



Communities and Equalities Scrutiny Committee

Date: Tuesday, 8 November 2022

Time: 10.00 am

Venue: Council Chamber, Level 2, Town Hall Extension

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

Access to the Council Antechamber

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There is no public access from any other entrance.

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Membership of the Communities and Equalities Scrutiny Committee

Councillors - Hitchen (Chair), Azra Ali, Benham, Chambers, Connolly, M Dar, Evans, Hilal, Hussain, Iqbal, Johnson, Ogunbambo, H Priest, Rawson, Sheikh, Whiston, Wills and Wilson

Second Supplementary Agenda

6c Homelessness Directorate 2023/24 Budget

3 - 22

Report of the Strategic Director (Neighbourhoods)

The Council is forecasting an estimated budget shortfall of £44m in 2023/24, £85m in 2024/25, and £112m by 2025/26. After the use of c£16m smoothing reserves in each of the three years, this reduces to £28m in 2023/24, £69m in 2024/25 and £96m by 2025/26. Officers have identified potential savings options to reduce the budget gap totalling £42.3m over three years.

This report sets out the priorities for the services in the remit of this committee and details the initial revenue budget changes proposed by officers.

Even after these proposals there remains a budget gap of £7m to close to get to a balanced budget in 2023/24 and further savings and cuts options will be required to be worked between now and January and be reported back to Scrutiny committees in February. Each scrutiny committee is invited to consider the current proposed changes which are within its remit and to make recommendations to the Executive before it agrees to the final budget proposals in February 2023.

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, 4 November 2022** by the Governance and Scrutiny Support Unit, Manchester City Council, Level 2, Town Hall Extension (Library Walk Elevation), Manchester M60 2LA

**Manchester City Council
Report for Information**

Report to: Communities and Equalities Scrutiny Committee – 8 November 2022

Subject: Homelessness Directorate 2023/24 Budget

Report of: Strategic Director (Neighbourhoods)

Summary

The Council is forecasting an estimated budget shortfall of £44m in 2023/24, £85m in 2024/25, and £112m by 2025/26. After the use of c£16m smoothing reserves in each of the three years, this reduces to £28m in 2023/24, £69m in 2024/25 and £96m by 2025/26. Officers have identified potential savings options to reduce the budget gap totalling £42.3m over three years.

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Even after these proposals there remains a budget gap of £7m to close to get to a balanced budget in 2023/24 and further savings and cuts options will be required to be worked between now and January and be reported back to Scrutiny committees in February. Each scrutiny committee is invited to consider the current proposed changes which are within its remit and to make recommendations to the Executive before it agrees to the final budget proposals in February 2023.

Recommendations

The Committee is recommended to:

- (1) To consider and comment on the forecast medium term revenue budget.
 - (2) Consider the content of this report and comment on the proposed changes which are relevant to the remit of this scrutiny committee.
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Wards Affected: All

<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 budget reflects the fact that the Council has declared a climate emergency by making carbon reduction a key consideration in the Council's planning and budget proposals.</p>
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Equality, Diversity and Inclusion - the impact of the issues addressed in this report in meeting our Public Sector Equality Duty and broader equality commitments

Consideration has been given to how the proposed savings could impact on different protected or disadvantaged groups. Where applicable proposals will be subject to completion of an Equality Impact Assessment (EqIA) and an Anti Poverty Assessment.

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	<p>The effective use of resources underpins the Council's activities in support of its strategic priorities as set out in the Corporate Plan which is underpinned by the Our Manchester Strategy.</p> <p>Having good quality accommodation will help people to thrive.</p> <p>Reducing the number of people who are homeless or placing them in appropriate accommodation with help to access employment and learning opportunities will contribute to Manchester becoming a thriving and sustainable city.</p>
A highly skilled city: world class and home grown talent sustaining the city's economic success	Having accommodation that people can access, in areas where they have a support network to help them, and their children, into education or employment will help grow talent in the city.
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	Having good quality accommodation in our communities improves the environment people live in and helps them to make a positive contribution
A liveable and low carbon city: a destination of choice to live, visit, work	Ensuring properties are a good quality and high standard will reduce the need to heat properties and therefore reduce energy waste.
A connected city: world class infrastructure and connectivity to drive growth	Housing infrastructure is central to Manchester's inclusive growth ambitions

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

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

Financial Consequences – Revenue

The changes included within this report are officer proposals and, subject to Member comments and consultation, these will be included as part of the 2022/23 budget preparation.

