase sustainable travel by encouraging more residents to walk and cycle. The timing of external funding approvals and the further modelling on the scheme required to align with adjoining schemes means that £5.1m of spend has been moved into 2022/23.

Campfield Redevelopment (Growth and Development)

- 1.4 The Campfield Redevelopment project now excludes the proposal to acquire the freehold interest in Castlefield House as part of an agreement with Allied London and the Science and Industry Museum. The museum has decanted from the Lower Campfield building and Allied London will bring all three sites into repair and refurbish the properties to provide co-working office accommodation and ancillary facilities. Allied London will fund all works to the 1970's Castlefield House commercial building. Allied London will enter into a Grant Agreement and Agreement for Leases for the repairs and refurbishment works to safeguard the two Grade II listed historical market building assets for future use as adaptable workspace for the media, tech, digital and creative sectors will be provided.
- 1.5 There is a £4.4m variance with £3.7m due to removing the proposal to acquire the freehold interest in Castlefield House. This funding has been vired back to the Sustaining Key Initiatives budget in 2022/23 to enable the funding to be utilised for future proposals. The remainder is due to the budget being set before the programme of works was finalised and works commenced.

North Manchester New Builds 3 – Silk Street

- 1.6 £1.6m of expenditure has been re-profiled to reflect the revised date for starting on site. This was to enable the contract due diligence negotiations to complete, obtaining the correct warranties, and a review of design and social value commitments. The project is still on track to deliver within budget.

Indoor Leisure – Abraham Moss

- 1.7 The total budget for the Abraham Moss project is £22.3m and the project is set to be completed in Summer 2023. For 2021/2022, the outturn is £6.6m against a budget of £8.8m which is a variance of £2.2m to be re-profiled into future years.

There has been a programme delay of 17 weeks to Abraham Moss Leisure Centre due to the discovery of pile foundations within the footprint of the site. This impacted on the design and methodology for laying the concrete slab. Further surveys were commissioned to identify if the proposed foundation solution is still appropriate. Costs for additional works and the delay associated with ground conditions were reviewed and challenged by the officers and can be met from the existing risk and contingency budget.

- 1.8 The works are progressing well with the remaining concrete ground slab nearing completion and steelworks due to start. There are market pressures on labour and material associated with the 17-week delay which are to be looked at as part of the review of inflation pressures on the capital programme.

House of Sport

- 1.9 Also, within the Growth and Development portfolio the House of Sport project will refurbish an area of the existing National Squash Centre to provide office and meeting facilities for existing occupiers as well as enabling the Council to attract new organisations to Manchester. In addition, the reception and café areas of the centre, accessible to all users of the complex, will be refurbished.
- 1.10 The project is now in contract for Rugby Football League (RFL) areas and has commenced first fix and mechanical and electrical installations, as well as erecting a steel frame erect for RFL entrance.
- 1.11 £4.1m is to be reprofiled into future years due to a delay in the building contract being signed with the contractor. The delay was required to allow design changes for lighting in the office and entrance areas, which required redesign and recalculation of lighting levels. The kitchen layout also required an amendment. Additionally, a roof defect has been identified on site, for which specialist proposals, budget costs and funding plans are to be agreed.

Northern Quarter Cycling Scheme

- 1.12 Also, within the Highways portfolio, the Northern Quarter Cycling Scheme (formerly The Regional Centre Cycleway) was identified by TfGM as an important route around the City Centre for both cyclists and general traffic. The route will create an east-west cycle route to Piccadilly Station via the Northern Quarter to Victoria Station.
- 1.13 The variance is due to a review of achievability of programme for the Northern Quarter Area 2 works, with some construction works being reprogrammed into the next financial year, and a movement in programme in Northern Quarter Area 3 where works are now expected to start in early 2022,
- 1.14 The Northern Quarter Cycling Scheme works are practically complete in Area 3 with only one loading bay to be agreed. The Plan for Area 2 including the potential for future regeneration works have been agreed in principle. Working continue onsite with regards to Area 3. Next period Area 2 and Area 4 designs are due to progress

Rugby Football League – Beswick Hub

- 1.15 There is a requirement to move £2.6m into future years for Beswick Hub RFL as the contribution from Manchester City Council will now be paid in instalments according to an agreed schedule throughout 2022/23.

