



Executive

Date: Wednesday, 31 May 2023

Time: 2.00 pm

Venue: Council Antechamber, Level 2, Town Hall Extension

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

Access to the Antechamber

Public access to the Council Antechamber is on Level 2 of the Town Hall Extension, using the lift or stairs in the lobby of the Mount Street entrance to the Extension. There is no public access from any other entrance.

Filming and broadcast of the meeting

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

Membership of the Executive

Councillors

Craig (Chair), Akbar, Bridges, Hacking, Igbon, Midgley, Rahman, Rawlins, T Robinson and White

Membership of the Consultative Panel

Councillors

Ahmed Ali, Butt, Chambers, Douglas, Foley, Johnson, Leech, Lynch and Moran

The Consultative Panel has a standing invitation to attend meetings of the Executive. The Members of the Panel may speak at these meetings but cannot vote on the decisions taken at the meetings.

Supplementary Agenda

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|-----------|---|-----------------------------|
| 7. | Global Revenue Outturn 2022/23
Report of the Deputy Chief Executive and City Treasurer attached | All Wards
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| 8. | Capital Programme Update
Report of the Deputy Chief Executive and City Treasurer attached | All Wards
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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 **Thursday 25 May 2023** by the Governance and Scrutiny Support Unit, Manchester City Council, Level 2, Town Hall Extension, Manchester M60 2LA

Manchester City Council Report for Resolution

Report to: Executive – 31 May 2023

Subject: Revenue Outturn Report 2022/23

Report of: Deputy Chief Executive and City Treasurer

Purpose of the Report

The report sets out the final outturn position for the Council's revenue budget in 2022/23. It also highlights the movements from the previous forecast for the year, which was reported to the Executive in February 2023.

Recommendations

The Executive is requested to:

- (1) Note the 2022/23 outturn position of £4.5m overspent.
 - (2) Approve budget increases following grant notifications (para. 3.2 to 3.9).
 - (3) Approve the carry forward request totalling £674k (para 3.10).
 - (4) Approve the use of reserve funding (para 3.11 to 3.16).
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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.

Our Manchester Strategy Outcomes	Summary of the contribution to the strategy
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities.	The effective use of resources underpins the Council's activities in support of its strategic priorities.
A highly skilled city: world class and home grown talent sustaining the city's economic success.	
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities.	

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

Implications for:

- **Equal Opportunities Policy** – there are no specific Equal Opportunities implications contained within this report.
- **Risk Management** – as detailed in the report.
- **Legal Considerations** – there are no specific legal considerations contained within the report.

Financial Consequences – Revenue

This report sets out the year end position for the council's revenue budget which is an overspend of £4.5m. The report and accompanying appendix set out the reasons for the variations. The overspend will be funded from reserves which reduces the reserves available to the Council. The overspend will be met from the General Fund revenue reserve. In order to ensure that the General Fund reserve is maintained at a prudent level there will be a transfer from the Budget Smoothing Reserve to the General Fund reserve of £7.266m.

Financial Consequences – Capital

There are no capital consequences arising specifically from this report.

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Background documents (available for public inspection): None

1. Introduction

- 1.1. The report updates the Executive on the final budget outturn position for 2022/23. It summarises the main variances, changes since the last report and seeks approvals for new funding that was received toward the end of the financial year. It also sets out the proposed movements to or from reserves as a result of the final outturn position.
- 1.2. The 2022/23 financial year saw a number of challenges as the Council continued its recovery from the impact of the pandemic, with the majority of services returning to normal. However, the Russian invasion of Ukraine in February 2023 came just after the budget had been set and had an immediate impact on energy costs and in turn fed through to broader levels of inflation, which impacted on both the Council's budget and on our residents through the cost of living crisis.
- 1.3. When the budget was set the Bank of England was expecting inflation to peak at around 5% in the spring of 2022¹ and average 2.3% for the year. Inflation peaked at 11.1% in October 2022 and has remained above 10% since. A higher than expected pay award, worth an average of 7% and a more than doubling of energy costs placed significant pressure on the council's budget. In July a forecast overspend of more than £20m was reported.
- 1.4. During the summer period the UK had three prime ministers and a period of significant economic turmoil. Markets have since calmed and energy prices subsided from their peak levels, reversals to the NI increase helped to reduce some of the pressures and officers have worked hard to take actions to reduce the overspend.
- 1.5. As a result of these factors, the Council overspent against its budget for 2022/23 by c.£4.5m. As previously reported, the main drivers of the overspend are the higher than budgeted for pay award, pressures on Children's safeguarding services, Home to School Transport demand and price pressures, and lower than budgeted for parking income, driven by changes to commuter behaviour post-pandemic. An overachievement of investment income and underspends across the Corporate Core partly offset these pressures.
- 1.6. Since the last reported position to Executive in February 2023, based on information to the end of December, the overspend has increased by c£1m. This increase is largely made up of emerging pressures in both Adults and Children's services which are set out in this report, offset by improvements in other Directorates.
- 1.7. This report includes the following appendixes
 - Appendix 1 - Revenue Outturn report

¹ Bank of England Monetary Policy Report - November 2021 <https://www.bankofengland.co.uk/monetary-policy-report/2021/november-2021>

2.0 Overview of Outturn position 2022/23

- 2.1 The final outturn position is an overspend of £4.5m for the year. Full details on the budget, outturn and variances by Directorate are provided at Appendix 1 and summarised below.
- 2.2 Corporate Budgets overspent by £5.3m, mainly due to the pay award being £6m higher than budgeted for (7% vs 3% budget). This was partially offset by the release of contingency and lower than expected historic pension liabilities.
- 2.3 Children's Services overspent by £2.2m, although the service had returned £2m of funding to the Budget Smoothing Reserve at the start of the year. There has been a worsening of the position in the final quarter of £1.6m due to an increase in the number of placements in high-cost settings as well as inflationary pressures on some of the allowances paid to carers. The remainder of the overspend was driven by increased costs of Home to School Transport which has been affected by an increase of eligible children, as well as driver shortages and fuel inflation increasing costs.
- 2.4 Adults Services reported a small overspend of £127k. This includes a total of £1.9m of increased pressures which have emerged in the final quarter of the year. The pressures are driven by a significant increase in the (cost or volume) of placements for people with a Learning Disability placements, an increased number of providers accepting the fee uplift and agreeing to pay the real living wage (partly in reflection of the inflationary pressures in the market), and an increase in the bad debt provision as the cost of living crisis impacts people's ability to pay for care. A full review of long term care budgets to reflect the outturn position will be carried out to understand the impact and realign the budgets for 2023/24.
- 2.5 Neighbourhoods, overspent by £2.1m largely due to shortfalls of parking income as driver habits have changed since the pandemic; market income was also down, reflecting the cost of living impact and reduced space for the Christmas markets. These pressures were partly offset by staff underspends.
- 2.6 Growth and Development underspent by £1.5m, mainly due to higher than expected rental income from the commercial estate, partially helped by a one off return of back dated rents following the acquisition of Wythenshawe Shopping Centre. This was an improvement of £0.9m since the last report. Manchester Creative Digital Assets (MCDA) offset some of these benefits with an overspend of £0.659m as income levels continue to be impacted following the pandemic.
- 2.7 Corporate Core underspent by £1.7m overall an improvement of £0.9m since the last report. Underspends were across all services, with the exception of ICT, which had to respond to an increased threat and prevalence of cyber attacks, following Russia's invasion of Ukraine. The main reasons for the improved position include lower than predicted energy costs as inflationary pressures reduced and increased fee income from the capital programme.

- 2.8 The Directorate savings for 2022/23 totalled £7.8m. All savings were either achieved as planned or mitigated in year. Any ongoing implications have been reflected in the 2023/24 budget.
- 2.9 A balanced budget for 2023/24 was approved by Council 3 March 2023, an early update on the forecast position will be reported to the July Executive meeting. There remains a budget shortfall of over £40m for 2025/26, after the application of c£18m of smoothing reserves and alongside uncertainty about the future funding settlement. The scale of the gap was set out in the Medium Term Financial Strategy report to Executive February 2023. The Council continues to follow a prudent budget strategy of utilising any unused resources to smooth the impact on future years and reduce the level and severity of cuts required.

Dedicated Schools Grant (DSG) Outturn

- 2.10 The Dedicated School Grant (DSG) in-year position underspent by £1.092m and after taking account of the deficit carried forward from 2021/22 of £2.509m the overall deficit at the end of the year was £1.417m.
- 2.11 There are on-going DSG pressures relating to the grant that supports vulnerable children, the high need block (HNB). The HNB on-going gap is estimated to be £5.690m in 2023/24 and £16.631m 2024/25 pre recovery plan actions. The service is working through a three-year HNB recovery plan, focusing on managing demand and identifying efficiencies to help combat these pressures.

Housing Revenue Account (HRA) Outturn

- 2.12 The ringfenced HRA revenue budget had planned to draw down £13.2m from reserves to contribute to the costs of the capital programme, however, the outturn position only required that £10.125m was drawn down from reserve due to a net underspend of £3.075m. The overall total HRA reserves are c£104.4m, of which £36.5m are ringfenced and £68m is the general reserve. Going forward there continues to be pressures in respect of ongoing inflationary increases that are higher than rent inflation, and increased costs of works to assess and alleviate damp and mould.

3.0 Approval requests

- 3.1 The forecast position includes the recommended virements and budget increases for additional funding set out below for the consideration and approval of Executive.

Grant notifications 2022/23

- 3.2 The following grant notifications have been received since the last monitoring report to February Executive:
- Supplementary Substance Misuse Treatment and Recovery Grant (SSMTRG) £40k. This is to improve the service offer for Manchester citizens who have both a substance misuse and housing related support need. The majority of the funding will be invested into existing

commissioned services which support people with a substance misuse/housing need and to build on existing structures and pathways that already exist to support Manchester residents.

