



## **Communities and Equalities Scrutiny Committee**

Date: Tuesday, 7 February 2023

Time: 10.00 am

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 Council 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.

**There is no public access from any other entrance.**

### **Filming and broadcast of the meeting**

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

## **Membership of the 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

## Supplementary Agenda

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7. [11.10 - 11.50] 2023/24 Budget Report

7a. **Neighbourhood Directorate 2023/24 Budget** 3 - 18  
Report of the Strategic Director (Neighbourhood Services)

This report provides a further update to members on the priorities for the services in the remit of this committee and details the changes to the initial revenue budget options proposed by officers in November 2022.

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 on 15 February 2023.

7b. **Homelessness Directorate 2023/24 Budget** 19 - 42  
Report of the Strategic Director (Neighbourhood Services)

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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 on 15 February 2023.

## Further Information

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

Rachel McKeon  
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This supplementary agenda was issued on **Wednesday, 1 February 2023** 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 Resolution**

**Report to:** Communities and Equalities Scrutiny Committee – 7 February 2023  
Executive – 15 February 2023

**Subject:** Neighbourhood Directorate 2023/24 Budget

**Report of:** Strategic Director (Neighbourhood Services)

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### **Summary**

Members will recall that at the November round of scrutiny meetings the Council was forecasting an estimated budget shortfall of £112m over the three years with £44m in 2023/24. As part of the action to address the budget shortfall officers identified potential savings options of £42.3m over three years, of which there were savings options of £1.564m within the remit of this scrutiny committee.

The provisional financial settlement announced 19 December reflected a change in government policy in relation to funding inflation and social care pressures. This has given the opportunity to review the quantum and phasing of savings. It is now proposed that options of £36.2m are progressed, of which £119k is within the remit of this scrutiny committee.

This report provides a further update to members on the priorities for the services in the remit of this committee and details the changes to the initial revenue budget options proposed by officers in November 2022.

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 on 15 February 2023.

### **Recommendations**

The Committee is recommended to:

1. To consider and comment on the forecast medium term revenue budget; and
2. Consider the content of this report and comment on the proposed changes which are relevant to the remit of this scrutiny committee.

The Executive is recommended to approve these budget proposals.

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**Wards Affected:** All

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

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

**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.

<b>Manchester Strategy outcomes</b>	<b>Summary of how this report aligns to the OMS/Contribution to the Strategy</b>
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>Providing the leadership and focus for the sustainable growth and transformation of the City's neighborhoods and highways</p>
A highly skilled city: world class and home-grown talent sustaining the city's economic success	Ensuring residents are connected to education and employment opportunities across the city
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	Creating places where residents actively demonstrate the principles of Our Manchester through participation and take responsibility for themselves and their community whilst encouraging others to do the same, supported by strong and active community groups.
A liveable and low carbon city: a destination of choice to live, visit, work	Creating places where people want to live with good quality housing of different tenures and effective use of the highways network; clean, green, safe, healthy, and inclusive neighbourhoods; a good social, economic, cultural offer and environmental infrastructure.
A connected city: world class infrastructure and connectivity to drive growth	Ensuring residents, neighbourhoods, businesses and goods connect to local, national, and international markets. Through working with partners both internally and externally maximise the impact of the provision of new and enhanced physical and digital infrastructure.

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 will, subject to Member comments and consultation, be included in the final 2023/24 revenue budget set by Council on 3 March.

### **Financial Consequences – Capital**

None directly arising from this report.

### **Contact Officers:**

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Name: Paul Hindle  
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 E-mail: paul.hindle@manchester.gov.uk

### **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](#)  
[Neighbourhoods Directorate Budget 2022/23 - Executive 16 February 2022](#)  
[Housing Revenue Account 2022/23 to 2024/25 - Executive 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. Introduction and Purpose

- 1.1 The report 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 (Medium Term Financial Plan) are set out. The report provides a further update to members on the proposed savings for 2023-26 and highlights the key changes since the November scrutiny meeting. The savings have been developed in the context of the financial challenge facing the Council

## 2. Service overview and priorities

- 2.1. Neighbourhood Service Directorate 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 services under the remit of Communities and Equalities Scrutiny Committee are as follows:-

### **Community Safety, Compliance and Enforcement**

- 2.2. Protect the public and the environment and keep citizens safe through reducing crime, safeguarding vulnerable people, building community resilience, and preventing vulnerable people from being drawn into extremism.
- 2.3. Enforce the law in a fair and consistent manner, helping businesses to meet their legal obligations and taking firm action against those who disregard the law or act irresponsibly.