Manchester Digital Security Innovation Hub (Cyberhub)

- 1.16 The Digital Security Innovation Hub, within the Growth & Development portfolio will be located on the second floor of Heron House. This project will include the Category B refurbishment of 10,909 sq. ft of space on the second floor of Heron House, Albert Square. Legal negotiations are continuing, but it is unlikely that the lease will be concluded this financial year, which has resulted in a variance to the in-year budget of £2.0m.

Piccadilly Gardens – Phase 1

- 1.17 The phase one proposals for Piccadilly Gardens will address short term anti-social behaviour and overall quality within the space.
- 1.18 A total of £1.4m will be reprofiled into next financial year for the Piccadilly Gardens project due to delay in appointing a design team, meaning works will begin in early 2022/23. Design consultant tenders are expected to be returned in July.

Appendix C – Proposed Capital Virements

	2021/22	2022/23	2023/24	2024/25
Project Name	In yr virement proposed	In yr virement proposed	In yr virement proposed	In yr virement proposed
	£000	£000	£000	£000
Other Improvement works	-148			
Manchester/Salford Inner Relief Road (MSIRR)	148			
Total Highways Programme	0	0	0	0
Sustaining Key Initiatives		3,735		
Campfield Redevelopment		-3,735		
Total Growth and Development Programme	0	0	0	0
Charlestown - Victoria Ave multistorey window replacement and ECW - Phase 1		586	100	
Riverdale Estate Ext Work	-39			
Harpurhey Shiredale Estate externals		-27		
Environmental improvements Moston corrolites			22	
ENW distribution network phase 4 (various)	284			
Various Estate based environmental works	-2			
Higher Blackley Central House Door Entry System	-20			
Riverdale Maisonettes	-323			
Newton Heath High Rise Blocks Improvements		-1,624		
Retaining Walls	87			
Delivery Costs	-1,287	-72	523	628
Decent Homes mop ups ph 9 and decent homes work required to voids		-20		
Harpurhey - Monsall Multis Internal Works	1			
Newton Heath - Multies Internal Works		29		
Higher Blackley - Liverton Court Internal Works	1			
Various - Bradford/Clifford Lamb/Kingsbridge/Sandyhill Court Internal Works			6	
Charlestown - Rushcroft/Pevensey Court Internal Works		-26		

Collyhurst - Mossbrook/Roach/Vauxhall/Humphries Court Internal Works		-109		
Decent Homes mop ups phase 10 and voids		-307		
Fire precautions multi storey blocks		-150		
Fire Risk Assessments	212			
Northwards - Harpurhey 200 Estate Internal Works		-182		
Rushcroft and Pevensey Courts Ground Source Heat Pumps	199	84		
Harpurhey Baths Estate (excl Edward Grant Court) and Cheetham Appleford Estate	-79	-45		
Newton Heath Troydale and Croyden Drive Low Rise Estates	267		109	
Responsive Investment Works	103		196	
Retirement blocks various M&E/H&S works	576		51	
One off type work such as rewires boilers doors	6	17		
Harpurhey Monsall Estate (Excluding High Rise and 40 properties around Cannons Grove)		277	62	
Harpurhey Shiredale Estate (Including Replacement Floors)		54	68	
Higher Blackley South Estate Internal Works		223		
New Lightbowne Estate Halliford & Thorverton		-463	-99	
Ancoats Smithfield Estate Internal Works		60		
One Off type work - rewires/boilers/doors	189			
Improvements to Homeless accommodation city wide		-10		
Improvements to Homeless Accommodation Phase 2	-14			
Woodward Court reroofing	21	18		
Various Adaptations	151	-21		
Moston Corrolites external work		9		
Northwards Housing Programme - Unallocated	-333	1,699	-1,038	-628
Total Public Sector Housing (HRA) Programme	0	0	0	0
Lytham Rd	-14			
Crossacres Primary School	-16			
Brookside Rd Moston	-185			
North Hulme Adv Playground	-74			
Roundwood Road	-269	-187		