- Adult Care Assessment Grant - £260k. This grant was announced on 30 March 2023 and is to support LA's with the cost of funding a dedicated productivity lead to review local systems and implement some or all the following approaches: procure and implement digital efficiency tools already available on the market, embed transformation or business process experts to improve operating models, supplement social worker vacancies with higher ratios of assistant or trainee roles which can be easier to recruit to.
- New Burdens - £0.721m. This funding is in respect of the New Burden costs associated with the implementation of the government's Council Tax Rebate Scheme. Following a more detailed assessment by Government of these costs, the following additional funding was made available in 2022/23 to support the additional requirements relating to;
 - Council Tax Energy Rebate at £360k
 - Electoral Integrity Programme £79k
 - Business Rates Relief - £143k
 - New Licence checks (Taxis and Scrap Metal) - £6.6k
 - Redmond Review Local Audit Costs - £83k
 - New Burdens 7 Post Payment Assurance, Reconciliation and Debt Recovery - £49k

- 3.3 Where it has not been possible to spend the grants in full due to their late notification in 2022/23, they are automatically carried forward into 2023/24 as part of the reserves for revenue grants over more than one financial year.

Grant notifications 2023/24 and the ICB Locality Budget

- 3.4 Notification of the Public Health grant for 2023/24 was received 14 March 2023, after the budget was set. Manchester's allocation is £57.048m, an additional £1.802m (3.26%) from the £55.246m allocation in 2022/23. It is recommended that this is passported to the Public Health Budget.
- 3.5 The 2023/24 budget for the Manchester Locality Structure for health has been set at £8.3m, which is £5.6m lower than the existing cost of the locality structure. Structures are currently subject to consultation prior to a final agreed position with the ICB. To avoid losing capacity that is essential to the provision of NHS services in Manchester and to ensure there is a managed transition to reducing costs the Council have agreed to fund the public health, population health and equality, inclusion and engagement teams, and to contribute towards the cost of the Deputy Place Based Lead, recurrently by applying £0.5m of public health grant. It is important that these skills and capacity are retained within Manchester. The remaining balance of the increased grant will be required to increase Public Health budgets to reflect the Agenda for Change increased costs of contracts.
- 3.6 In addition, a one off £1m has been set aside from the Public Health reserve to underwrite any additional transition costs that may be incurred. This is conditional on an agreed budget position being reached with the Integrated Care Board of the ICS.

- 3.7 The position of the Public Health reserve has improved by £1.1m since the forecast at period 9. It is requested that £1m from the reserve is set aside to draw down if required to smooth the transition from the CCG to the locality place based budgets and underwrite any potential shortfall. When the locality budgets are formally agreed the updated position and any required drawdown from the reserve will be reported back to Executive.
- 3.8 Further work is being undertaken to reduce costs and ensure their 2024/25 budget is within the resources available. This is focused on further aligning health and care within Manchester creating a more integrated model for the locality focused on delivering the right outcomes for Manchester's population in a financially sustainable way.
- 3.9 As stated above, it is proposed to use £0.5m of the public health grant increase on a recurrent basis to cover the costs of the equalities and engagement team that were previously part of the Manchester CCG.

Carry forward requests

- 3.10 Requests have been made for £0.674m to be carried forward to support the following priorities in 2023/24:
- The 2022/23 Local Infrastructure Fund ward budgets underspent by £366k and the carry forward will be used to meet the costs of planned 2023/24 projects where resources are committed but not yet delivered.
 - £208k carry forward from the Corporate Core underspend in Legal Services is requested to support further development in the Legal case management system, this will include enabling DocuSign and commissioning bespoke reports. The proposed changes will provide further opportunities to increase automation and reduce manual interventions and help with increased efficiency. The additional supplier spend proposed does not exceed the agreed contract value. A £100k underspend in Revenues and Benefits is requested to be carried forward to support foodbanks in 2023/24 as part of the Council's response to the Cost of Living crisis.

Budget Smoothing Reserve

- 3.11 The Budget Smoothing reserve has been created through underspends in previous years. It is used to smooth the impact of budget shortfalls whilst savings are developed and implemented. As reported to Executive throughout 2022/23 any remaining overspend which could not be mitigated in year would be a call on the General Fund Reserve and that this would need to be replenished from the Budget Smoothing Reserve to retain it at a prudent level. The overspend was forecast at £3.538m at period nine and built into the planned use of the smoothing reserve.
- 3.12 The reserve strategy approved by Executive in February 2023 built the use of the smoothing reserve into the revised medium term financial plan. The anticipated reserve balance at the end of 2022/23 was £48.7m. This was expected to be fully applied by 2026/27.

3.13 Since then, further transfers to smoothing reserve are proposed and are subject to approval as follows:

- Costs related to supporting vulnerable residents have been eligible for funding through the remaining balance of the government's Contain Outbreak Management Fund (COMF) grant rather than core budgets. This has enabled £1.9m of earmarked reserve to be released to the Budget Smoothing Reserve.
- A £1.8m refund has been received from GMCA relating to the waste disposal levy. As this is a one-off amount of funding it is recommended that this is used to support the budget position.

3.14 These adjustments bring the 2022/23 transfer to the smoothing reserve to c£25m, an additional £3.7m from when the budget was set, as shown in the table below.

	Opening Balance 01/04/22	Contribution approved to support investment	Transfer from other reserves	Transfer from SR to fund 22/23 overspend	Closing Balance 31/3/23
	£'000	£'000	£'000	£'000	£'000
Original forecast (Feb 23 MTFP)	21,964	9,000	21,305	(3,538)	48,731
Revised position (May 23 Outturn)	21,964	9,000	25,033	(4,543)	51,454
Change since MTFS approval	0	0	3,728	(1,005)	2,723

General Fund Reserve

3.15 The General Fund Reserve is the only un-ring-fenced reserve and is held to meet costs arising from any unplanned event. It also acts as a financial buffer to help mitigate against financial risks and can be used to a limited degree to “smooth” expenditure across years. The General Fund must be held at an adequate level to protect the Council from the financial risks inherent within the proposed budget strategy. Any under or overspends at the end of the financial year are transferred to or drawn down from the General Fund reserve. The increased overspend from that reported in February 2023 was £1.005m and will reduce the balance on the General Fund Reserve as at 31 March 2023 to £22.122m.

3.16 The Council’s reserves strategy recommends that the General Fund is maintained in the region of c£25m to provide sufficient resources to mitigate for unforeseen budget risks. Therefore, it is recommended the general fund is replenished from the surplus balance of £2.723m from the Budget Smoothing Reserve to give a closing 2022/23 General Fund reserve balance of £25.850m and a balance of £48.731m on the smoothing reserve. The requests to carry forward £0.674m, as detailed at paragraph 3.9 will be a first call on the General Fund reserve in 2023/24, and if approved, reduce the balance to **£25.176m**, back in line with the required level.

4.0 Conclusion

- 4.1 As detailed in the accompanying report, the final year end position is an overspend of £4.5m. This has decreased from the £20.1m reported in September (based on the July position) and reflects both actions taken by the Council to manage the budget pressures, and the reduction in utility costs from the higher levels forecast during summer 2022.
- 4.2 In order to maintain the General Fund reserve at the recommended level of around £25m a transfer from Smoothing reserve is proposed as set out in the previous section.
- 4.3 In summary, the in year overspend and carry forward requests can be contained within available resources without significantly changing the overall position as set out in the Medium Term Financial Strategy approved in February 2023.
- 4.4 The ongoing implications of the 2022/23 outturn position are being reviewed and will form part of the Global Monitoring report to Executive in July 2023.

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Appendix 1 - Revenue Outturn Report

Financial Executive Summary

- The Council overspent against its budget for 2022/23 by c£4.5m, during a year where inflation and economic turmoil were prominent. The main drivers of the overspend are the pay award being higher than budgeted (7% actual vs 3% budgeted), pressures on Children's safeguarding, Home to School Transport demand and price pressures, and lower than budgeted parking income driven by changes to commuter behaviour post pandemic. These pressures were partly offset by an overachievement of investment income and underspends across the Core.
- The overspend has increased by c£1m since the last report to Executive at Period 9. This is predominantly due to increased costs in Adult's (£1.9m) and Children's Services (£1.6m) mostly relating to demand in the final quarter, partly offset by improvements in the other directorates.
- Workforce budgets show an overall mainstream underspend of £7.4m, this is net of agency costs of over £22.3m.
- Approved Directorate savings for 2022/23 totalled £7.837m, all savings were either achieved as planned or mitigated in year. Any ongoing implications have been reflected in the 2023/24 budget.