Financial Consequences – Capital

None directly arising from this report.

Contact Officers:

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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.

[Revenue Budget Report - Executive Meeting 16 February 2022](#)

[Medium Term Financial Strategy 2022/23 to 2024/25 -Executive Meeting 16 February 2022](#)

[Resource and Governance Scrutiny – 6 September 2022](#)

[Revenue Monitoring to the end of July 2022 and Budget update 2023/24 to 2025/26 - Executive 14 September 2022](#)

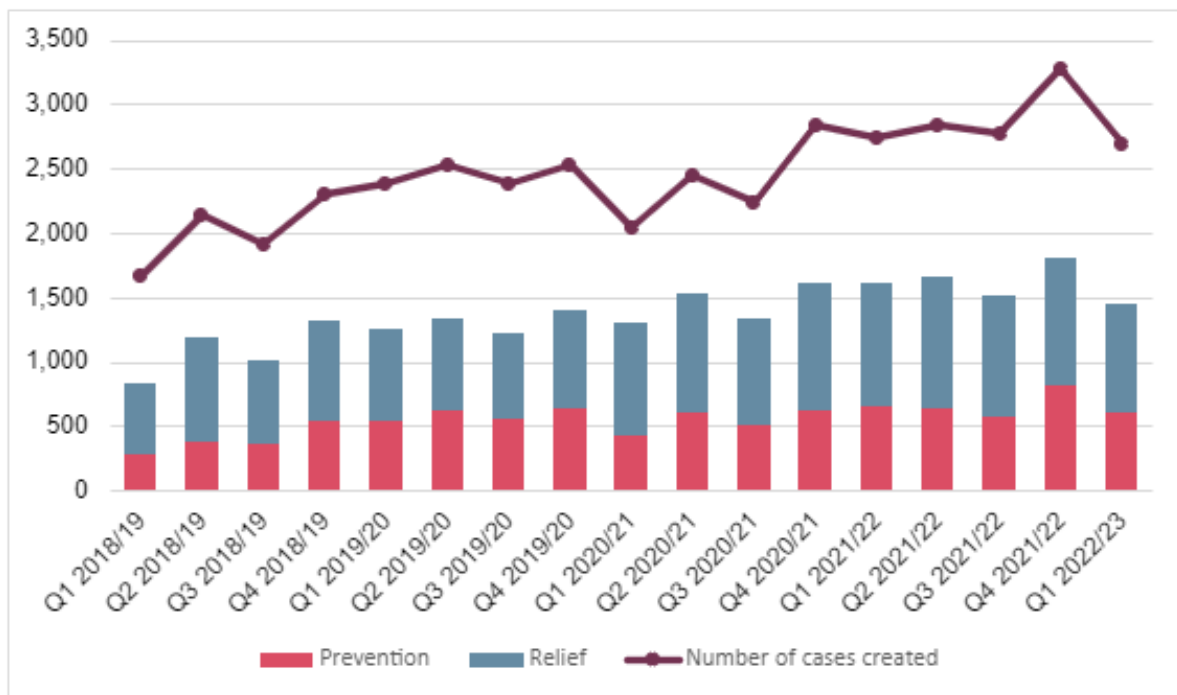
1.0. Introduction and Purpose

- 1.1. The report is the first in the cycle for the budget programme 2023-26. It sets out an overview of the services within the remit of this scrutiny committee and their key priorities. The budget growth assumptions in the MTFP are set out. The report provides a draft set of officer proposals for further savings for 2023-26, developed in the context of the financial challenge facing the Council.