### **Libraries, Galleries and Culture**

- 2.4. Responsible for providing all the city wide libraries, information and archive services, the Manchester Art Gallery and a range of cultural activities and organisations across the city.
- 2.5. The service operates the Central Library, 15 neighbourhood libraries and 6 community libraries, HM prison library as well as Books to Go service for housebound library users.
- 2.6. The library strategy and renewal programme has seen 80% of Manchester libraries being refurbished and co-located in recent years. The services has developed the Manchester standard for national, regional and Greater Manchester initiatives, supporting the Universal Public Library Offers (digital, health, information, learning and reading) as well as working closely with several city wide and local partners.

### **Neighbourhood Teams**

- 2.7. Neighbourhood teams (North, Central, and South) are responsible for the management and development of neighbourhoods, and for making sure that services delivered at a neighbourhood level maintain a strong place-based focus by working closely with elected members, residents, community groups, local businesses and partner organisations.

### **Sports, Leisure, and Events**

- 2.8. Responsible for providing strong strategic leadership which focuses relentlessly on improving outcomes for residents. The service is seeking to make the best use of parks and open spaces, increase sport and physical activity levels to help residents lead healthy, active lifestyles, strengthen youth provision and establish Manchester as an eventful city – making a significant contribution to Manchester being a world class place to work, live and visit and where companies want to invest.
- 2.9. The service area continues to deliver an exciting programme of work to support residents increase activity levels and reach their full potential. The team deliver greater resident involvement, strengthen partnership working, and build capacity in the voluntary sector in the main through commissioning arrangements and collaborating with partners to deliver events.

### **Housing Operations**

- 2.10. Housing Operations was previously managed by the Council's arms length management organisation, Northwards Housing, and in July 2021 the service was brought back into the Council. The move sees the Council manage c.15,000 social homes and is therefore the largest provider of social housing in the city, with the aim to provide good quality homes to and with local communities.

## **3. Service budget and proposed changes**

- 3.1. The Neighbourhood Directorate has a net budget of c£130.3m, with 1,481 budgeted FTE's.
- 3.2. The remit of this scrutiny committee oversees a gross budget of £83.9m, and a net budget of £34.2m, the breakdown of which is provided in the table below. In addition to this Homelessness budgets are reported separately.

Table 2: Base budget 2022/23

<b>Service Area</b>	<b>2022 / 23 Gross budget £'000</b>	<b>2022 / 23 Net Budget £'000</b>	<b>2022 / 23 Budgeted posts (FTE) £'000</b>
Compliance	11,701	8,899	233
Community Safety	4,749	2,757	49
Libraries, Galleries and Culture	13,728	10,020	285
Management and Directorate Support	1,175	1,175	27
Neighbourhood Teams	4,140	3,614	56
Other Neighbourhoods	1,468	274	4
Leisure, Youth and Events	20,857	7,422	27
Housing Operations	26,100	0	244
<b>Total</b>	<b>83,918</b>	<b>34,161</b>	<b>925</b>

- 3.3. As part of identifying options the initial priority has been to protect service delivery wherever possible, In November 2022 the scrutiny committee were presented with savings options of £1.564m over 2023/24 and 2024/25 for consideration.
- 3.4. The Government's provisional funding settlement on 19 December 2022 reflected a change in Government policy and provided more funding than had been forecast, this has provided the opportunity to review both the quantum and phasing of savings to ensure that we minimise wherever possible the impact on service delivery. The table below sets out details of the £0.695m initial proposed savings that are no longer to be considered as part of the 2023/24 budget proposals.



<u>Communities and Equalities</u>	<u>Amount of Saving</u>				<u>Indicative FTE Impact</u>
	<u>2023/24</u>	<u>2024/25</u>	<u>2025/26</u>	<u>Total</u>	
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	
Reduce proposed savings from increased vacancy factor	(130)	0	0	(130)	0
Remove withdrawal of media lounge	(34)	0	0	(34)	(1.1)
Do not reduce book fund and team	(35)	(135)	(35)	(205)	(3.2)
Review opening hours of Art Gallery	(26)	(26)	0	(52)	(2.5)
Retain number of exhibitions and public programmes in Art Gallery	(70)	(60)	0	(130)	0
Remove proposed reduction of Neighbourhood Investment Funding.	(64)	0	0	(64)	0
Remove temporary reduction in contribution to police costs of Xmas markets	(40)	0	40	0	0
Reduce expenditure on Christmas Lights and Christmas Light switch on	(40)	(40)	0	(80)	0
<b>Total</b>	<b>(399)</b>	<b>(261)</b>	<b>(35)</b>	<b>(695)</b>	<b>(6.8)</b>