Overall MCC Financial Position

Integrated Monitoring report Period 12 total variance £4.543m

Summary P12	Original Revenue Budget	Revised Revenue Budget	Outturn	Variance from Revised Budget	Movement since last report (P9)
	£'000	£'000	£'000	£'000	£'000
Total Available Resources	(690,599)	(706,031)	(707,971)	(1,939)	(429)
Total Corporate Budgets	140,652	108,650	113,911	5,261	70
Children's Services	129,020	130,060	132,266	2,206	1,619
Adult Social Care	227,094	189,588	189,714	127	1,939
Public Health		42,685	42,685	0	0
Neighbourhoods	91,704	101,454	103,588	2,135	(380)
Homelessness	27,346	28,475	28,426	(48)	(48)
Growth and Development	(9,752)	(8,772)	(10,288)	(1,517)	(892)
Corporate Core	84,535	113,892	112,214	(1,678)	(870)
Total Directorate Budgets	549,947	597,381	598,606	1,224	1,367
Total Use of Resources	690,599	706,031	712,516	6,485	1,437
Total forecast over / (under) spend	0	0	4,546	4,546	1,008

Corporate Resources

Corporate Resources £1.939m over-achievement

Resources Available	Annual Revenue Budget	Outturn	Variance from Budget	Movement since Last Report (P9)
	£'000	£'000	£'000	£'000
Retained Business Rates	(158,337)	(159,834)	(1,497)	2
Business Rates Grants	(77,216)	(77,216)	0	0
Council Tax	(208,965)	(208,965)	0	0
Other Specific Grants	(119,591)	(119,608)	(17)	23
Use of Reserves	(141,922)	(141,922)	0	0
Fortuitous Income	0	(426)	(426)	(455)
Total Corporate Resources	(706,031)	(707,971)	(1,939)	(429)

Corporate Resources - Financial Headlines

- Retained Business Rates - Each year the Government completes a reconciliation of total business rates collected and retained centrally. Under the existing national retention scheme high growth authorities are levied up to 50% on growth achieved. This levy is passed to Government and designed to fund the Safety Net scheme which supports authorities who are not realising their business rates baseline. However, the national levy fund was in surplus. Under regulation business rates is used solely to fund local government and as such any national surplus is distributed in line with the national RSG formula. The Council's share of this was £1.497m which was notified in 2022-23 after the budget was set.
- Performance of the Business Rates Collection for the year is 97.29% (excluding account credits) which represents a return to pre covid levels and is an improvement on 94.79% in 2021/22, 87.91% in 2020/21 and 97.58% in 2019/20.
- Business Rates Grants reflect reimbursement of lost rates income due to enhanced and new relief schemes which have been introduced by Government after 2013. These reliefs were not built into the business rate system's baseline and must be funded so authorities are placed in the same financial position. This includes indexation grant where the Government has fixed, capped or amended the inflation measure applied to the multiplier.
- Council Tax in year collection rate at end of March is 89.17% which compares to 89.81% in 2021/22, 90.15% in 2020/21 and 92.73% in 2019/20. The reduced collection could relate to the Cost-of-Living Crisis and financial difficulties faces, this will be closely monitored. Council tax arrears continue to be pursued after the end of the financial year with the forecast long-term collection rate being 95.5% for liabilities relating to 2022/23.
- Other specific grants mainly pertain to; Improved Better Care Fund Grant (c£32m), Childrens and Adults Social Care Grant (c£32m), Services Grant (c£12m), Household Support Fund (c£13m) and New Homes Bonus (c£10m), all in line with budget. The net £17k overachievement relates to minor differences in several smaller grants – Council Tax Subsidy, Social Care in Prisons Grant and Education Services Grant.
- The Use of Reserves has been drawn down as planned, £110m of which, reflects the timing of the Business Rates S31 grants for Extended Retail Relief which was received in 2021/22 but is applied to offset the 2022/23 Collection Fund Deficit.

- Fortuitous income of £426k follows the implementation of a new income collection system and represents the unallocated income balances of the former system which had been received but not allocated to services. Following the closure of the legacy system, these balances have been allocated to support the corporate position.

Corporate Budgets

Corporate Budgets £5.261m overspend

Planned Use of Resources	Annual Revenue Budget	Outturn	Variance from Budget	Movement since Last Report (P9)
	£'000	£'000	£'000	£'000
Other Corporate Items	66,149	66,033	(116)	(4)
Contingency	293	0	(293)	0
Inflationary Budgets and Budgets to be Allocated	(6,052)	0	6,052	0
Apprentice Levy	1,029	1,113	84	84
Transport and other small Levies	37,915	37,900	(15)	(2)
Historic Pension Costs	7,316	6,865	(451)	(8)
Transfer to Budget Smoothing Reserve	2,000	2,000	0	0
Total Corporate Budgets	108,650	113,911	5,261	70

Corporate Budgets - Financial Headlines

The higher than budgeted pay award is the main driver of the corporate budgets overspend. In order to more accurately track and monitor staffing budgets, the full budget to cover the pay award was transferred to Directorates, leaving a shortfall on the corporate budget line of £5.261m. The breakdown of the corporate variance is set out below:

- Other Corporate Items relates to Council wide costs as follows;
 - The Council's Capital Financing and Insurance budgets both of which are in line with the 2022/23 budget.
 - Bad Debt provision for Council wide debt pre-2009. This has an underspend of £116k due to payment plan arrangements being secured.
 - Corporate transfers to reserves as planned.
- There was £0.6m set aside in corporate contingency for unexpected costs which arise in year. Approval to release £307k relating to ICT system security was obtained at period 7. The remaining balance of £293k was released to support the 2022/23 position.
- Inflationary budgets are the main driver of the overspend, exceeding the budget by £6.1m made up of:
 - The employer's pay award offer for 2022/23 was agreed as a flat £1,925 on all NJC pay points 1 and above, an overall average increase of 7%, costing £13.6m in total. The budget was based on a 3% increase (£6.4m), in line with the inflation expectations when the budget was set. This has resulted in a pressure of £7.2m which was partly offset by a £0.6m reduced budget requirement due to the reversal of the April 1.25% NI rise in November, resulting in an overall pay related overspend of £6.6m.

- Utility cost increases resulted in budget allocations to directorates totalling £11.7m, the budget allowed for £11.5m of additional costs resulting in an overspend of £200k.
- Budget requests relating to general price inflation were £3.7m against a budget of £4.5m resulting in an underspend of £0.8m.
- Historic Pension Costs have underspent by £451k (6.57%) due to a reducing number of recipients, this is reflected as a saving in the 2023/24 budget.
- The Consumer Prices Index (CPI) peaked in October 2022 and ended the year at 10.1% in March 2023, 0.3% less than February, and averaged over 10% in 2022/23 against the Bank of England target of 2%.

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Children's Services

3a. Children's and Education Services - £2.206m overspend

Children's Services	Annual Revenue Budget	Outturn	Variance From Budget	Movement since last report (P9)
	£'000	£'000	£'000	£'000
Looked After Children (LAC) Placements	45,751	46,285	534	1,923
LAC Placement Services	7,533	7,735	202	(53)
Permanence & Leaving Care	13,165	13,386	221	(243)
Safeguarding Service Areas	37,781	37,813	32	11
Children's Safeguarding	104,229	105,219	990	1,638
Education Services	7,056	7,368	311	(27)
Home to School Transport	11,891	12,575	684	(119)
Targeted Youth Support Service	841	840	(1)	(1)
Education	19,788	20,782	994	(147)
Strategic Mgmt. & Business Support	6,043	6,265	222	128
Total Children's & Education Services	130,060	132,266	2,206	1,619

Children's and Education Services - Financial Headlines

Children's Services returned £2m of their initial budget to support the overall in year pressures and contribution to their 2023/24 savings as part of the Period 2 monitoring. This outturn position is therefore against the lower revised budget of £130.060m.

The overall position as at Period 12 is a year-end overspend of £2.206m, after taking account of the corporate contribution. The Directorate position is made up of:

- £0.534m LAC placement overspend is mainly due to increased numbers of children in External Residential placements. The service is progressing with a proposal regarding investment (£0.8m) into specialist provision and increase in-house provision (reopening of Olaniyan, and 4 additional placements by Spring 2023) this alongside capacity to accelerate those providers seeking Ofsted registration, is expected to lead to a reduction in the use of External Residential placements.

- £202k LAC placement services overspend is on non-staffing budgets in the Leaving Care Service (i.e. travel and premises) and Fostering Service vacancies being filled by agency staff to maintain caseloads at safe and sustainable levels.
- £221k Permanence and Leaving Care overspends are mainly caused by Section 17 payments which prevent children from having to come into care. This is partially offset by No Recourse to Public Funds and Unaccompanied Asylum Seeker Children's grants.
- £32k Safeguarding Service overspend has been mainly driven by social work agency pressures in localities. The Deputy DCS and Heads of Localities are reducing dependence on agency whilst further promoting recruitment.
- £0.994m Education Services pressures mainly relate to increased pressures in Home to School Transport (£0.684m) and providing short breaks to carers (£310k). Home to School Transport costs have increased due to a combination of fuel prices, increased eligible children and a shortage in provision in the market pushing prices up. Both services are currently being reviewed. This work will help to shape and inform service transformation. It is expected that the recommendations will enable the service to manage down the pressures in both areas. A comprehensive review of 'short-breaks' offer is being undertaken to strengthen decision making and review arrangements.
- £222k Strategic Management and Business Support overspends. Key pressures being international recruitment costs and archiving costs.

The £1.619m movement since the last reporting relates to:

- £1.923m additional LAC placement costs brought about mainly by a net increase of 4 External Residential (£0.680m), an increase in external residential unit costs (£50k), increase in External Fostering unit costs of placements (£251k) and Community Support costs (£291k). Internal Fostering placements expenditure grew due to an increase in average weekly cost of 2.63% due to foster carers qualifying for higher skill fees under policy changes (£221k). Internal Residential running costs were confirmed in the last quarter of the year and were (£430k) higher than previously anticipated.
- £53k improvement in LAC placement services in relation to reduced Adoption agency fees and in project membership costs related to the Fostering (Mockingbird) network.
- £243k favourable movement in Permanence and Leaving Care due to a reduction in overall expenditure in the No Recourse to Public Funds service and growth in UASC placements being covered by additional grant funding.
- £11k adverse movement in Children's Safeguarding Areas increase workforce spends within Localities and Cared for Children team offset by increases legal court fees underspends.
- £146k favourable movement in Education Services due to reduction in Home to School Transport expenditure linked to reduction in activity (linked to strike action).
- £128k adverse movement in Directorate Core and Back Office Services mainly relating to the Unicef launch as part of the Our Year Programme.