Our Lady's Expansion	20			
Lancasterian Rebuild & Expansion - Pre Devel-Costs	-140			
Basic need - unallocated funds	678	187		
Ringway Primary roof ph2	-1			
Abbot Community Primary Joinery repair	-16			
Mauldeth Rd Rewire	-23			
Manley Park Primary Ph1 roof repairs	-3			
Rack House PS Roof	-13			
Baguley Hall Electrical Rewire	14			
Higher Openshaw Roof repair	-29			
Alma Park	-19			
Claremont Roofing works	-60			
Moston Lane PS Rainwater Goods	-14			
Moston Lane PS Ceiling Containment	-38			
New Moston Primary School	-78			
St. Agnes CEP Structural Repairs	215			
Schools Capital Maintenance - unallocated	64			
North Ridge SEN	13			
Special Educational Needs grant	-13			
Total Children's Services Programme	0	0	0	0
Data Centre Network Design and Implementation	-6			
Telephony	-188			
ICT Investment Plan	194			
Total ICT Programme	0	0	0	0
Total Manchester City Council Capital Programme	0	0	0	0

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Appendix D - amendments to the capital budget introduced as part of this report

Requests for Adjustments to the Capital Budget Provision							
29th June 2022 EXECUTIVE							
Dept	Scheme	Funding	2022/23	2023/24	2024/25	Future	Total
			£'000	£'000	£'000	£'000	£'000
<u>Council Approval Requests</u>							
Public Sector Housing	Northwards Housing Capital Programme	RCCO - HRA Reserves	2,475	21,047	7,599		31,121
Corporate Programme	Elizabeth Tower GP surgery	RCCO - Integration Reserve	2,600				2,600
<u>Total Council Approval Requests</u>			5,075	21,047	7,599	0	33,721
<u>Executive Approval Requests</u>							
Neighbourhoods	Off Street Car Parks Additional Funding	Parking Reserve	369				369
ICT	Northwards ICT Work	RCCO - HRA Reserves	2,491	1,599			4,090
Private sector Housing	Disabled Facilities Grant (DFG)	Government Grant	855	7,628			8,483
<u>Total Executive Approval Requests</u>			3,715	9,227	0	0	12,942
<u>Total Budget Adjustment Approvals</u>			8,790	30,274	7,599	0	46,663

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Appendix E – Prudential Indicators Mar 22

No	Prudential Indicator		As at end Mar 22		Target Breached Y/N	
			£m	£m		
1	Estimated Financing Costs to Net Revenue Stream		6.2%	5.9%	N	
2	Forecast Capital Expenditure	Non – HRA	439.4	269.0	N	
		HRA	40.2	24.2	N	
		Total	479.6	293.2	N	
3	Forecast Capital Financing Requirements ^[1]	Non – HRA	1,626.3	1,469.0	N	
		HRA	300.0	300.0	N	
		Total	1,926.3	1,769.0	N	
4	Authorised Limits for External Debt	Borrowing	1,711.6	826.6	N	
		Other Long-Term Liabilities ^[2]	190.0	145.1	N	
		Total	1,901.6	971.7	N	
5	Operational Boundaries for External Debt	Borrowing	1,350.3	826.6	N	
		Other Long-Term Liabilities	190.0	145.1	N	
		Total	1,540.3	971.7	N	
6	Upper Limits for Principal Sums Invested for over 364 days.		0	0	N	
			<i>Upper Limit</i>	<i>Lower Limit</i>	<i>%</i>	
7	Maturity Structure of Borrowing	under 12 months	80	0	15.2	N
		12 months and within 24 months	80	0	9.0	N
		24 months and within 5 years	70	0	17.6	N
		5 years and within 10 years	70	0	0.0	N
		10 years and above	90	20	58.2	N