- 3.5. In addition to the £0.695m reduction in savings proposals there are initial savings of £0.750m that are to be retained but repurposed for alternative uses and these are detailed below.
- 3.6. As part of the 2022/23 budget process £0.7m of growth was approved and a local investment fund was created to provide ward based funding to support the development and strengthening of neighbourhoods and communities. The take up of the funding has varied across wards within the city, and it is proposed to end the funding programme in its current guise and repurpose the monies to establish a fund to support cleaning the city and infrastructure planning, this will be aligned to £5m per annum capital investment in community and neighbourhood assets. The £0.7m revenue funding will facilitate rapid response and emergency repairs or improvements to our

community assets, for example to fix a broken swing or additional bins. The mechanisms for the administration of the fund are being developed.

- 3.7. The previous proposal to remove the £50k budget for New Year's Eve Celebrations (which is provided through income generation) will not be taken forward. The budget allocation will be retained, and suitable activity developed for the city centre.

### Revised Proposed Savings

- 3.8. Wherever possible we have looked to ensure we are maximising external income generation, and this includes both reviewing the existing level of fees and charges, as well as the volume of activities in order to ensure income is being maximised.
- 3.9. 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.
- 3.10. 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
- 3.11. The proposed savings from 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.

Communities and Equalities – Excluding Homelessness	Amount of Saving				Indicative FTE Impact
	2023/24	2024/25	2025/26	Total	
	£'000	£'000	£'000	£'000	
Compliance	99	0	0	99	0
Libraries, Galleries and Culture	20	0	0	20	0
<b>Total</b>	<b>119</b>	<b>0</b>	<b>0</b>	<b>119</b>	<b>0</b>

- 3.12. There are total savings of £119k proposed across the following areas.

### Community Safety and Compliance

- 3.13. Community Safety and Compliance has historically underspent on staffing costs by c£0.5m per annum, this is because of a combination of ongoing vacant posts, the high level of staff turnover because of the unsocial hours and staff not being at the top of the grades. A new structure is currently being developed in order to support the recruitment and retention of staff across the

teams. The proposed increased vacancy factor is reflective of the proposed changes and will save £99k per annum.

### **Libraries, Galleries and Culture**

- 3.14. Historically Libraries and Galleries has underspent on staffing costs, this is because of a combination of ongoing vacant posts, the high number of part time posts and staff not being at the top of the grades. To provide a more realistic staffing budget, without reducing capacity it is proposed to increase the vacancy factor applied to Libraries staffing budgets by £20k.

### **Emerging Pressures and Growth**

- 3.15. There are no known pressures for future years that have been previously approved as part of last year's Medium Term Financial Plan.
- 3.16. Appendix 2 reflects the approved Medium Term Financial Plan for services in the remit of Communities and Equalities Scrutiny.

## **4. 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. Historically both Libraries and Galleries and Compliance and Community Safety have underspent on staffing costs, this is because of a combination of ongoing vacant posts, the high number of part time posts and staff not being at the top of the grades. To provide a more realistic staffing budget, without reducing capacity it is proposed to increase the vacancy factor applied to both Libraries staffing budgets by £20k, and compliance and Community Safety £99k with no impact on overall staffing numbers.

## **5. Equality and Anti-Poverty Impact**

- 5.1 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 as part of the detailed planning and implementation. At this stage no direct impacts on people and specifically MCC priority protected characteristics have been identified.

## **6. Future Opportunities and Risks**

- 6.1. As development continues across the city, this may lead to increased growth pressures for Neighbourhood Services as the number of households grows significantly. The increased demands will include compliance and enforcement, waste collection and disposal and street cleaning.
- 6.2. The Target Operating Model for delivering services on a Neighbourhood footprint is being reviewed along with options for further integration of neighbourhood-based functions across the Council, particularly working with adult services and health. It is anticipated that this will generate savings for others rather than within the Neighbourhoods Directorate and this will be considered as part of future budget rounds.