To mitigate this the Council is investing and expanding preventative services in managing LAC placements and Home to School Transport. The recurrent impact of the current cohort of placements point to a financial gap of around £6m in 2023/24, if no action is taken. The investment programme implemented is expected to impact on this figure and bring within budget.

Children's Services – Dedicated Schools Grant

3b. Dedicated School Grant (DSG) - £1.092m in –year underspend

Dedicated School Grant (DSG)	Annual Budget	Outturn	Variance from Budget	Movement since last report (P9)
	£000	£000	£000	£000
Schools Block	196,938	195,13	(1,803)	(1,748)
Central Services Block	3,868	3,976	108	46
High Needs Block	103,155	105,295	2,141	2,400
Early Years Block	39,972	38,435	(1,537)	(1,029)
Total in-year	343,933	342,841	(1,092)	(331)
Deficit b/fwd (£2.702m less school clawback £193k)			2,509	
Overall DSG position	343,933	342,841	1,417	(331)

Dedicated School Grant (DSG) - Financial Headlines

The Dedicated Schools Grant (DSG) in 2022/23 was £633m, of which £289m is top sliced by the Department for Education (DfE) to fund academy budgets. This includes additional supplementary grant funding for 2022/23 provided for the high needs block of £4.034m.

The DSG in-year position underspent by £1.092m. This reflects some progress that has been made in relation to the high needs budget recovery programme. The overall position, the cumulative deficit **shows a £1.417m deficit**, an improvement of £331k since period 9.

In the spring there was an adverse movement of £2.4m in high needs block due to increased demand for Education, Health and Care plans, more Out of City placements, additional special school in-year adjustments cost and increased post 16 spend. This increase as been mostly offset by underspends in the school's block. Manchester's support to Afghan refugees led to several schools' expansions across the city. Government has recognised these additional costs and provided a £1.907m (Afghan) grant on 31st March, which has been applied to offset the in year cost of expansions, early years, and High Needs costs that had been incurred because of the support to Afghan refugees. The underlying position shows a £1.417m cumulative deficit and includes the brought forward deficit from 2021/22, which related to the high need block (HNB) pressure. The 2022/23 HNB pressures were greater than anticipated, with the on-going impact of this needing to be addressed by the recovery plan.

The HNB on-going gap is estimated to be £5.690m in 2023/24 and £16.631m 2024/25 pre recovery plan and if no action is taken. The service is working through a three-year HNB recovery plan, focusing on managing demand and identifying efficiencies to help combat these pressures, which are affecting Councils across the country.

Adult Social Care / Manchester Local Care Organisation

Adult Social Care - £127k overspend

Adult Social Care	Annual Revenue Budget	Outturn	Variance from Budget	Movement from Last Report (P9)
	£'000	£'000	£'000	£'000
Long Term Care:				
Older People/Physical Disability	48,478	50,856	2,378	1,359
Learning Disability	56,451	56,783	332	1,035
Mental Health	24,843	24,609	(234)	279
Disability Supported Accommodation Service	15,607	17,812	2,205	164
Investment funding	1,912	(261)	(2,173)	(183)
Sub Total	147,291	149,799	2,508	2,654
Short Term Care:				
Reablement/Short Term Intervention Team	6,935	6,383	(552)	(3)
Short Breaks/Respite/Day Centres/Neighbourhood Apartments	5,659	5,028	(631)	(273)
Equipment & Adaptations	4,689	4,401	(288)	(40)
Carers/Voluntary Sector	3,329	3,282	(47)	(38)
Sub Total	20,612	19,094	(1,518)	(354)
Infrastructure and Back Office:				
Social Work teams	17,221	16,171	(1,050)	(100)
Safeguarding/Emergency Duty	3,332	3,520	188	22
Brokerage teams	1,477	1,427	(50)	(14)
Management and support	(345)	(296)	49	(269)
Sub Total	21,685	20,822	(863)	(361)
Total Adult Social Care	189,588	189,714	127	1,939

Adult Social Care - Financial Headlines

Adults Services overspent by £127k, an adverse movement of £1.939m since the last report. In the context of the national challenges facing health and social care, the outturn is positive. The budgeted savings have been managed, in addition to cost avoidance activity, indicate that the BOBL programme is helping citizens to achieve independence and better outcomes, whilst preventing, reducing and delaying demand into adult social care. These achievements have been supported by operating a strengths-based approach and implementing an improved short-term care offer and improved commissioning practices. Progress remains impacted by recruitment constraints with work continuing to fill posts through tailored recruitment initiatives. In the final quarter of the year client numbers have increased across learning disability and mental health cohorts. However, for older people's residential care, the downward trend has continued, and early evidence suggests clients who go through the pathway 3 Discharge to Assess (D2A) process are less likely to remain in residential care. As reported at period 9, all the winter discharge fund (£2.2m direct to the Council and £3.8m through the GM ICS) has been fully utilised.

Key highlights include:

- Full delivery of the £4m savings target through the delivery of effective demand management;
- £2m of one-off funding returned to the council following an audit of unspent direct payments allowances covering several financial years;
- £4.5m of the £5.5m system support funding from reserves has not been deployed in line with the ASC budget report;
- A £10m uplift to support providers including ensuring they pay the Real Living Wage.

The key financial risks are:

- Disability Services Accommodation Service DSAS (£2.205m overspend). Whilst mitigated in the 2023/24 budget assumptions, there is a short term £0.800m risk in relation to waking nights costs due to changes in fire safety requirements post Grenfell. Longer term the financial plan is linked to the review of Provider Services with an increased focus on complex care. The review will identify the most appropriate use of the wider property portfolio leading to an expectation of significant savings on external placements;
- The increase in activity in the last three months of the year will feed through into 2023/24 financial year. Our budget assumptions are being remodelled with a re-set of the long-term care budgets taking account of the changing trends in activity. Winter discharge arrangements have been covered by funding from central government in 2022/23, which has now ceased with no further funding expected for 2023/24; and
- There is significant work underway to fully programme manage the delivery of the proposed saving programme ahead of 2023/24.

Long Term Care

The outturn position on long term care is an overspend of £2.508m which is an increase of £2.654m from period 9. One of the main pressures is within DSAS (£2.205m overspend), an increase of £164k from period 9 which reflects the continued use of agency staff to support the most vulnerable clients. The overspend on Learning Disability of £332k is due to an increase in client numbers of 56 from period 9, driving an increased variance of £1.035m since period 9. There is a pressure across residential and nursing budgets of £235k (driven by higher than budgeted nursing costs) and of £248k on homecare due to increasing client numbers. The pressures on both residential and nursing budgets and the homecare budget would have been higher without the full utilisation of winter discharge funding. There is an underspend on Mental Health budgets of £234k which is an adverse movement of £279k from period 9 and reflects an increase of 21 clients from period 9. Across the other care budgets there are underspends on direct payments of £1.224m reflecting the return of unused funding and other minor underspends on day care and short breaks of £381k, offset by a small overspend on carers budgets of £71k. This overall position is offset by releasing the full allocation of demographics funding (£1.880m), unutilised investment funding (£0.419m) and the social care assessment grant released in March (£261k). Use of £4.5m of the £5.5m smoothing reserve is deferred to support the proposed savings programme 2023-26, of which £1.5m is within the long-term care budget.

Short Term Care

Overall the outturn position on short term care is an underspend of £1.518m. This is an increase in the underspend of £354k from period 9. As previously reported the underspend mainly reflects the vacancy position on Reablement (£0.552m) and underspends within Short Breaks/Respite/Day Centres/Neighbourhood Apartments (£0.631m), Equipment and adaptations of (£396k) with other minor net overspend variations (£61k).

Infrastructure and Back Office

Overall, the final outturn position is an underspend of £0.863m, an increase of £361k from period 9.

The underspend on social work teams is (£1.050m) comprising £384k on the hospital teams, £285k on INT teams and £382k on specialist learning disability teams. Overall, this equates to 67.2 FTE, of which 35.5 FTE have been appointed to and are going through pre-employment checks or are being held for Social Work apprentices. All remaining vacancies are out to recruitment. The majority are covered by agency in the interim.

The overspend on safeguarding (£0.189m) relates to the pressure on best interest assessments in relation to Deprivation of Liberty Standards. It should also be noted the government have recently paused the introduction of LPS (Liberty Protection Safeguards), pending further consultation on a revision to their original plans.

Management and support overspent by £48k which includes:

- Release of £1.564m investment funding and £348k of BOBL investment
- Reduction in deployment of the smoothing reserve (£3.000m) as outlined above
- £468k of BCF funding, due to careful consideration of recurrent deployment priorities and recruitment delays
- An underspend on Business Support of £411k due to challenges across the recruitment market
- An underspend of £66k across back office and strategic management areas

Public Health

Public Health – Balanced Budget

Public Health	Annual Revenue Budget	Outturn	Variance From Budget	Movement since last report (P9)
	£'000	£'000	£'000	£'000
Public Health Core Staffing	2,987	2,382	(605)	(233)
Public Health - Children's Services	4,222	4,161	(61)	(43)
Early years - Health Visitors	10,676	10,676	0	0
Drugs and Alcohol	8,989	8,809	(180)	(125)
Sexual Health	8,295	7,922	(373)	(110)
Wellbeing (includes ZEST)	6,058	5,547	(511)	(413)
Other	1,458	289	(1,169)	(176)
Contribution to Reserves	0	2,899	2,899	1,100

Total Public Health	42,685	42,685	0	0
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Public Health - Financial Headlines

- Public Health underspent by £2.899m. This has been transferred to the Public Health reserve for future investment in the Making Manchester Fairer programme. There are underspends on the staffing budgets of £0.605m due to vacant posts and the maximisation of external funding. Wherever it has been appropriate to do so, external funding has been maximised to free-up mainstream funding. There are underspends on the activity-based contracts for sexual health and drugs and alcohol due to reduced numbers accessing services. Fully utilising new funding from central government, which was received in year, has contributed towards the increase in the overall underspend. Plans are being considered on the usage of the grants in 2023/24 to both ensure compliance with the new initiatives, particularly regarding drugs and alcohol, as well as ensuring continued support for the Making Manchester Fairer programme. Negotiations with Health partners regarding 'Agenda for Change' pay uplifts will continue as the wider national negotiations across most health budgets regarding inflationary uplifts continues. Once concluded, this will be a call on the funding held in reserve.
- The Marmot task group have released funding for the first tranche of 'kick-starter' schemes for priority areas with the potential for invest to save measures funded from the £3m investment fund.