2.0. Service overview and priorities

- 2.1. This report summarises the budget proposals for the Homelessness service within the Neighbourhood Services Directorate. Neighbourhood Services has a wide range of services and employs over 1,800 staff. The Directorate works to improve the lives of Manchester residents and showcase the city to our millions of visitors every year. Our services work directly with the people of Manchester and together We want to make Manchester a better place to live, work and play. We have committed, via the Our Manchester Strategy to creating sustainable, safe, resilient, and cohesive neighbourhoods, with more affordable housing, good quality green spaces, and accessible culture and sporting facilities. We will work with colleagues and partners to achieve our zero-carbon ambition by 2038 at the latest, via green growth, low- carbon energy, retrofitting of buildings, green infrastructure, and increasing climate resilience. The homelessness service is under the remit of Communities and Equalities Scrutiny Committee.
- 2.2. The Homelessness Service's objective is to prevent people from becoming homeless and to support individuals and families who find themselves homeless, to secure new permanent homes and with that better life outcomes.
- 2.3. There are several key strategies and plans that the Council has developed and are now delivering within the 'A Place Called Home: Homelessness Transformation' strategy. The overall aims of A Place Called Home are to:
- Significantly increase the successful prevention of homelessness
 - Continue our progress to end rough sleeping
 - Considerably reduce the use of temporary accommodation
 - Deliver Better Outcomes and Better Lives for people and families at risk or who are homeless
- 2.4. Homeless presentations remain high in Manchester with 11,605 presentations made in 2021/22, the quarterly breakdown of presentations is reflected in the chart below. In Manchester approximately 35% of cases are dealt with as a prevention as indicated in the chart below, the ambition is to increase this to 50% by moving prevention upstream and supporting residents before they are in crisis and have already lost their accommodation.

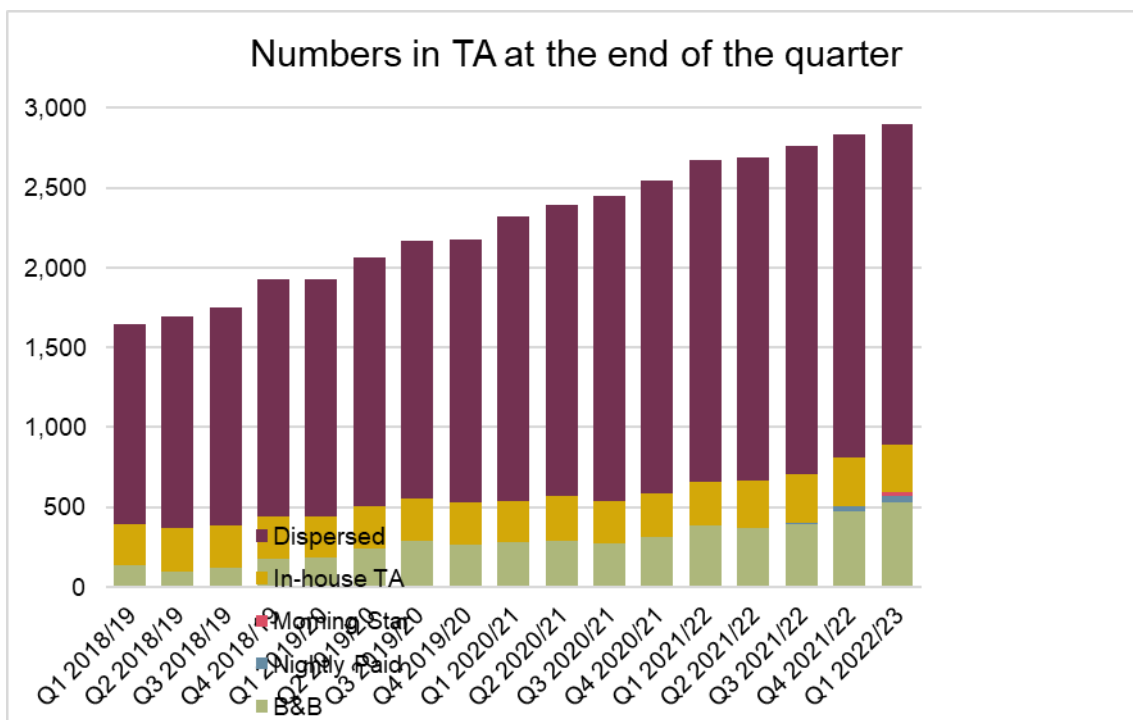
Presentations and Prevention Duty Owed



The main reasons for this continue to be:

- Loss of private tenancy
- Family no longer willing or able to accommodate
- Domestic Abuse
- Friends no longer willing or able to accommodate
- Relationship breakdown with partner

2.5. The chart below reflects the pressures the service has faced in recent years and the subsequent increase in the numbers in Temporary Accommodation at the end of each quarter from Quarter 1 in 2018/19.