^[1] Draft, subject to approval of Council's financial accounts

^[2] Draft, subject to approval of Council's financial accounts

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Appendix F – Full Capital Budget

	2021/22	2022/23	2023/24	2024/25	2025/26	
Project Name	Outturn	Proposed Budget	Proposed Budget	Proposed Budget	Proposed Budget	Total
Drainage	1,246	2,097				3,343
Large Patching repairs	390	2,100				2,490
Patching Defect repairs	5,045	6,077				11,122
Carriageway Resurfacing	4,807	5,166				9,973
Footway schemes	1,923	4,260				6,183
Carriageway Preventative	3,364	3,303				6,667
Bridge Maintenance	833	1,466	1,465			3,764
Other Improvement works	99	1,000	2,000	4,443		7,542
Woodlands Road Emergency works	2,572	602				3,174
Highways Maintenance Challenge Fund	1,303	952				2,255
Hyde Road (A57) Pinch Point Widening	332	0				332
Manchester/Salford Inner Relief Road (MSIRR)	148	0				148
Great Ancoats Improvement Scheme	378	151	280			809
Mancunian Way and Princess Parkway NPIF	277	133	419			829
Christie Extension RPZ	41	224				265
Hathersage RPZ	34	0				34
North Mcr General Hospital RPZ	9	26				35
St George's RPZ	74	64				138
Rusholme and Moss Side RPZ	21	212				233
School Crossings	743	435	1,199			2,377
Chorlton Cycling Scheme	5,583	4,513				10,096
Northern Quarter Cycling Scheme	2,052	4,116	3,370			9,538
Manchester Cycleway	508	4,150				4,658
Beswick Filtered Neighbourhood Development Costs	596	117	276			989
Green Bridge at Airport City	3	24				27
A6 Stockport Road Pinch Point Scheme	223	23				246
Levenshulme Active Neighbourhood	454	3,391	242			4,087
Northern/Eastern GW Walking and Cycling scheme	654	1,359	107			2,120
Rochdale Canal	92	0				92
Accident Reduction and Local Community Safety schemes	341	1,659				2,000
Princess Rd Safety Review	15	20				35
Public Realm	685	404				1,089
Street Lighting PFI	19	755				774
A56 Liverpool Road	4					4
Sunbank Lane S278	0	5				5
Woodhouse Park RPZ	19	0				19
Manchester Trash Screens	0	36				36
Oldham Rd Feasibility study	36	0	150			186
Enterprise Car Club Bays	6	16				22
Electric Vehicle Charging Points Ph 1	22	0				22

TfGM Bus Enhancements	369	13				382
Bee Network Crossings	274	517	405			1,196
Active Travel Development Costs	399	492	4,610			5,501
Greater Manchester Improvement Prog (GMIP) Dev Cost - Tranche 1	0	200				200
Back George Street	0	23				23
Clean Air Zone Street Lighting	120	59				179
Princess Parkway/Palatine Rd Feasibility	0	35				35
Traffic Free Deansgate Permanent Works	390	654	456			1,500
Restoration of Ordinary Water Course	171	129				300
40mph Speed Limit Reduction Programme	8	292				300
Local Roads (temp SEMMMS A6 Stockport)	342					342
Total Highways Programme	37,023	51,270	14,979	4,443	0	107,715
Waste Reduction Measures	226	99				325
Waste Contract	-21	350	471			800
Purchase of Electric RCVs	8,998	187				9,185
Cremator & Mercury Abatement Plant Replacement Strategy	1,114	555				1,669
Off Street Car Parks post JV project	113	877				990
Chester Road Roundabout Advertising	81	1,569				1,650
Electric Charging Points - Grimshaw Lane	47	0				47
EV Charging Points	0	71				71
City Centre Litter Bins	9	0				9
Upgrade CCTV System	0	618				618
Parks Development Programme	632	1,088	2,815	2,815	2,814	10,164
Wythenshawe Cycling Hub	688	862				1,550
Angel Meadow S.106	-2	18				16
Gately Brook Pre-Development Fees	36	44				80
Whitworth Park s.106	56	76				132
Wythenshawe Track Changing Rooms	0	485				485
Indoor Leisure - Abraham Moss	6,621	15,650				22,271
Bogart Hole Clough - Visitors Centre	0	0	535			535
Mount Road S106	0	32				32
Mellands Playing Fields - Levenshulme	90	45				135
Gorton & Abbey hey Project	136	52				188
Hough End Master Plan - Strat Football Hub Development Costs	238	329				567
MAC - Car Park Improvements	19	12				31
Non-Turf Wickets - Parks & Playing Fields	40	51				91
Manchester Aquatics Centre	3,021	17,473	9,961			30,455
National Cycling Centre	7,507	17,052	42			24,601
Rugby Football League Project - Beswick Hub	434	2,566				3,000
National Squash Centre	123	0				123
Wind Tunnel at MIHP	683	390				1,073
P2R Platt Fields	0	72				72