Neighbourhoods

Neighbourhoods overall - £2.135m overspend

Neighbourhoods	Annual Revenue Budget	Outturn	Variance to Budget	Movement since last report (P9)
	£'000	£'000	£'000	£'000
Neighbourhood Management & Support	1,178	1,194	16	(34)
Operations and Commissioning	44,505	47,319	2,814	(150)
Parks, Leisure, Events and Youth	9,479	10,195	716	(107)
Compliance and Community Safety	11,672	10,559	(1,113)	(112)
Libraries, Galleries and Culture	10,010	10,493	483	483
Neighbourhood Area Teams	3,623	3,164	(459)	(278)
Other Neighbourhood Services	274	286	12	12
SUB TOTAL	80,741	83,210	2,469	(186)
Highways	20,713	20,378	(335)	(195)
Total Neighbourhoods	101,454	103,588	2,135	(380)

Neighbourhoods - Financial Headlines

Neighbourhood Services - £2.135m overspend, a reduction of £380k from the last reported position

Operations and Commissioning - £2.814m overspend

- Off St Parking - £2.420m reduced off street car parking income, the position has deteriorated by £449k from period 9. Whilst new tariffs were implemented before Christmas, the changes to early bird options, particularly the after 10.30am reduced rates has provided more flexibility to commuters but has also reduced income from day visitors and shoppers. There has also been reduced usage in February and March. Running costs have also been impacted by higher electricity and supplies and services costs of £126k. A commission is being prepared to review both the Council's on street and off street car parking to ensure they are aligned and complement each other, this will include both hours of operation and tariffs charged. In addition to this work is also being done to review revenues from enforcement of moving traffic offences and new bus lane enforcement. All enforcement income must be reinvested into improving transport infrastructure and delivering the service.
- £0.995m shortfall in Christmas Markets. The losses due to closure are time limited and discussions are ongoing with members about the use of Piccadilly Gardens for 2023. There will be opportunities for increased income generation once the enlarged space at Albert Square is reopened, this is scheduled for Winter 2024.
- £449k underachievement of general markets income. The main pressures are as a result of the following markets not achieving the forecast income because of ongoing lower footfalls and reduced income for stall rentals, Sunday Market Car Boot (£102k), Gorton (£120k) and New Smithfield Market (227k), this is partly due to not recovering back to original levels post pandemic. Proposals to redevelop New Smithfield Market are being progressed, and this may impact on the revenue position and will be set out as part of the business case.
- CCTV £188k overspent due to loss of income for accommodation costs in relation to parking and bus lanes monitoring following a change in operators. These overspends are offset by;
- An underspend of £293k on Waste and Recycling due to lower than anticipated running costs in the final quarter.
- An underspend of £470k for Waste Disposal Costs because of an adjustment to the levy charges from GMCA, the refund is due to lower actual in year costs.
- Advertising surplus income of £330k this is due to a combination of a higher than anticipated inflationary uplift in year and an increased revenue share based on in year performance.
- Fleet Services has underspent by £60k due to a combination of increased income from vehicle hires, salary savings and a reduction in workshop rents although this is offset by the residual costs of Manchester Fayre (£60k) as some employees are still awaiting new roles.
- Grounds Maintenance has a net saving on employee costs of £38k.

Parks, Leisure Events and Youth - £0.716m overspend

- An overspend of £466k on Leisure Services is due to income losses at the Manchester Aquatic Centre (MAC) car park and Abraham Moss, these are time limited whilst both sites are undergoing refurbishment. The reopening of the MAC car park may be affected by the changes of parking habits following the pandemic and this will be monitored carefully. There have also been additional costs in respect of financial support required to ensure Broadway Leisure Centre can continue to

operate. These are offset by use of one off non utilisation of (£0.6m) set aside to support Covid recovery in the current financial year.

- Events overspent by £100k due to a combination of increased costs due to the England Women's Football Team reaching the Euro Finals, and lower than forecast commercial income and sponsorship for events.
- Youth Services is forecasted to overspend by £180k due to additional costs of support for Wythenshawe Active Lifestyle Centre.
- Parks are forecasting a small employee underspend of £30k.

Compliance and Community Safety - £1.113m underspend

- This is mainly due to net forecasted staffing underspends with the increased underspend of £112k from Period 9 being mainly attributable to the delays incurred in appointed staff being able to start in role due to delays with DBS checks.

Libraries, Galleries and Culture – £483k overspend

- Libraries are now reporting a £483k overspend, this is an increase of £483k from the balanced budget reported at Period 9. The increased costs are in backdated historic rents for the North Area Library.

Neighbourhood Teams - £459k underspend

- £350k of the underspend relates to the net position on the ward level Local Investment Fund (LIF) and a request has been made to carry forward this amount to fund existing LIF commitments in 2023/24, the remaining underspend are linked to in year vacant posts as well as small underspends on project budgets.

Highways - £335k underspend

- Highways have overachieved on the income budgets by £1.493m on Highways maintenance due to income for additional works and £0.887m for street permits and other income in Network Management. This is reduced by a £2m revenue contribution to the highways capital programme that has enabled further investment in the network. There was a minor overspend on Accident and Trips due to a higher than forecast claims.

Homelessness

Homelessness £48k Underspend

Homelessness	Annual Revenue Budget	Outturn	Variance from Budget	Movement since last report (P9)
	£'000	£'000	£'000	£'000
Singles Accommodation	2,502	2,381	(121)	(197)
B&B's (Room only)	4,000	2,940	(1,060)	(1,625)
Families Specialist Accommodation	362	290	(72)	59
Accommodation Total	6,864	5,611	(1,253)	(1,763)
Floating Support Service	2,161	1,891	(270)	66

Dispersed & Temporary Accommodation Management Fee	5,531	5,742	839	0
Dispersed Accommodation Total	7,692	7,633	569	66
Homeless Management	949	1,183	234	(44)
Homeless Assessment & Caseworkers	2,772	2,485	(287)	0
Homelessness PRS & Move On	1,680	2,888	1,208	1,570
Rough Sleepers In reach/Outreach	443	443	0	0
Tenancy Compliance	172	99	(73)	(32)
Homelessness Support Total	6,016	7,098	1,082	1,494
Commissioned Services	7,841	8,071	230	203
Commissioned Services Total	7,841	8,071	230	203
Asylum	62	13	(49)	(49)
Asylum Total	62	13	(49)	(49)
Total	28,475	28,426	(48)	(48)

Homelessness - Financial Headlines

The reported position for Period 12 is a net underspend of £48k.

Overview of main cost drivers in Homelessness:

- Accommodation. An underspend of £1.253m, there has been a material reduction in B&B numbers since the change to the Allocations policy and as a result of this the spend on B&B's had reduced by £1.245m from the P9 forecast. In the 8-week period since early February there has been a reduction of 89 families and 207 singles placed in B & B accommodation, and this has reduced daily gross expenditure by c£17k. A key feature of the current transformation programme is focussing on supporting people in their current accommodation and avoiding the need for people to move into temporary accommodation unnecessarily.
- Dispersed Accommodation. Overspend of £0.569m, as the pressures in the rental market in Manchester increased providers began to withdraw properties from the scheme to let on the open market, if this had been allowed to continue the pressures faced in B&B would have been unsustainable. As a result of this a rate increase was awarded which has resulted in an overspend. As part of the budget setting process for 2023/24 this pressure has been covered by a budget increase. The current housing subsidy loss to the Council for Dispersed Accommodation is £137k per week (£7.1m p.a.), this is the shortfall in Housing Benefit income that the Council can claim when compared to the rents paid, the housing benefit income received is 90% of the 2011 Local Housing Allowance. The shortfall for a 1-bedroom property is £60 per week, £86 for a 2-bedroom property, £92 for a 3-bedroom property increasing to £94 per week for a 4-bedroom property. Placements at the end of March were 1,597. The District Homes Pilot is now fully operational with a further 400 properties transferred to District Homes management, the housing subsidy loss incurred by the Council would be £1m higher per annum if the 400 properties being managed by District Homes were managed by the Council.
- Homelessness Support Overspend of £1.082m, driven by increased costs on Private rented Sector placements and Move On, significant work has been undertaken by the service to undertake case checks as previously reported. Spend in Private Rented Sector has increased in the last three months as part of this exercise to ensure that residents retain their current tenancies or are found alternative rental properties. This

increased spend will result in a significant reduction in B&B spend on a permanent basis, as can be seen by the rapidly falling number of people who are being placed in B&B accommodation.

- Commissioned Services, overspend of £230k linked to inflationary pressures faced by the Voluntary Sector both in terms of wage inflation and property related inflation.