## **7. 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	
<b>Community Safety and Compliance</b>								
	Reduce staffing budgets by increased vacancy factor to reflect increased staff turnover	Efficiency	Will reduce flexibility that exists within staffing budgets	99	0	0	99	
<b>Libraries, Galleries &amp; Culture</b>								
	Reduce staffing budgets by increased vacancy factor to reflect increased staff turnover	Efficiency	Will reduce flexibility that exists within staffing budgets.	20	0	0	20	
<b>Total</b>				<b>119</b>	<b>0</b>	<b>0</b>	<b>119</b>	<b>0</b>

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Appendix 2: Indicative Medium term budgets by service

<b>Communities and Equalities</b>	<b>2022/2023 Budget £'000</b>	<b>2023/2024 Indicative Budget £'000</b>	<b>2024/2025 Indicative Budget £'000</b>	<b>2025/2026 Indicative Budget £'000</b>
Compliance	8,899	8,800	8,800	8,800
Community Safety	2,757	2,757	2,757	2,757
Libraries, Galleries and Culture	10,020	10,000	10,000	10,000
Management and Directorate Support	1,175	1,175	1,175	1,175
Neighbourhood Teams	3,614	3,614	3,614	3,614
Other Neighbourhoods	274	274	274	274
Leisure, Youth and Events	7,422	7,422	7,422	7,422
Housing Operations	0	0	0	0
<b>Total</b>	<b>34,161</b>	<b>34,042</b>	<b>34,042</b>	<b>34,042</b>

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Appendix 3: Indicative Medium term budgets by type of spend / income

<b>Corporate Core</b>	<b>2022/2023 Budget £'000</b>	<b>2023/2024 Indicative Budget £'000</b>	<b>2024/2025 Indicative Budget £'000</b>	<b>2025/2026 Indicative Budget £'000</b>
<b>Expenditure:</b>				
Employees	28,948	28,829	28,829	28,829
Running Expenses	49,489	49,560	49,560	49,560
Capital Financing Costs	248	248	248	248
Contribution to reserves	5,409	5,428	5,428	5,428
<b>Sub Total Subjective Expenditure</b>	<b>84,094</b>	<b>84,065</b>	<b>84,065</b>	<b>84,065</b>
Less:				
Other Internal sales	(166)	(166)	(166)	(166)
<b>Gross Expenditure</b>	<b>83,928</b>	<b>83,899</b>	<b>83,899</b>	<b>83,899</b>
<b>Income:</b>				
Government Grants	(1,051)	(1,051)	(1,051)	(1,051)
Contributions from Reserves	(6,315)	(6,315)	(6,315)	(6,315)
Other Grants Reimbursements and Contributions	(4,735)	(4,735)	(4,735)	(4,735)
Customer and Client Receipts	(37,666)	(37,756)	(37,756)	(37,756)
Other Income	0	0	0	0
<b>Gross Income</b>	<b>(49,767)</b>	<b>(49,857)</b>	<b>(49,857)</b>	<b>(49,857)</b>
<b>Total Net Budget</b>	<b>34,161</b>	<b>34,042</b>	<b>34,042</b>	<b>34,042</b>

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**Manchester City Council  
Report for Information**

**Report to:** Communities and Equalities Scrutiny Committee – 7 February 2023  
Executive – 15 February 2023

**Subject:** Homelessness Directorate 2023/24 Budget

**Report of:** Strategic Director (Neighbourhood Services)

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### **Summary**

Members will recall that at the November round of scrutiny meetings the Council was forecasting an estimated budget shortfall of £112m over the three years with £44m in 2023/24. As part of the action to address the budget shortfall officers identified potential savings options of £42.3m over three years, of which there were savings options of £4.646m within the remit of this scrutiny committee.

The provisional financial settlement announced 19 December reflected a change in government policy in relation to funding inflation and Social Care pressures. This has given the opportunity to review the quantum and phasing of savings. It is now proposed that options of £36.2m are progressed, of which £4.646m is within the remit of this scrutiny committee.

This report provides a further update to members on the priorities for the services in the remit of this committee and details the changes to the initial revenue budget options proposed by officers in November 2022.

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 on 15 February 2023.

### **Recommendations**

The Committee is recommended to:

1. consider and comment on the forecast medium term revenue budget, and
2. consider the content of this report and comment on the proposed changes which are relevant to the remit of this scrutiny committee

The Executive is recommended to approve these budget proposals.