3.0. Service budget and proposed changes

- 3.1. The Neighbourhoods Directorate has a net budget of c£119m, with 1,800 budgeted FTE's.
- 3.2. The Homelessness budget, which is within the remit of this committee oversees a gross budget of £69.285m, and a net budget of £27.264m, the breakdown of which is provided in the table below. The biggest proportion of the budget is spent on Temporary Accommodation, in particular B&B and Dispersed. The Net Homelessness Budget has increased from £15.1m in 2018/19, an increase of £12.2m p.a. to reflect the increase in Temporary Accommodation numbers as well as investment into Prevention. The gross Homelessness budget as set out in Appendix 3 will not reduce over the budget cycle.

Table 2: Base budget 2022/23

Service Area	2022/23 Gross budget £'000	2022 / 23 Net Budget £'000	2022 / 23 Budgeted posts (FTE) £'000
In House Accommodation and B&B	27,175	7,389	126
Dispersed Accommodation	25,937	7,122	0
Homelessness Support	5,466	5,144	171
Commissioned Services	7,546	7,546	9
Asylum	3,161	63	9
Total	69,285	27,264	315

- 3.3. The Neighbourhood's Directorate has been looking to identify savings options of c£10m over the three years to 2025/26, which are in addition to £200k savings that have already been approved from across the Neighbourhood budgets in previous budgets.
- 3.4. As part of identifying options the initial priority has been to protect service delivery wherever possible, however, given the scale of the budget cuts requirement there are some savings that can only be delivered by reductions in services across the Council. There are no savings options proposed for Homelessness which are a reduction in service and the gross budget will not reduce over the budget cycle.
- 3.5. Wherever possible we have looked to ensure we are maximising external income generation, and this includes close work with colleagues in Revenues and Benefits to maximise Housing Benefit claims.
- 3.6. Review of our existing workforce structures and capacity and recognise the potential savings from changing how we budget for staff cost and make an allowance for staff turnover, staff not being at top of grade or not in the pension scheme.
- 3.7. All heads of service have been asked to review their own service areas to identify any opportunities for cost reductions or efficiencies through good housekeeping
- 3.8. Within the Homelessness budget there are short term pressures of c£4m linked to increases in demand and cost pressures in Temporary Accommodation, which is expected to last until 2024/25 after which the transformation programme is expected to have an impact and reduce the incidence of homelessness across the city.
- 3.9. The Council is investing to ensure these short-term pressures are funded, and is making use of all of its funding streams to support the service. In the short term these pressures are funded through resettlement funding and other grants which are likely to continue until December 2023 helping stabilise the budget position for the following 2 years until 2025/26. In addition, the Council has increased funding to support the impact of Cost of Living and reintroduced increased funding alongside Discretionary Housing Payments. This stabilised budget position allows the Directorate to focus on Transformation in the form of Homeless at Home, reducing the number of people needing Emergency or Temporary Accommodation. This work alongside the recommendations of Red Quadrant in the short term and Local Partnerships for longer term accommodation solutions will reduce demand and the requirement to provide significant numbers of Temporary Accommodation. It is important to note, that none of the reductions in budget referenced are a cut in service and the gross budget will not reduce, they are savings that will arise from reduced demand, as the prevent strategy takes effect.

- 3.10. Resources of up to £1.5m held within the Homelessness reserve will be set aside and will be available for investment in supporting the potential pressures in Homelessness.
- 3.11. The proposed demand reductions from Homelessness services within the remit of this scrutiny committee are summarised below and are set out in more detail in Appendix 1, with further narrative provided in the following paragraphs.