Withington Baths Loan	0	1,000				1,000
Manchester Regional Area Changing Rooms	0	83				83
Replacement of MRA Outdoor Track Floodlights	0	171				171
Central Library Refresh	239	718				957
Open Libraries	7	192				199
Chorlton Library Refurbishment	0	600				600
Library Refurbishment (City Wide)	111	339	50			500
Galleries Collection Housing	87	357	1,426			1,870
Total Neighbourhoods Programme	31,332	64,083	15,300	2,815	2,814	116,344
The Factory (Build)	42,330	43,761				86,091
St Johns (Public Realm)	277	2,681				2,958
Total Factory Programme	42,607	46,442	0	0	0	89,049
Asset Management Programme	5,211	10,491	5,246			20,948
Early Years tendered daycare sites		3,000				3,000
Hammerstone Road Depot	2,095	11,423	9,677	0		23,195
Carbon Reduction Programme	1,751	5,651	7,712	5,000		20,114
Public Sector Decarbonisation Scheme	9,900	13,900				23,800
Greening of the City	307	541				848
Estates Transformation	0	0	800			800
Estates Transformation - Alexandra House	18					18
Estates Changes Arising from FWOW	162	64				226
Space - Phase 3	605	60				665
Space Studios - Disposal Costs	21	44				65
Digital Asset Base - One Central Park	96	468				564
Site Acquisition - The Yard, Vaughan Street	0	679				679
Strategic Acquisitions Programme	265	2,750	1,542			4,557
Sustaining Key Initiatives	0	0			11,418	11,418
Mayfield Park	67	83				150
Wythenshawe Town centre Due Diligence	0	250				250
Didsbury Tech Park - MCC Option	859					859
Housing Infrastructure Fund	5,406	19,980	25,446			50,832
Acquisition of land at Red Bank	0	191				191
Victoria North	7,200	3,800	5,448	5,447		21,895
Eastern Gateway - Central Retail Park	65	519				584
Eastern Gateway - New Islington Marina	0	52				52
New Islington Marina Bridge Works	179	1				180
House of Sport	1,430	5,208	1,053			7,691
Demolition of Grey Mare Police Station	4					4
Mcr Equipment and Adaptations Partnership relocation	208	2,313				2,521
St. Peters Square - Peterloo memorial	1	191				192
Medieval Quarter Public Realm	2,161	81				2,242