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**Wards Affected:** All

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

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

**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 Anti Poverty Assessment.

<b>Manchester Strategy outcomes</b>	<b>Summary of how this report aligns to the OMS/Contribution to the Strategy</b>
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 will, subject to Member comments and consultation, be included in the final 2023/24 revenue budget set by Council on 3 March.

### **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.

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[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](#)

[Homelessness Update January 2023 Scrutiny](#)

[Homelessness Budget Report 2023/24 November 2022 Scrutiny](#)

## 1. Introduction and Purpose

- 1.1. The report 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 outlined. The report provides a further update to Members on the proposed savings for 2023-26 and highlights the key changes since the November Scrutiny meeting. The saving proposals have been developed in the context of the financial challenge facing the Council.

## 2. 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. As reported to January Scrutiny the key metrics relating to homelessness are set out below and relate to the level of demand and need in the city and how we are responding to prevent, alleviate as well as end homelessness.
- Number of homeless applications activated
  - Number of applications opened at the prevention duty and relief duty stages
  - Settled accommodation outcomes achieved at prevention duty discharge
  - Settled accommodation outcomes achieved at relief duty discharge
  - Number of homeless applications progressing to the main duty stage
  - Number of households in TA

- Number of families in B&B
- Number of families in B&B exceeding 6 weeks

### 2.5. Bed and Breakfast Placements for Families:

2.6. The Council has submitted its plan to DLUHC setting a target to eliminate 6-week plus placements by the end of June 2023 and to have no more than 10 families placed in bed and breakfast accommodation at the end of 2023 with no families placed for longer than 6 weeks. This is an ambitious target that will need to be delivered within the context of the cost-of-living challenge, rising rent costs and increasing homeless applications. The plan is framed around three priorities:

- Maximising homeless prevention,
- Maximising move-on
- Finding alternative supplies of temporary accommodation

## 3. Service budget and proposed changes

3.1. The Neighbourhoods Directorate has a net budget of c£130m, with 1,800 budgeted FTE's.

3.2. The Homelessness budget, which is within the remit of this committee oversees a gross budget of £71.959m, and a net budget of £28.435mm, 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 £13.3m per annum 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 from the current base.

*Table 1: 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	31,665	7,800	126
Dispersed Accommodation	25,937	7,122	0
Homelessness Support	6,227	5,905	173
Commissioned Services	7,546	7,546	9
Asylum	584	62	9
<b>Total</b>	<b>71,959</b>	<b>28,435</b>	<b>317</b>

- 3.3. In November this scrutiny panel was presented with savings options, Homelessness has been looking to identify savings options of £4.646m over the three years to 2025/26 for consideration. The government funding settlement on 19 December 2022 reflected a change in government policy and provided more funding than had been forecast, this has provided the opportunity to review both the quantum and phasing of savings where applicable and review areas of specific investment to ensure that we minimise wherever possible the impact on service delivery across the Council.
- 3.4. There were no savings options proposed for Homelessness which are a reduction in service. Over the medium term the savings will be linked to the ambition to reduce numbers in Temporary Accommodation through significant reductions in B&B placements and increased prevention during 2023/26.
- 3.5. However, there are specific demand and inflation pressures facing the Homelessness Budgets. Government refugee and asylum schemes are placing pressure on Manchester temporary accommodation market, driving up cost, resulting in a £4m fee uplift requirement for Homeless Temporary Accommodation and this pressure has been reflected in the Medium Term Financial Plan with £4m of growth proposed for Homelessness in 2023/24. 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. 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.
- 3.7. The net impact of investment, savings, use of one off reserves for potential demand pressures and the expected income from external Resettlement grants is reflected in the table below.

<b>Homelessness</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Investment – Dispersed Accommodation fee uplift	4,000	4,000	4,000
Savings	(1,244)	(3,314)	(4,646)
Contingency (Demand Pressures)	1,500	0	0
Resettlement Grants Externally Funded	1,244	3,314	4,646
<b>Total</b>	<b>5,500</b>	<b>4,000</b>	<b>4,000</b>

- 3.8. 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.



- 3.9. 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.
- 3.10. Within the Homelessness budget there are short term pressures 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.
- 3.11. 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 from it's current base, they are savings that will arise from reduced demand, as the prevent strategy takes effect.
- 3.12. 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 2: 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
<b>Total</b>	<b>1,244</b>	<b>2,070</b>	<b>1,332</b>	<b>4,646</b>	<b>0</b>

- 3.13. 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.
- 3.14. The Service Transformation Programme alongside a renewed focus on Prevention 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.
- 3.15. 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.
- 3.16. 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:
- Increase the prevention of homelessness in Manchester
  - Enhance the level of support to people who are at risk or find themselves homeless
  - Improve the efficiency and effectiveness of sourcing temporary accommodation
  - 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
  - Identifying Invest to save models
  - Identifying and appraising longer term models of intervention
  - Providing an independent and respected local government sector voice, which highlights good practice and positions the Council to access future funding opportunities
- 3.17. 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.