Table 3: Summary of Demand Reductions

Communities and Equalities - Homelessness	Amount of Saving				Indicative FTE Impact
	2023/24	2024/25	2025/26	Total	
	£'000	£'000	£'000	£'000	
In House Accommodation and B&B	860	1,327	1,063	3,250	0
Dispersed Accommodation	384	519	269	1,172	0
Homelessness Support	0	224	0	224	0
Total	1,244	2,070	1,332	4,646	0

- 3.12. The budget strategy for Homelessness has been to contain the cost of rising need for temporary accommodation within available resources whilst also prioritising resources towards service developments that will achieve the service's priority to prevent and reduce the incidence of homelessness. This has been supported by significant additional investment from the Council, maximising draw down of Housing Benefit income that the Council can claim and seeking opportunities for accessing external funding.
- 3.13. The Service Transformation Programme will form the core of the approach to tackling and reducing homelessness over the next three years. It will be the framework in which reductions in temporary accommodation and rough sleeping are achieved.
- 3.14. Homelessness is a complex systems issue, and as such the Council's Senior Management Team formed a cross council steering group to oversee the transformation programme, with senior representation from Adults, Children's, Financial Management, Strategic Housing, Policy-Reform-Innovation and Revenue and Benefits. The Housing Transformation Steering Group (HTSG) reports into the Council's Housing Board, chaired by Strategic Director Growth and Development and from a political oversight perspective, reports into Cllr Joanna Midgley (Homelessness) and Cllr Gavin White (Housing & Growth) as the housing solutions to combat homelessness span both portfolios.

- 3.15. To provide additional capacity and capabilities, building on the good practice within Manchester but also regionally and nationally, the Council commissioned two projects (from Red Quadrant & Local Partnerships) as part of the Transformation Programme with two distinct yet interrelated briefs. The projects focussed on different areas in order to assist the Council in reshaping its Homelessness service to:
- 3.15.1. Increase the prevention of homelessness in Manchester
 - 3.15.2. Enhance the level of support to people who are at risk or find themselves homeless
 - 3.15.3. Improve the efficiency and effectiveness of sourcing temporary accommodation
 - 3.15.4. Provide a series of deliverable property options for the medium term to reduce the rising revenue cost of the service and identify more suitable provision
 - 3.15.5. Identifying Invest to save models
 - 3.15.6. Identifying and appraising longer term models of intervention
 - 3.15.7. Providing an independent and respected local government sector voice, which highlights good practice and positions the Council to access future funding opportunities
- 3.16. The transformation programme sets the ambition to increase preventions to 50% from c.35%, to slow the flow into the service. This is informed by research around good practice nationally and service design work with staff, services and people with lived experience. It will still be extremely challenging to achieve particularly given the wider economic context and cost of living crisis.
- 3.17. An increased focus on prevention and early help is a key theme of the Future Council work on our future operating model. Future Council has also looked at how we can better use data and intelligence to inform more targeted delivery and improve our approaches to place-based working across the city, with partners.
- 3.18. Actions to achieve this ambition will include:
- 3.18.1. Changes in work practices to increase prevention levels and creating dedicated resource to focus exclusively on prevention activity.
 - 3.18.2. Supporting residents through a strengths based and person centred approach to maintain existing tenancies, where appropriate and increase prevention.
 - 3.18.3. Enhancing and better targeting the support to residents once in permanent accommodation, to reduce the current level of representations.
 - 3.18.4. Better joining up our prevention resources across MCC and partners as part of the next phase of BST PIP, including i)

aligning with Manchester Local Care Organisation and Integrated Neighbourhood Teams, ii) Early Help for Children and Families and the development of Think Family, iii) partners' work such as GMP new policing model, Registered Housing Providers, Education and Skills providers, VCSE sector including the Council's role supporting the sector particularly in areas of the city with less infrastructure, iv) additional investment in Early Help for adults as part of Build Back Fairer (Marmot) gamechanger proposals