Housing delivery and HRA

Housing Revenue Account	Annual Budget	Outturn	Variance from Budget	Movement since last report (P9)
	£'000	£'000	£'000	£'000
Housing Rents	(63,713)	(63,829)	(116)	(993)
Heating Income	(681)	(631)	50	50
PFI (Private Finance Initiative) Credit	(23,374)	(23,374)	0	0
Other Income	(979)	(3,392)	(2,413)	(2,370)
Funding from General/MRR Reserves	(13,188)	(10,125)	3,063	3,063
Total Income	(101,935)	(101,350)	585	(250)
<u>Revenue expenditure</u>				
Operational Housing R&M & Management Costs	24,038	33,001	8,963	2,380
PFI Contractor Payments	31,942	32,522	580	(69)
Communal Heating	1,019	2,763	1,744	(432)
Supervision and Management	6,604	5,631	(973)	(89)
Contribution to Bad Debts	640	221	(419)	(348)
Other Expenditure	1,463	1,172	(291)	(155)
Interest Payable and similar charges	2,730	2,730	0	0
Depreciation	18,991	18,991	0	(3,009)
Revenue Contribution to Capital Outlay (RCCO)	14,508	4,319	(10,189)	219
Total Expenditure	101,935	101,350	(585)	(1,503)
Total HRA	0	0	0	(1,753)

Movement in General/MRR Reserves	Opening Balance	Budgeted Adjustment	Closing Balance	Outturn Adjustment	Closing Balance
	78,052	(13,188)	64,864	3,063	67,927

Housing Revenue Account - Financial Headlines

The 2022/23 approved gross HRA budget was gross c£102m and this included forecast capital investment of c£33m. The original approved budget included a forecast £13.188m contribution from reserves. It has only been necessary to draw £10.125m from reserve, and the HRA general reserve closing balance is £67.927m. A summary of the key variances is set out below: -

Overspends of £11.337m

- The management and maintenance costs have an overspend of £8.963m. This is due to c£7.0m repairs and maintenance costs, because of a combination of a higher than forecast inflation increase on the overall contract costs and an increase in the number of voids being processed. In addition there has also been a c£1.9m overspend in management costs which was mainly due to pressures on the business service ICT budget of £1.08m and surveyors costs overspends of £0.74m which is mainly related to disrepair claims and legal fees.
- Increased PFI contractor payments £0.580m – Approximately £0.85m was paid to S4B in respect of compensation costs due the sale of land that was previously identified for redevelopment, and inflation on all three PFI contracts has been higher than forecast, whilst the PFI credits remain unchanged. These costs are partly mitigated by c£450k arising from joint insurance savings at Brunswick.
- Communal heating costs have overspent by £1.794m, this is due to the significant increase in energy costs, whilst these are partially offset by income from heating charges, the 2022/23 increase to tenants heating charges was capped at 20%, whilst costs of gas increased by significantly more. Initial increases to heating charges of 75% were approved for 2023/24 and this is being reviewed on a quarterly basis to ensure heating charges are aligned to national increases whilst looking to smooth the impact on tenants.

Offset by Underspends of £14,401m:

- Rent collected is £116k higher than budget, this is partly due to higher than forecast rents being received from the PFI providers, and a reduction in the number of void properties.
- Other Income is £2.413m higher than budget, this is due to a combination of increased interest receivable of £1.189m, this is due to the increases in the interest rate over the last 12 months and overage payments on the New Build developments within Brunswick PFI (£0.836m) and Miles Platting PFI (£388k).
- Reduced RCCO costs £10.189m – This is largely due to lower than forecast capital expenditure, largely due to slippage in the capital programme.
- Reduced contribution to bad debts £419k. This is due to reduced provision requirements for Aged Debt, Compensation and Fire Insurance.
- Supervision and Management costs £0.973m - lower than forecast running costs.
- Other Expenditure - £291k made up of lower than forecast costs on a number of budgets including reduced council tax charges, compensation costs, reduced payments to Tenant Management Organisations (TMO) and reduced Management Fee to Guinness Partnership for West Gorton.

As part of the 2023/24 budget process the 30-year business plan was broadly in balance over the life of the plan, however there are several issues that could potentially affect this if mitigating actions are not identified to offset potential increased costs over the coming years, they include: -

- Current high inflation rates and impact on contract costs and rents failing to keep up with these costs
- Additional capital costs for integration of Northwards ICT, Woodward Court and carbon retrofit

- Final settlement of commercial details in respect of the repairs and maintenance contract
- Increased investment needs to address both damp and mould and fire risk assessments.

Given that the HRA is a ringfenced account and cannot be cross subsidised with the General Fund, the implications of the current high inflation rates will have an impact on the operation of the account and will ultimately need to be covered through rents or reduced expenditure over the long term. There are several contracts which are uplifted annually in line with inflationary indices, this includes both the repairs and maintenance contracts and PFI Contracts.

Growth and Development

Growth & Development overall - £1.517m underspend

Growth & Development	Annual Budget	Outturn	Variance from budget	Movement since last report (P9)
	£'000	£'000	£'000	£'000
Investment Estate	(12,536)	(14,592)	(2,056)	(1,104)
Manchester Creative Digital Assets (MCDA)	0	659	659	185
Growth & Development	160	160	0	0
City Centre Regeneration	1,059	976	(83)	17
Housing & Major Regeneration	1,216	1,290	74	(10)
Planning, Building Control & Licensing	(621)	(597)	24	8
Work & Skills	1,950	1,802	(148)	(1)
Manchester Adult Education Service (MAES)	0	12	12	12
Total Growth & Development	(8,772)	(10,290)	(1,517)	(892)

Overall outturn is an underspend of £1.517m, which is an increase of £0.892m from the position reported at period 9.

- **Investment Estate - underspend of £2.056m**

Additional income from a number of areas within the Investment Estate as follows:

- Additional Income Wythenshawe Town Centre £190k - since the purchase of Wythenshawe Town Centre there have been costs of c£0.845m largely due to the invest to save costs and the service charge costs for void properties, these have been offset by higher than forecast income largely due to the resolution of outstanding issue from prior years in respect of service charge income. These were resolved as part of the purchase agreement.
- Additional net income from Heron House £0.869m largely due to increased occupation of the space following refurbishment and reconciliation adjustments from prior years based on additional information received from the managing agent. There is net additional income from across the estate

(including Industrial sites, let land, Shops and Car Parks) of £1.234m, mainly due to a series of rent reviews.

The above overachievements are offset by net pressures of c£237k across other assets, of which the former Barclays Computer centre is c£192k due to holding costs following purchase as there are no current tenants.

- **MCDA (Manchester Creative Digital Assets) – overspend of £0.659m** – due to a combination of reduced income as the organisation recovers from the pandemic and increased utility costs. A report recently went to Executive setting out proposals to sell Space, and the implications of the sale will need to be considered in 2023/24.
- **City Centre Regeneration – underspend of £83k** – net underspend on project expenditure and additional income from recharges to project activity.
- **Housing & Major Regeneration – overspend of £74k** – mainly related to the reduced income from projects.
- **Planning, Licensing and Building Control – overspend £24k** – Is the net position for Planning and Building Control, this is due to a combination of staffing underspends due to vacant posts and a £341k contribution to the planning reserve. This results in a closing balance on the planning reserve of £3.64m.
- **Work & Skills – underspend of £148k** - this is due to slippage in projects and the expenditure is lower than was originally forecast.
- **Manchester Adult Education Service (MAES) – £12k overspend** - This includes a £27k drawdown from reserves.

Corporate Core

Corporate Core overall - £1.678m underspend

Chief Executives	Annual Budget	Outturn	Variance to Budget	Movement since last report (P9)
	£'000	£'000	£'000	£'000
Coroners and Registrars	2,377	1,978	(399)	(123)
Elections	1,506	1,506	0	0
Legal Services	9,955	9,996	41	89
Communications	3,447	3,417	(30)	4
Executive	984	932	(52)	(34)
Legal, Comms, Democratic Statutory Sub Total	18,269	17,829	(440)	(64)
Policy, Performance and Reform	14,494	14,363	(131)	55
Corporate Items	1,215	1,190	(25)	(25)
Chief Executives Total	33,978	33,382	(596)	(34)

Corporate Services	Annual Budget	Outturn	Variance to Budget	Movement since last report (P9)
	£000	£000	£000	£000
Finance, Procurement, Commercial Gov.	8,193	7,748	(445)	(11)
Customer Services and Transactions	27,975	27,441	(534)	(97)

ICT (Information & Communication Technology)	15,877	16,221	344	7
Human Resources & OD (Organisational Development)	4,515	4,489	(26)	98
Audit, Risk and Resilience	1,455	1,425	(30)	0
Capital Progs, Operational Property, Facilities	21,899	21,508	(391)	(734)
Corporate Services Total	79,914	78,832	(1,082)	(836)
Total Corporate Core	113,892	112,214	(1,678)	(870)

Corporate Core - Financial Headlines

Corporate Core £1.678m underspend and the key variances are: -

- Coroners and Registrars are reporting a £399k underspend due to an overachievement income of £204k, mainly due to increased numbers of weddings and citizenship ceremonies, and an £195k underspend on costs within Coroners.
- Legal Services overspent by £41k. This is made up of £461k underspends on employee budgets as the service has faced challenges recruiting to vacancies, which has been offset by reduced external income due to a reduced level of service provision to Salford Council, an inflationary uplift for Members Allowances and increased costs in supplies and services. Within the figures there was an underlying £1m overspend in relation to children's services legal costs which has been funded by a transfer from reserves in 2022/23 as approved by Executive on the 22 July 2022. The service has developed a plan around a recruitment drive to reduce external costs to mitigate this going forward. There are £136k of expert costs within legal services which are driven by Children's services, and these have been included in the outturn.
- Policy, Performance and Reform £131k underspend - there is reduced income on project activity £169k as there has been a loss of European funding and access to other funding does not cover staffing costs at 100%. This is offset by employee underspends of £216k due to vacancies and an underspend on running costs of £84k.
- Finance, Procurement and Commercial Governance £445k underspent overall due to employee vacancies (£381k) and a £64k gas commission rebate from previous years and other general supplies and services.
- Customer Services and Transactions underspent by £0.534m due to staffing vacancies of £242k and from additional income from clamping illegally parked vehicles across the city of £235k. This income does not fall under the Traffic Management Regulation Act and is therefore un-ringfenced income. There is an underspend on food banks of £100k which the service have requested to be carried forward to 2023/24.
- ICT saw an overspend of £344k mainly due to additional security contracts, in light of the heightened cyber security risks and increased technical resources due to the increased requirements for support for helpdesk services.
- Human Resources had a small net underspend of £26k. This is made up £270k underspend on staffing budgets offset by increased investment in commissioned works.
- Capital Programmes underspent by £391k due to additional income in capital programmes of £0.93m from major projects, £0.821m reduced electricity costs, and

£431k underspend on employees. These favourable variances were offset by additional £312k of legal costs, a £0.5m provision for settlement of an outstanding dispute claim, increased security costs for Wythenshawe Hall £141k, higher than budgeted business rates and water charges of £275k, and delayed Operational Property savings £391k.