- 3.18. 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.
- 3.19. Actions to achieve this ambition will include:
- Changes in work practices to increase prevention levels and creating dedicated resource to focus exclusively on prevention activity.
  - Supporting residents through a strengths based and person centred approach to maintain existing tenancies, where appropriate and increase prevention.
  - Enhancing and better targeting the support to residents once in permanent accommodation, to reduce the current level of representations.
  - 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.
  - Improving telephone access, since the beginning of the Covid crisis the main route into the Housing Solutions service has been through telephone access comprising around 90% of contacts. As at the end of October 2022 the Housing Solutions service had 3 Housing Solutions Officers answering the telephone during the standard working day. An additional 3 full time equivalent officers have now been placed on telephone contact duty and performance has improved to 75% of calls answered (507 out of 667 calls) with an average waiting time of less than 8 minutes. A target has been set that by the end of March 2023 a minimum of 85% of calls are answered with a waiting time of no more than 10 minutes.
  - Homeless application interviews, the target, combining face-to-face and telephone based, is to carry out a minimum of 1,000 homeless application interviews per month or 12,000 per year. The aim is to carry out 13,050 assessment interviews per year which would equate to an average of 2 interviews per homeless applicant based on having 6,525 homeless applications in 21/22. A further target has been set that the service would offer an interview slot within 2 working days of the initial contact being made by the person.
  - The Housing Solutions Service introduced, in December 2022, a programme of manager case checks on live homeless applications to ensure that cases are being progressed appropriately, Housing Solutions Officers have the necessary support with cases, homeless prevention and relief options are being identified with the ultimate result being temporary accommodation placements not needing to be made. The aim, from January 2023 onwards, is to carry out 300 case checks per week. The service, based on 6,525 per year, receives around new 125 homeless

applications per week. The Housing Solutions service currently has approximately 1,850 live homeless applications. The target will ensure that by the end of March 2023 the Housing Solutions Service has the necessary understanding of case detail.

- 3.20. 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.
- 3.21. 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.
- 3.22. 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.
- 3.23. The Homeless Service is rolling out the new approach set out in paragraphs 3.17 to 3.21 including conveying the new approach to partners. Other prevention options, against the main causes of homelessness, are being worked up.
- 3.24. Allocations Policy
- 3.25. The principal purpose of an allocations scheme is to set out the framework by which available social housing will be let to housing applicants including the 'reasonable preference' (priority) for re-housing afforded to specific groups of housing applicants including homeless people. The current Manchester

Allocations Policy awards the following priority banding to homeless people based on their homeless duty status:

- Prevention Duty – Band 3
- Relief Duty – Band 2
- Main Duty – Band 2

- 3.26. The Homeless Service and Council's Housing Board is strongly of the view that the current framing of the Allocations Policy does not encourage residents in approaching early in their homeless situation given that a lower level of priority is awarded at the prevention duty stage. It is notable that the Leeds Allocations Policy awards the same level of priority for re-housing to applicants owed the prevention, relief and main duty and this is a contributory factor to people presenting early (at the prevention duty stage) and low temporary accommodation numbers.
- 3.27. Manchester is taking proactive steps to address the current position whereby admission to bed and breakfast/other temporary accommodation is the principal route by which people can address their homeless situation. A key action is to better use the private rented sector as an interim housing option that homeless applicants can use pending re-housing by a social landlord. This is practice adopted in Leeds and Camden whereby homeless applicants who accept a private rented tenancy do not lose their priority status for social re-housing. At present, the Manchester Allocations Policy does not permit this practice; as a private rented tenancy can only be secured for applicants owed the main duty with this duty not being ended through the offer of the private rented tenancy so that the person still has a Band 2 for social re-housing.
- 3.28. To directly address this key issue a report was submitted to the Housing Access Board in December 2022 proposing the following:
- Applicants owed the prevention duty will be awarded Band 2 status for re-housing – the same award made to applicants owed the relief and main duties
  - Applicants owed the prevention or relief duty who accept a private rented tenancy will not lose their Band 2 status
- 3.29. The Housing Access Board representatives agreed in principle to these proposals and the Strategic Housing Service is writing to every locally operating Registered Provider to advise on the proposals.
- 3.30. The Homeless Service and Council's Housing Board is strongly of the view that the proposals will not result in a substantial increase in the number of housing applicants owed Band 2 for re-housing on the basis of the short-term sequential nature of the homeless duties. A person awarded Band 2 status on the basis of being owed the prevention duty would invariably have secured the Band 2 status at the relief duty but most importantly when they had been placed in temporary accommodation.
- 3.31. 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.