Lincoln Square	1,200	40				1,240
Piccadilly Gardens - Phase 1	117	1,559				1,676
Manchester Digital Security Innovation hub (Cyberhub)	2	1,998				2,000
Campfield Redevelopment	21	10,603	6,889			17,513
HOME Arches	245	2,100	379			2,724
Angel Meadow Land Acquisition	0	150				150
Back of Ancoats Mobility Hub & Public Rm	283	7,937	17,942	3,180	3,628	32,970
First Street Cultural Facility	2	12				14
New Smithfield Market	52	0	365			417
Heron House & Registrars	323	797				1,120
Civic Quarter Heat Network	3,195	2,861				6,056
Lees Street Payment	75					75
Beswick Hub - Beswick Shops	20	241				261
Levenshulme railway station - Access for All		50				50
Total Growth and Development Programme	43,542	110,088	82,499	13,627	15,046	264,802
Our Town Hall refurbishment	49,662	82,266	83,552	35,829		251,309
						0
Total Town Hall Refurbishment Programme	49,662	82,266	83,552	35,829	0	251,309
Brunswick PFI Land Assembly	563	210	526	0	0	1,299
Collyhurst Regeneration	181	0	997	2,700	0	3,878
Collyhurst Land Assembly Ph1	0	29	0	0	0	29
Collyhurst Land Acquisitions Ph2	0	210	799	0	0	1,009
Eccleshall Street - 3 Sites	0	0	500	0	0	500
Private/RTB - Acq/Comp/Relocation	0	200	600	989	0	1,789
Miles Platting PFI Land Assembly	2	141	266	0	0	409
Disabled Facilities Grant	8,346	8,088	7,628	0	0	24,062
C/2402/0049	0	0	0	482	0	482
HCA Empty Homes Cluster Phase 2	17	248	683	0	0	948
Ancoats Dispensary: Survey Work to Confirm Major Project Viability	57	0	0	0	0	57
Redrow Development Phase 2 onward	4	10	4	0	0	18
West Gorton Ph 2A Demolition & Commercial Acquisitions	0	348	904	0	0	1,252
HMRF	5	29	89	0	0	123
Extra Care	0	0	1,245	1,200	0	2,445
Moston Lane Acquisitions	0	0		0	7,500	7,500
Equity Loans	0	0	397	0	0	397
West Gorton Community Park	27	23	0	0	0	50
Ben St. Regeneration	63	352	626	0	0	1,041
Marginal Viability Fund - New Victoria	2,573	1,905	0	0	0	4,478
Next Steps Accommodation Programme Property Acquisitions	896	0	0	0	0	896
Green Homes Grant Delivery scheme	4	0	0	0	0	4
This City Housing Delivery Vehicle	478	10,269	23,000	0	0	33,747
Social Housing Decarbonisation Fund	2,326	794	0	0	0	3,120

Rough Sleepers Accommodation Programme	1,020	1,980	0	0	0	3,000
Sprinkler Systems – Tower Block PFIs Private	0	147	0	0	0	147
Total Private Sector Housing Programme	16,560	24,983	38,264	5,371	7,500	92,678
Charlestown - Victoria Ave multistorey window replacement and ECW - Phase 1	5,777	4,225	100	0	0	10,102
Riverdale Estate Ext Work	-39	0	0	0	0	-39
External cyclical works ph 3b Ancoats Smithfields estate	0	60	30	0	0	90
Environmental improvements Moston corrolites	0	0	22	0	0	22
ENW distribution network phase 4 (various)	442	25	0	0	0	467
Various Estate based environmental works	24	94	74	0	0	192
Moston Corrolites external work	1,030	93	106	0	0	1,229
Charlestown Clifford Lamb Court Reroofing	0	393	32	53	0	478
Higher Blackley Central House Door Entry System	0	0	16	0	0	16
Riverdale Maisonettes	4	1,163	1,366	0	0	2,533
Newton Heath High Rise Blocks Improvements	0	100	7,612	4,777	0	12,489
Retaining Walls	390	179	118	0	0	687
Delivery Costs	0	907	1,232	628	0	2,767
Harpurhey - Monsall Multis Internal Works	4	101	0	0	0	105
Newton Heath - Multies Internal Works	239	179	0	0	0	418
Higher Blackley - Liverton Court Internal Works	1	0	0	0	0	1
Various - Bradford/Clifford Lamb/Kingsbridge/Sandyhill Court Internal Works	55	28	32	0	0	115
Charlestown - Rushcroft/Pevensey Court Internal Works	15	24	19	0	0	58
Collyhurst - Mossbrook/Roach/Vauxhall/Humphries Court Internal Works	31	0	27	0	0	58
Decent Homes mop ups phase 10 and voids	0	0	70	0	0	70
One off work - rewires, boilers, doors	0	7	0	0	0	7
ERDF Heat Pumps	340	1,573	106	0	0	2,019
Charlestown - Rushcroft/Pevensey Courts Lift Refurb	0	350	187	0	0	537
One off type work (rewires/boilers/doors)	5	14	0	0	0	19
Fire Risk Assessments	3,900	958	610	0	0	5,468
Northwards - Harpurhey 200 Estate Internal Works	2	0	0	0	0	2
Rushcroft and Pevensey Courts Ground Source Heat Pumps	2,049	84	0	0	0	2,133
Harpurhey Baths Estate (excl Edward Grant Court) and Cheetham Appleford Estate	436	0	0	0	0	436
Newton Heath Troydale and Croyden Drive Low Rise Estates	1,680	123	198	0	0	2,001
Responsive Investment Works	505	254	196	0	0	955
Retirement blocks various M&E/H&S works	1,442	85	51	0	0	1,578
One off type work such as rewires boilers doors	192	17	0	0	0	209