There was a £0.870m favourable movement since P9 which relates to:

- Coroners and Registrars £123k reduced costs within Coroners due to several cases being put back until 2023/24.
- Finance, Procurement and Commercial Governance underspend £110k in supplies and services
- Customer Service and Transactions £100k underspend on food banks, and a request to carry this forward has been made.
- Human Resources & OD £98k overspend due to increased spend on commissioned works, largely around ongoing staff development.
- Capital Programmes, Operational Property and Facilities Management £0.734m underspend due to reduced electricity costs

Directorate Savings Achievement - £7.837m

	Savings Target 2022/23					
	Gross Revenue Savings	Use of Reserve/ Other Mitigation	Net Revenue Savings	Low Risk (Delivered or expected to be delivered)	Medium Risk (Delivery risk or mitigated)	High Risk (undelivered resulting in overspend)
	£000	£000	£000	£000	£000	£000
Children's Services	292	0	292	292	0	0
Adults and Social Care	9,386	(5,500)	3,886	3,886	0	0
Neighbourhoods	829	0	829	829	0	0
Homelessness	117	0	117	117	0	0
Growth and Development	59	0	59	59	0	0
Corporate Core	2,654	0	2,654	2,674	0	0
Total Budget Savings	13,337	(5,500)	7,837	7,837	0	0

Savings – Headlines

£7.837m approved savings:

- All 2022/23 budgeted savings have either been achieved as planned, or mitigated, in the current financial year.
- Adults - £9.386m gross savings. The detailed BOBL plan is operational, and the service are working to deliver the multi-year savings and cost reductions. Recurrent mitigation has been identified in-year from higher than budgeted income from means tested client contributions to care costs. All savings are therefore classed as Green. Through Better

outcomes Better Lives demand management, the residual balance at P4 of £0.688m has now been allocated into the Older People Residential Care Budget. Other mitigation including the return of one-off unspent direct payments and other variations detailed allows use of £4.5m of the £5.5m smoothing reserve to be deferred to support the proposed savings programme 2023-26.

Manchester City Council Report for Resolution

Report to: Executive – 31 May 2023

Subject: Capital Programme Update

Report of: Deputy Chief Executive and City Treasurer

Summary

In February each year the Executive receives a report on the capital budget for the forthcoming five financial years and approves a series of recommendations to Council for the approval of the capital programme. Proposals for the 2022/23 to 2025/26 capital budget were presented to the Executive on 15th February 2023. Throughout the year new and emerging projects are brought forward, as well as changes to on-going projects which require investment. The Capital Update Report informs members of these requests to increase the capital programme, seeks approval for those schemes that can be approved under authority delegated to the Executive and asks the Executive to recommend to Council proposals that require specific Council approval.

Recommendations

- (1) To recommend that the Council approve the following changes to Manchester City Council's capital programme:
 - Public Sector Housing – Social Housing Decarbonisation Boiler Replacement. A capital budget increase of £14.095m is requested, funded by HRA Reserve.
 - Public Sector Housing – Operational Housing Programme 2023-24. A capital budget increase of £16.769m is requested, funded by HRA Reserve.
- (2) Under powers delegated to the Executive, to approve the following changes to the Council's capital programme:
 - Private Sector Housing – Home Upgrade Grant (HUG) 2. A capital budget increase of £10.0m is requested, funded by Government Grant.
 - Growth and Development - Back of Ancoats Mobility Hub & Public Realm. A capital budget increase of up to £2.3m is requested, funded by Capital Receipts.
- (3) Executive is also asked to note:
 - The increases to the programme of £2.325m as a result of delegated approvals.
 - The virements in the programme of £0.286m as a result of virements from approved budgets

Wards Affected – Various

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

All capital projects are reviewed throughout the approval process with regard to the contribution they can make to Manchester being a Zero-Carbon City. Projects will not receive approval to incur costs unless the contribution to this target is appropriate.

Our Manchester Strategy outcomes	Contribution to the strategy
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	Contributions to various areas of the economy including investment in ICT services, Housing, and leisure facilities.
A highly skilled city: world class and home-grown talent sustaining the city's economic success	Investment provides opportunities for the construction industry to bid for schemes that could provide employment opportunities at least for the duration of contracts
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	Improvements to services delivered to communities and enhanced ICT services.
A liveable and low carbon city: a destination of choice to live, visit, work	Investment in cultural and leisure services and housing.
A connected city: world class infrastructure and connectivity to drive growth	Through investment in ICT and the City's infrastructure of road networks and other travel routes.

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

1. Equal Opportunities Policy
2. Risk Management
3. Legal Considerations

Financial Consequences – Revenue

The revenue budget of the City Council will not be impacted if the recommendations in this report are approved.

Financial Consequences – Capital

The recommendations in this report, if approved, will increase Manchester City Council's capital budget by £43.164m across the financial years as detailed in Appendix 1.

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Background documents (available for public inspection):

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

- Report to the Executive 15th February 2023 – Capital Strategy and Budget 2023/24 to 2025/26.
- Report to the Executive 22nd March 2023 – Capital Programme Update Report

1.0 Introduction

- 1.1 This report outlines the requests for changes to the capital budget from 2022/23.

2.0 Background

- 2.1 In February each year the Executive receives a report on the capital budget for the forthcoming five financial years and approves a series of recommendations to Council for the approval of the five-year capital programme. Proposals for the capital budget were presented to the Executive on 15th February 2023.
- 2.2 The capital programme evolves throughout the financial year, and as new projects are developed, they will be reviewed under the current governance framework and recommendations made regarding whether they should be pursued.
- 2.3 The following requests for a change to the programme have been received since the Capital Budget report to the Executive on 15th February 2023. The impact of changes to the Capital Budget from previous reports are detailed in Appendix 3.
- 2.4 Note that where requests are made in the report to switch funding from capital to revenue and to fund the revenue spend from the Capital Fund, this is a funding switch from within the capital programme and will not have a negative impact on the Fund itself.
- 2.5 For the changes requested below, the profile of the increase, decrease or virement is shown in Appendix 1 for each of the projects.

3.0 City Council's Proposals Requiring Specific Council Approval

- 3.1 The proposals which require Council approval are those which are funded by the use of reserves above a cumulative total of £10.0m, where the use of borrowing is required or a virement exceeds £1.0m. The following proposals require Council approval for changes to the capital programme.
- 3.2 Public Sector Housing – Social Housing Decarbonisation Boiler Replacement. Manchester has committed to becoming a zero-carbon city by 2038 at the latest. With over a quarter of the city's carbon emissions generated by residential properties (largely due to space heating and hot water), urgent progress is required towards improving the energy efficiency of the housing stock and moving away from fossil fuel-based heating. The Council has been successful in securing £11.6m Social Housing Decarbonisation Fund (SHDF) funding from BEIS (now DESNZ), which will complement existing and additional capital funding from the HRA to deliver a programme of work to Manchester's council housing.
- 3.3 The SHDF grant will contribute towards 6 major schemes, the largest of which is the Boiler Replacement programme, for which we are now requesting the

internal match funding needed to progress this project. This project involves just over 1000 individual low-rise properties within the Council's housing stock where instead of replacing a gas boiler, Heat Pumps will be installed, together with insulation, ventilation and other necessary works. We have 6,000 properties in our housing stock where the gas boilers are nearing the end of their useful life and require replacement over the next 5 years. 400 boilers were due for replacement in 2022/23 and 850 in 2023/24. This project enables the Council to move from gas to renewable forms of heating for the properties which would come up for replacement within the next 2 years as well as bring forward other properties. The grant contribution enables us to accelerate our replacement of gas boilers, to deliver a more expensive, but very essential option to gas boilers, as we move towards our net zero target in housing. A capital budget increase of £2.550m in 2023/24 and £11.545m in 2024/25 is requested, funded by HRA Reserve.

- 3.4 Public Sector Housing – Operational Housing Programme 2023-24. The continuing programme will deliver essential health and safety work, security improvements and environmental improvements across the Council's Housing estate. It will respond to new fire safety legislation through undertaking fire safety works and further work on Fire Risk Assessments. Internal work will continue for low rise properties replacing kitchens or bathrooms as well as rewiring and heating renewal as required, in line with the Decent Homes programme. External works to high rise properties will include, but not limited to, lift replacement, window replacements, reroofing, external wall insulation and work to balconies. Carbon efficiencies will be found through works replacing gas boilers with ground source heat pumps and other low carbon heating, external wall insulation, triple glazed windows, solar PV panels and low energy lighting replacement. Individual schemes within the programme will be subject to further approvals. A capital budget increase of £8.646m in 2023/24, £7.155m in 2024/25 and £0.968m in 2025/26 is requested, funded by HRA Reserve.