- 3.19. A key aspect of the Homelessness Prevention strategy is to target homeless prevention interventions/investment against the main causes of homelessness in the city. The main cause of homelessness in Manchester is being asked to leave the accommodation of family and friends. The experience of many other Local Authorities is that many people can continue to live with family or friends if there are reasonable prospects of longer-term re-housing. This is achieved by awarding the same level of priority for re-housing on the social housing register as that which would be awarded if the person was placed in temporary accommodation. The Manchester approach will be to award a Band 2 status for re-housing if the person is owed either the relief or main duty under homelessness legislation.
- 3.20. A homelessness main duty (to secure temporary accommodation) can only be ended under legally defined circumstances with the most common one being the offer of a 'lifetime' social housing tenancy. Homeless legislation permits a Local Authority to end the duty through a private rented tenancy if the fixed period of the tenancy is for a minimum of 12 months. The main duty must be reinstated if the person reapproaches as homeless within a 2 year period. It is believed that there are many people in temporary accommodation who would take a private rented tenancy but do not want to lose their priority for social housing tenancy. Essentially seeing private rented accommodation as a 'stepping stone' tenure towards social housing. The experience of other Local Authorities is that many moves from temporary accommodation can be achieved by not ending the main duty (in Manchester removing the Band 2 award) when people accept a private rented tenancy. This will result in a reduction in TA numbers but no increase in the number of Band 2 applicants on the housing register.
- 3.21. The Homeless Service will adopt an 'invest to save' approach towards homeless prevention comparing the cost of a prevention investment (e.g. paying a bond to secure a private rented tenancy) against the notional cost of placing a person in TA. Almost exclusively the cost of the prevention will be a fraction of the cost of TA.
- 3.22. The Homeless Service is rolling out the new approach set out in paragraphs 3.18 to 3.20 including conveying the new approach to partners. Other prevention options, against the main causes of homelessness, are being worked up.

- 3.23. The Council is developing a new Homelessness prevention approach, which includes dedicated resources in the localities. Three new prevention hubs are being created in the wards of Harpurhey, Gorton and Moss Side. They will focus upon early intervention and advice in the areas with highest demand. With an increased focus on Prevention it is expected that there will be a considerable reduction in the use of Temporary Accommodation over the three year period, with the aim of reducing spend by £4.646m per annum by 2025/26.
- 3.24. The key to delivering savings in Homelessness is to reduce the placements into B&B and Dispersed Accommodation, the reductions reflected below are achievable given the increased focus on Prevention and changing the way the current service operates.
- 3.25. The majority of the proposed savings are linked to a reduction in B&B and Dispersed Accommodation placements. The Homelessness Service are working with private sector landlords to try and reduce the number of people who are evicted, with a targeted communications campaign to encourage people to seek advice and support early, prior to eviction. Alongside the hubs, there will be a better joining up of prevention resources across the Council and partners as part of the next phase of Bringing Services Together and Building Back Fairer. Examples include aligning with Manchester Local Care Organisation, Integrated Neighbourhood Teams, Early Help for Children and Families, as well as forming partnerships with voluntary and faith-based organisations. Registered Providers in the city are repledging to ensure there are no evictions from registered provider accommodation.
- 3.26. Transformation, review of and implementation of Transformation Prototypes alongside the changes to the Allocations procedure which drive the reduction in activity. It is expected that these reductions will result in activity reductions reflected in tables 4 and 5.
- 3.26.1. **Reduction in referrals to B&B** - In 2021/22 there were 3,209 referrals into B&B, linked to the Prevention Prototype it is expected that the cell model would deliver a decrease in numbers being placed in B&B of 5% in 2023/24, 10% in 2024/25 and 15% in 2025/26. The strategic ambition is to reduce B&B usage to zero and the financial model will be updated as progress is made in this area.
- 3.26.2. **Reduction in average length of B&B placement** - Alongside the reduction in referrals of 5% per annum, it is expected that the average time spent in B&B would also reduce by 5% per annum as shown in the table below. This reduction is linked to the TA Allocations Prototype.
- 3.26.3 **Reduction in Dispersed Placements** – linked to an increase in PRS placements of 15% for Families and 5% for singles, there will be a reduction in placements in Dispersed properties.

3.26.4 **Increase in Property Found** – in 2021/22, there were 174 properties found, a 20% year on year increase will be delivered with a fully staffed PRS team and a move to upstream prevention.

3.27. Table 4 below reflects the number of referrals into the B&B service in 2021/22 and what the referrals would look like once Transformation prototypes are implemented, with table 5 reflecting the expected numbers in Dispersed Accommodation.