- 3.32. 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.
- 3.33. 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.
- **Reduction in referrals to B&B** - In 2021/22 there were 3,209 referrals into B&B, linked to the Prevention work it is expected that the service will 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, but recognising the fact that investment is needed in Prevention strategies
  - **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.
  - **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.
  - **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.

Table 3 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 4 reflecting the expected numbers in Dispersed Accommodation.

Table 3: B&amp;B Referrals

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

Table 4: Dispersed Accommodation Placements

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

- 3.34. Alongside 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 private rented sector.
- 3.35. £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 residents are supported to remain in current accommodation.
- 3.36. 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.
- 3.37. 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.

- 3.38. 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.
- 3.39. In the longer term, follow on workstreams from Local Partnerships work will;
- Identify potential invest to save models.
  - Identify and appraising longer term models of potential intervention.
  - Provide 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.
- 3.40. Move On from Temporary Accommodation
- 3.41. A number of the Manchester Registered Providers have agreed to make an additional 90 lets to families who are long-term resident in dispersed temporary accommodation with the focus being on those who have housing applications registered from before January 2020. The applicants will have their housing application priority status placed in Band 1 for re-housing and backdated to the date of move-in to temporary accommodation. The Allocations Policy Band 1 provision of 'management discretion' will be triggered to facilitate these priority awards. Applicants will be able to bid for available properties through choice-based lettings to ensure that families have a high level of choice in determining where they want to live. It is envisaged that the lettings will be made between January and June 2023. The released dispersed temporary accommodation units will be made available for families who are currently or would otherwise be placed in bed and breakfast accommodation. The success of the scheme heavily depends on the Homeless Service better preventing homelessness so that fewer new people require temporary accommodation.
- 3.42. The GMCA has secured £3.9m, to be drawn down in 2023/24, to deliver a capital leasing scheme providing longer-term tenancies to homeless families as move-on from temporary accommodation. The scheme will deliver 200 homes which will be sourced from private landlords and managed by local Registered Providers. The properties will be let on assured shorthold tenancies. The capital grant is intended to cover the net cost of the provision. It is assumed that Manchester will be allocated 100 of the 200 properties. Further work on scheme detail will be carried out from January 2023.
- 3.43. Alternative Temporary Accommodation to B&B
- 3.44. The Homeless Service is working with private providers in the city to deliver a leasing scheme for 200 units of self-contained dispersed accommodation that will be used as an alternative to bed and breakfast placements. The ask to



providers is to deliver 120 two-bed, 60 three-bed and 20 four-bed properties. The term of the initial lease arrangement will be five years. The providers will be offered guaranteed rental payments and provision to cover repair and furniture costs. The ask to providers is to deliver 200 properties by the end of March 2022 although this is recognised as being an extremely demanding target. It is forecast that the initiative will cost the Council £8.7m over the five-year term and result in cost avoidance of approximately £34m over the five-year period. This is based on a current net cost of one bed and breakfast placement of £819 per week once housing benefit deducted. The success of the scheme heavily depends on the Homeless Service better preventing homelessness so that fewer new people require temporary accommodation.