Harpurhey Monsall Estate (Excluding High Rise and 40 properties around Cannons Grove)	145	1,877	481	0	0	2,503
Harpurhey Shiredale Estate (Including Replacement Floors)	396	551	161	0	0	1,108
Cheetham Halliwell Lane Estate Internal Works	0	1,416	623	0	0	2,039
Higher Blackley South Estate Internal Works	0	1,750	318	0	0	2,068
New Lightbowne Estate Halliford & Thorverton	108	1,054	284	0	0	1,446
Ancoats Smithfield Estate Internal Works	249	153	39	0	0	441
One Off type work - rewires/boilers/doors	285	304	0	0	0	589
Avro Hollows District Heating	33	114	0	0	0	147
Delivery Costs	0	1,566	448	0	0	2,014
Various Locations - bringing bedsits back into use	0	0	116	0	0	116
Delivery Costs	0	0	15	0	0	15
Improvements to Homeless accommodation city wide	0	0	14	0	0	14
Plymouth Grove Women's Direct Access Centre	0	0	28	0	0	28
Improvements to Homeless Accommodation Phase 2	231	0	115	0	0	346
Woodward Court reroofing	248	38	0	0	0	286
Woodward Court lift replacement	0	0	434	0	0	434
Delivery Costs	0	5	77	0	0	82
Adaptations	196	43	0	0	0	239
Various Locations - Adaptations	177	34	0	0	0	211
Various Adaptations	914	37	0	0	0	951
Delivery Costs	0	10	0	0	0	10
Collyhurst Maisonette Compensation & Dem	0	600	200	224	0	1,024
West Gorton PH2A Low & High Rise Demolition	1	0	0	0	0	1
Capital Receipts - Right to Buy	40	0	0	0	0	40
Buy Back Properties - Right to Buy	484	450	278	0	0	1,212
North Manchester New Builds	0	40	0	0	0	40
North Manchester New Builds 3	1,837	9,820	538	0	0	12,195
Collyhurst New Council Housing - Design Stage	343	78	0	0	0	421
Construction of Social Homes & Assoc PR	0	2,500	10,720	8,546	5,000	26,766
Relocation/Acq/Comp/Dem Costs - Public	0	180	320	0	0	500
Construction of Park - public realm	0	375	1,025	0	0	1,400
Sprinkler Systems – Tower Block PFIs Public	0	786	1,754	1,474	0	4,014
Total Public Sector Housing (HRA) Programme	24,209	34,817	30,192	15,702	5,000	109,920
Brookside Rd Moston	3,652	17				3,669
North Hulme Adv Playground	2,680	46				2,726
Roundwood Road	2,595	13				2,608
Coop North Expansion	52	436				488
Our Lady's Expansion	40					40
Manchester Communications Academy	51					51