Table 4: B&B Referrals

Annual B&B Referrals	Families	Singles	Total
2021/22	1,252	1,957	3,209
2023/24	1,189	1,859	3,049
2024/25	1,070	1,673	2,744
2025/26	910	1,422	2,332

Table 5: Dispersed Accommodation Placements

Annual Dispersed Placements	Families	Singles	Total
2021/22	1,412	193	1,605
2023/24	1,395	208	1,603
2024/25	1,353	176	1,529
2025/26	1,311	145	1,455

3.28. Alongside the focus on Prevention, the Housing Strategy sets out the delivery of 1,000 more affordable homes each year, increasing the level of housing available as well as aiding prevention through, direct delivery, partnership working and affordable rents. Tackling homelessness is a key dimension of the Council's overall strategic asset management plan. Recently, several Council properties were identified for refurbishment as Temporary Accommodation within the Rough Sleeping Accommodation Programme. The service is now working with Strategic Housing to develop a specific acquisition strategy to purchase affordable stock that is likely to be lost from the Private Rented Sector; refurbishing and repurposing unused Council owned assets; and creating a clearer mechanism for developing and inviting proposals from prospective developers. This work also includes reviewing incentive schemes for settled accommodation options working with the private rented sector.

3.29. £3.25m of demand reductions can be achieved over the 3 year period in B&B Accommodation schemes as reflected in Table 3, this is a combination of reductions made for Transformation and changes in Allocation's procedure which will reduce the number of families in B&B, as Homeless at Home is increased.

3.30. A further £1.172m of demand reductions will be delivered in Dispersed Accommodation, this is linked to Transformation and an increase in the number of Dispersed Accommodation properties which are managed by a

Registered Provider to reduce the Housing Subsidy loss incurred by MCC in providing this service, an evaluation of the existing pilot is underway.

- 3.31. The remaining £224k of proposed savings are linked to an increase in vacancy factor of 2% to 5.5% for Homelessness, this reflects the ongoing difficulties in recruitment and brings the vacancy factor in line with existing and expected levels of vacancy. It is proposed that this saving will be delivered in 2024/25 as the underspend in mainstream staffing budgets in 2023/24 will be retained to fund the new posts created to support the Transformation work and staffing levels will be reviewed as part of the ongoing Transformation work.
- 3.32. Pressures are being created in the system by the resettlement schemes and these are currently being managed through the available grants, however if the schemes were to stop it is likely that greater pressures will emerge. It is expected that Resettlement schemes will continue over the next few years and will not end before March 2024 at the earliest.
- 3.33. In the longer term, follow on workstreams from Local Partnerships work will;
- Identifying potential invest to save models.
 - Identifying and appraising longer term models of potential intervention.
 - Providing an independent and respected local government sector voice, which highlights good practice (where it may be applicable to Manchester) and positions the Council to access future funding opportunities.

Emerging Pressures and Growth

- 3.34. There are no new emerging pressures for future years that have been previously approved as part of last years Medium Term Financial Plan. However, within the Homelessness budget there are underlying pressures of c£4m linked to increases in demand and cost pressures in Temporary Accommodation. In the short term these pressures are funded through resettlement funding and other grants which is likely to continue until December 2023 helping stabilise the budget position for the following 2 years until 2025/26. In addition, the Council has increased funding to support the impact of Cost of Living and reintroduced increased funding alongside Discretionary Housing Payments. This stabilised budget position allows the Directorate to focus on Transformation in the form of Homeless at Home, reducing the number of people needing Emergency or Temporary Accommodation. This work alongside the recommendations of Redquadrant in the short term and Local Partnerships for longer term accommodation solutions which will reduce demand and the requirement to provide significant numbers of Temporary Accommodation. It is important to note, that none of the reductions in budget referenced are a cut in service, they are savings that will arise from reduced demand.
- 3.35. Appendix 2 reflects the approved Medium Term Financial Plan for the Homelessness service in the remit of Communities and Equalities Scrutiny.

- 3.36. Appendix 3 reflects the increase in Gross Budget for Homelessness over the next three years, once demand reductions are applied this will result in a net nil reduction to Homelessness.

4.0. Workforce

- 4.1. The Council's establishment is fully budgeted for at the top of the grade. In reality there are vacancies caused by staff turnover, recruitment difficulties and staff employed throughout the grade scale. In order to avoid budgeting for costs that will not be required and making bigger cuts elsewhere, adjustments are being made to reflect these issues by applying a vacancy factor to recognise that vacancies will always exist. The continued challenges in filling posts also means that the council is working hard on ensuring we are an employer of choice and can attract people and minimise the pressures on our existing workforce.
- 4.2. As outlined in section 3, £224k of the proposed savings are linked to an increase in vacancy factor of 2% to 5.5% for Homelessness, this reflects the ongoing difficulties in recruitment and brings the vacancy factor in line with existing and expected levels of vacancy. It is proposed that this saving will be delivered in 2024/25 as the underspend in mainstream staffing budgets in 2023/24 will be retained to fund the new posts created to support the Transformation work and staffing levels will be reviewed as part of the ongoing Transformation work.