#### **4. Emerging Pressures and Growth**

- 4.1. There are specific demand and inflation pressures facing the Homelessness Budgets. Government refugee and asylum schemes are placing pressure on the Manchester temporary accommodation market, driving up cost, resulting in a £4m fee uplift requirement for Homeless Temporary Accommodation.
- 4.2. Where temporary accommodation is required the provision of dispersed temporary accommodation delivers a more affordable and suitable accommodation model than the use of B&B emergency hotel provision. Hotel accommodation for one family costs the Council on average £924 per week. There are currently (December 2022) over 200 families in B&B type accommodation in housing need. Over 90 have been in this accommodation in excess of 42 days, this means the Council is in breach of its statutory responsibility in this regard. This type of accommodation fails to provide the full facilities that a self-contained unit of accommodation can and providing support to household in hotels the Council does not manage is extremely challenging.
- 4.3. Supporting the elimination of B&B usage for families relies upon a steady supply of dispersed temporary accommodation from the 19 accommodation providers on the temporary accommodation framework agreement. Cost-of-living implications, mortgage rate rises, escalating property maintenance and material costs are resulting in accommodation providers struggling to procure enough temporary accommodation to meet current needs based on existing rental rates.
- 4.4. Whilst officers are progressing the prevention work outlined above, which should result in an overall reduction in the amount of temporary accommodation, it is essential that a rental uplift on temporary accommodation is secured to sustain existing temporary accommodation currently and support the flow of new stock required to reduce B&B numbers. A key decision has been approved January 2023 and an uplifted rate applied from February 2023.
- 4.5. Within the Homelessness budget there are underlying pressures of 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.

- 4.6. Appendix 2 reflects the approved Medium Term Financial Plan for the Homelessness service in the remit of Communities and Equalities Scrutiny.
- 4.7. Appendix 3 reflects the Gross and Net Budget for Homelessness over the next three years.

## **5. Workforce**

- 5.1. 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.
- 5.2. As outlined in section 3, £224k of the proposed savings are linked to an increase in vacancy factor of 2%, increasing the vacancy factor from 3.5% 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.

## **6. Equality and Anti-Poverty Impact**

- 6.1. 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 as part of the detailed planning and implementation.

## **7. Future Opportunities and Risks**

- 7.1. 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.
- 7.2. 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.
- 7.3. The Housing market provides both risks and opportunities to provide more affordable and appropriate options (e.g. rent increases, affordable supply)

## **8. Appendices**

Appendix 1 – Savings Schedule

Appendix 2 – Indicative Medium-term budgets by service

Appendix 3 – Indicative Medium-term budgets by type of spend / income

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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	
<b>Homelessness</b>								
	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. £224k, a 2% increase from 3.5% to 5.5%. Vacancies are being utilised in 2023/24 to fund Transformation posts/double running	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	
<b>Total</b>				<b>1,244</b>	<b>2,070</b>	<b>1,332</b>	<b>4,646</b>	<b>0.0</b>

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## Appendix 2: Indicative Medium term budgets by service

<b>Communities and Equalities</b>	<b>2022/2023 Budget £'000</b>	<b>2023/2024 Indicative Budget £'000</b>	<b>2024/2025 Indicative Budget £'000</b>	<b>2025/2026 Indicative Budget £'000</b>
In House Accommodation and B&B	7,800	6,940	5,613	4,550
Dispersed Accommodation	7,122	10,738	10,219	9,950
Homelessness Support	5,905	5,905	5,681	5,681
Commissioned Services	7,546	7,546	7,546	7,546
Asylum	62	62	62	62
<b>Total</b>	<b>28,435</b>	<b>31,191</b>	<b>29,121</b>	<b>27,789</b>

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## Appendix 3: Indicative Medium-term budgets by type of spend / income

<b>Communities and Equalities</b>	<b>2022/2023 Budget £'000</b>	<b>2023/2024 Indicative Budget £'000</b>	<b>2024/2025 Indicative Budget £'000</b>	<b>2025/2026 Indicative Budget £'000</b>
<b>Expenditure:</b>				
Employees	15,172	15,172	15,172	15,172
Running Expenses	56,787	64,524	59,506	59,506
Capital Financing Costs				
Contribution to reserves				
<b>Sub Total Subjective Expenditure</b>	<b>71,959</b>	<b>79,696</b>	<b>74,678</b>	<b>74,678</b>
Less:				
Other Internal sales				
<b>Gross Expenditure</b>	<b>71,959</b>	<b>79,696</b>	<b>74,678</b>	<b>74,678</b>
<b>Income:</b>				
Government Grants	-15,046	-15,046	-17,116	-18,448
Contributions from Reserves	0	-5,018	0	0
Other Grants Reimbursements and Contributions	-2,943	-2,906	-2,906	-2,906
Customer and Client Receipts	-25,535	-25,535	-25,535	-25,535
Other Income				
<b>Gross Income</b>	<b>-43,524</b>	<b>-48,505</b>	<b>-45,557</b>	<b>-46,889</b>
<b>Total Net Budget</b>	<b>28,435</b>	<b>31,191</b>	<b>29,121</b>	<b>27,789</b>

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