Co-op Academy Belle Vue - Permanent	9,950	19,611	722			30,283
Co-op Academy Belle Vue - Early Opening	2,140					2,140
Our Lady's RC Permanent Expansion	733	1,667				2,400
Melland High School Expansion (SEN Grant)	123	3,777				3,900
Crab Lane - retentions	10					10
The Barlow RC High School - Resource Provision	0	1,049				1,049
City Centre School	8	5,942	250			6,200
Manchester Secondary PRU	70	50				120
Universal Infant Free School Meals (UIFSM) - Allocated	0	2				2
Universal Infant Free School Meals (UIFSM) - Unallocated	75					75
Broad Oak Primary School Kitchen-ED44321/1	689	318				1,007
Lily Lane Prim Windows-ED44535/1	0	96				96
Ringway Primary roof ph2	-1					-1
Abbot Community Primary Joinery repair	-16					-16
Medlock Primary - Boundary Wall rebuild	0	80				80
Mauldeth Rd Rewire	-23					-23
St Wilfreds CE Ph 1 roof repairs	442	12				454
Manley Park Primary Ph1 roof repairs	-3					-3
Broad Oak Reception class and roof repair - ED44891	17	152				169
Manley Park Roof	161	89				250
Manley Park Joinery	265	58				323
Rack House PS Roof	252					252
The Birches Special School Roof	31	353				384
Broad Oak Primary	311	103				414
Baguley Hall Electrical Rewire	806					806
Higher Openshaw Roof repair	95					95
Alma Park	56					56
Claremont Roofing works	96					96
Moston Lane PS Rainwater Goods	60					60
Moston Lane PS Ceiling Containment	159					159
New Moston Primary School	799	0				799
St. Agnes CEP Structural Repairs	415	0				415
Chapel Street	18	182				200
Peel Hall Primary Emergency Heating Works	76	17				93
Schools Capital Maintenance - unallocated	0	5,962				5,962
Early Education for Two Year Olds - Unallocated	17	5				22
Healthy Pupil Capital Funding	0	257				257
North Ridge SEN	138	0				138
Grange School	192	3				195
Piper Hill Expansion SEN Grant	0	87				87
Grange School Expansion SEN Grant	0	20				20
Special Educational Needs grant	0	7,658	11,080			18,738
Seymour Road	5					5
Ghyll Head	540					540

Acquisition of land at Hyde Road	0	27				27
Nurseries Capital Fund - Unity Community	140					140
Lyndene Children's Home Refurbishment	767	58				825
Varley Street Site Investigations	48	35				83
MCMA Completion works	496	165				661
BSF Phase 1	1					1
						0
Total Children's Services Programme	29,228	48,347	12,052	0	0	89,627
Internet Resilience	4					4
Network Refresh Programme	3,409	5,637				9,046
Data Centre Network Design and Implementation	38					38
End User Experience	3,624	574				4,198
Microsoft 365	36	44				80
Telephony	144					144
TEC Digital Platform	65	29				94
Northwards ICT Work		2,491	1,599			4,090
Platform Compliance	75	37				112
Security Software Upgrade		650				650
Total ICT Programme	7,395	9,462	1,599	0	0	18,456
Pay and Display Machines		5				5
Phase 1 Implementation - Locality Plan Programme Office	89	251				340
Adults - Stepping Stone capital works	57	130				187
Integrated Working - Gorton Health Hub	8,760	11,641				20,401
Elizabeth Tower GP Surgery	0	2,600				2,600
HR and Finance System Replacement Project	0	525	900			1,425
BioMedical Investment	2,747					2,747
VCSE Small premises works			500	500		1,000
Total Corporate Capital Programme	11,652	15,152	1,400	500	0	28,704
						0
Total CAPITAL PROGRAMME (excl contingent budgets)	293,210	486,810	279,837	78,287	30,360	1,168,604
Inflation		20,000	6,663	1,267	70	28,000
Northwards Housing Programme - Unallocated		3,569	21,047	7599		32,215
Basic need - unallocated funds		865	4,056	23,579		28,500
ICT Investment Plan				5,261		5,261
Total Contingent Budgets	0	24,434	31,766	37,706	70	130,224
Total CAPITAL PROGRAMME	293,210	511,344	311,603	115,993	30,430	1,262,580