5.0. Future Opportunities and Risks

- 5.1. The scale and complexity of transforming Manchester's homeless service at pace is challenging due to increased demand and macro pressures (national policy, economic, cost of living crisis). It is likely that the cost-of-living crisis will result in more people struggling to make ends meet who will require homeless prevention advice, as well as support. The service is working closely with departments within the Council and other organisations across the city to minimise the number of people who become homeless. Homeless prevention is a key strand in the Homeless Transformation Programme – A Place called Home.
- 5.2. Even if Transformation is successful there is a real risk that the numbers presenting as Homeless in Manchester will continue to rise and could even rise at a higher rate than we have seen previously.
- 5.3. The Housing market provides both risks and opportunities to provide more affordable and appropriate options (e.g. rent increases, affordable supply)

6.0. Appendices

Appendix 1 – Savings Schedule

Appendix 2 - Indicative Medium-Term Budgets by Service

Appendix 3 - Indicative Medium-Term Budgets by Type of Spend / Income

Appendix 1 - Savings Schedule

Service	Description of Saving	Type of Saving	RAG Impact	Amount of Saving				Indicative FTE Impact
				2023/24	2024/25	2025/26	Total	
				£'000	£'000	£'000	£'000	
Homelessness								
	Implementation of Transformation Prototypes	Service Transformation	A reduction in Temporary Accommodation Placements, B&B and Dispersed Accommodation. Annual forecast spend of c£17m in these areas in 2022/23.	494	1,096	1,332	2,922	
	Changes to Allocations Procedure	Efficiency	To deliver this saving there needs to be a change in the Allocations Procedure to allow people to be classified as Homeless at Home at the Prevention stage. If this decision is not made the savings are not achievable	500	500	0	1,000	
	Increase in Vacancy Factor	Efficiency	Increase in vacancy factor to reflect the underspend on mainstream staffing in previous years. £112k per 1% increase from 3.5%. Vacancies are being utilised in 2023/24 to fund Transformation posts	0	224	0	224	
	Expansion of Dispersed Accommodation Pilot	Efficiency	An expansion of the current pilot, increased properties managed by a Registered Provider would reduce the Housing Subsidy loss to MCC by £0.5m	250	250	0	500	
Total				1,244	2,070	1,332	4,646	0.0

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Appendix 2: Indicative Medium-Term Budgets by Service

Communities and Equalities	2022/2023 Budget	2023/2024 Indicative Budget	2024/2025 Indicative Budget	2025/2026 Indicative Budget
	£'000	£'000	£'000	£'000
In House Accommodation and B&B	7,389	7,389	7,389	7,389
Dispersed Accommodation	7,122	7,122	7,122	7,122
Homelessness Support	5,144	5,144	5,144	5,144
Commissioned Services	7,546	7,546	7,546	7,546
Asylum	63	63	63	63
Total	27,264	27,264	27,264	27,264

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Appendix 3: Indicative Medium-Term Budgets by Type of Spend / Income

Corporate Core	2022/2023 Budget £'000	2023/2024 Indicative Budget £'000	2024/2025 Indicative Budget £'000	2025/2026 Indicative Budget £'000
Expenditure:				
Employees	12,976	12,976	12,976	12,976
Running Expenses	56,309	59,053	59,623	60,955
Capital Financing Costs				
Contribution to reserves				
Sub Total Subjective Expenditure	69,285	72,029	72,599	73,931
Less:				
Other Internal sales				
Gross Expenditure	69,285	72,029	72,599	73,931
Income:				
Government Grants	-13,451	-14,695	-16,675	-18,097
Contributions from Reserves	0	-1,500	0	0
Other Grants Reimbursements and Contributions	-3,337	-3,337	-3,337	-3,337
Customer and Client Receipts	-25,233	-25,233	-25,233	-25,233
Other Income				
Gross Income	-42,021	-44,765	-45,335	-46,667
Total Net Budget	27,264	27,264	27,264	27,264

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