4.0 Proposals Not Requiring Specific Council Approval

- 4.1 The proposals which do not require Council approval and only require Executive approval are those which are funded by external resources, capital receipts, use of reserves below £10.0m, where the proposal can be funded from existing revenue budgets or where the use of borrowing on a spend to save basis is required. The following proposals require Executive approval for changes to the City Council's capital programme:
- 4.2 Private Sector housing – Home Upgrade Grant (HUG) 2. In December 2022, the Council were advised that they had been successful in their bid for £10.4m HUG2 funding from BEIS (now DESNZ). This funding, to be delivered by the end of March 2025, provides grant to Local Authorities for owner occupied and private rented sector off gas grid (i.e., no have mains gas for heating) and low energy performance (EPC D-G) properties occupied by fuel poor households. Taking a fabric first approach, it provides energy efficiency and clean heating upgrades to improve energy performance of properties.

- 4.3 The Councils proposals involve the improvement of 500 properties. Given the eligibility criteria, this is likely to involve a range of property types, including those with electric heating systems, low and medium rise properties, and involve a mixture of owner occupied and (small portfolio) private rented properties. Approval to spend up to £0.400m to mobilise this programme has previously been approved. This £0.400m has now been committed and in part been spent. A capital budget increase of £4m in 2023/24 and £6m in 2024/25 m is requested, funded by Government Grant.
- 4.4 Growth and Development - Back of Ancoats Mobility Hub (AMH) & Public Realm. The Ancoats Mobility Hub (AMH) and the associated public realm forms a critical part of the ongoing regeneration of Ancoats and the aspirations to be a cleaner, greener city. Housing developments in the area will not have dedicated parking and will use the mobility hub. The public realm is essential to create the environment for the planned 1,500 homes. The AMH will be an integral part of prioritising people over vehicles and the new movement strategy with improved routes for walking and cycling link up with other active travel improvements across East and North Manchester. The design of the development plots and the narrowing of historic streets within this conservation area is complemented by a new Ancoats Green at the heart of the neighbourhood. All of this “off-site infrastructure” is part of a single place making plan with a coherent network of streets and spaces and the AMH is the catalyst for the regeneration and ultimate completion of Ancoats. This builds on the internationally recognised Ancoats and New Islington regeneration in phases 1 and 2.
- 4.5 Before work can begin on site with the AMH the fire strategy for the building needs to be agreed and Building Control have advised that the green wall is a significant risk item that requires a more detailed assessment, and the building cannot be classified as an ‘open sided’ car park due to the green wall design. In order to ensure the resilience of the building for means of escape and fire service access, the need for the design will need to be enhanced to provide improved fire protection for the structure to enable it to be approved by Building Control. Additional treatment is now required to the steel frame to increase the fire protection to the structure from 15 to 60+ minutes resulting in increased cost to the project. The funding will meet the cost of providing the essential changes required to the Ancoats Mobility Hub to ensure the full scheme can be delivered, without impacting on the delivery of the wider public realm project. The additional treatment works will cost £2.3m. Whilst there is sufficient funding in the overall budget including that for public realm, additional funding is required to ensure that the public realm elements can be delivered in full. Homes England have made it clear that their grant funding for the scheme is at risk if MCC do not deliver the full public realm elements and that the grant is contingent on the delivery of the full scheme. A capital budget increase of up to £2.3m in 2023/24 is requested, funded by Capital Receipts.

5.0 Delegated budget Approvals

- 5.1 There have been increases to the programme totalling £2.325m as a result of delegated approvals since the previous report to the Executive on 22nd March 2023. These are detailed at Appendix 2.

6.0 Virements from Approved Budgets

- 6.1 Capital budgets approved for an agreed programme pending allocation can seek approval under delegated powers from the Deputy Chief Executive and City Treasurer.
- 6.2 Approval has been given for £0.057m to be allocated from Highways Patching budgets for additional repaving works outside Sinclair's Oyster Bar, adjacent to Exchange Square, following the re-paving of the main square of Exchange Square in 2022.
- 6.3 An allocation from the Parks Development Programme of £0.121m for Citywide tennis Improvements has been approved. This is a joint project between the Council/Manchester Active and the Lawn Tennis Association (LTA). Existing tennis facilities located across the city will be upgraded, with a number of improvements being made.
- 6.4 Funding was approved for the Wythenshawe Cycling Hub, utilising £0.108m from Parks Development Programme budget. The popularity of the facility since its opening in September 2022 has identified areas around the site that need additional investment to improve the visitor experience, visitor safety, encourage a longer dwell time, and improve access to park facilities

7.0 Prudential Performance Indicators

- 7.1 If the recommendations in this report are approved the General Fund capital budget will increase by £43.164m across financial years, as detailed in Appendix 1.
- 7.2 This will also result in an increase in the prudential indicator for Capital Expenditure in corresponding years. Monitoring of all prudential indicators is included within the Capital Monitoring Report during the year.

8.0 Contributing to a Zero-Carbon City

- 8.1 All capital projects are reviewed throughout the approval process with regard to the contribution they can make to Manchester being a Zero-Carbon City. Projects will not receive approval to incur costs unless the contribution to this target is appropriate.

9.0 Contributing to the Our Manchester Strategy

(a) A thriving and sustainable city

- 9.1 Contributions to various areas of the economy including investment in ICT services, housing, and leisure facilities.

(b) A highly skilled city

- 9.2 Investment provides opportunities for the construction industry to bid for schemes that could provide employment opportunities at least for the duration of contracts.

(c) A progressive and equitable city

- 9.3 Improvements to services delivered to communities and enhanced ICT services.

(d) A liveable and low carbon city

- 9.4 Investment in cultural and leisure services and housing.

(e) A connected city

- 9.5 Through investment in ICT and the City's infrastructure of road networks and other travel routes.

10.0 Key Policies and Considerations

(a) Equal Opportunities

- 10.1 None.

(b) Risk Management

- 10.2 Risk management forms a key part of the governance process for all capital schemes. Risks will be managed on an ongoing and project-by-project basis, with wider programme risks also considered.

(c) Legal Considerations

- 10.3 The approvals set out in this report are in accordance with the Council's constitution.

11.0 Conclusions

- 11.1 The revenue budget of the City Council will not be impacted if the recommendations in this report are approved.
- 11.2 The capital budget of the City Council will increase by £43.164m, if the

recommendations in this report are approved.

12.0 Recommendations

12.1 The recommendations appear at the front of this report.

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Appendix 1 - Requests for Adjustments to the Capital Budget Provision

Dept	Scheme	Funding	2023/24	2024/25	2025/26	Future	Total
			£'000	£'000	£'000	£'000	£'000
<u>Council Approval Requests</u>							
Public sector Housing	Social Housing Decarbonisation - Boiler Replacement	HRA Reserves	4,000	10,095			14,095
Public sector Housing	Operational Housing Programme	HRA Reserves	8,646	7,155	968		16,769
<u>Total Council Approval Requests</u>			12,646	17,250	968	0	30,864
<u>Executive Approval Requests</u>							
Private Sector Housing	Home Upgrade Grant 2	Government Grant	5,000	5,000			10,000
Growth and Development	Back of Ancoats Mobility Hub and Public Realm	Capital Receipts	2,300				2,300
<u>Total Executive Approval Requests</u>			7,300	5,000	0	0	12,300
<u>Total Budget Adjustment Approvals</u>			19,946	22,250	968	0	43,164

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Appendix 2 - Approvals under authority delegated to the City Treasurer

Dept	Scheme	Funding	2022/23	2023/24	2024/25	Future	Total
			£'000	£'000	£'000	£'000	£'000
Private Sector Housing	Home Upgrade Grant 2 Mobilisation	Government Grant		400			400
Corporate Services	FC United	Borrowing on an Invest to Save Basis	150				150
Neighbourhoods	Refurbishment of Arndale House	Borrowing on an Invest to Save Basis		236			236
Neighbourhoods	Withington Baths	Borrowing on an Invest to Save Basis		350			350
Neighbourhoods	Leisure Development Opportunity – Feasibility	External Contribution	150	150			300
Neighbourhoods	Broadway Leisure Centre	Capital receipts	290				290
Neighbourhoods	Southwick Park Levelling Up Fund	Government Grant	85				85
Neighbourhoods	Southwick Park Levelling Up Fund	RCCO	45				45
Neighbourhoods	Wythenshawe Cycling Hub	External Contribution		13			13
Neighbourhoods	Tennis Centre Court Refurbishment	Waterfall		111			111
Neighbourhoods	P2R Platt Field	External Contribution		30			30
Highways Services	Bus Pinch Point Tranche 1	External Contribution		265			265
Highways Services	Accident Reduction and Local Community Safety schemes	External Contribution		15	35		50
Total Delegated Approval Requests			720	1,570	35	0	2,325

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Appendix 3 - Capital Programme Budget 2022-25

	Approvals			
	Council	Executive	Delegated	Total
	£'000's			
Capital Outturn 2021/22		969,370		969,370
Capital Update Report 1st June 2022	11,905			11,905
Capital Update Report 22nd July 2022	4,350	9,764		14,114
Capital Update Report 14th September 2022	5,230	11,144	-264	16,110
Capital Update Report 19th October 2022		1,550	1,794	3,344
Capital Update Report & Standalone 16th November 2022	23,000	2,484	-91	25,393
Capital Update Report 14th December 2022		2,225	150	2,375
Capital Update Report 18th January 2022		214	3,288	3,502
Capital Strategy Report 14th February	58,184			58,184
Capital Update Report 22nd March 2022	185	15,794	1,359	17,338
Capital Update Report			2,365	2,365
Total Revised Budget	102,854	1,012,545	8,601	1,124,000

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