



Resources and Governance Scrutiny Committee

Date: Tuesday, 16 July 2019

Time: 10.00 am

Venue: Council Antechamber, Level 2, Town Hall Extension

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

Access to the Council Antechamber

Public access to the Council Antechamber is on Level 2 of the Town Hall Extension, using the lift or stairs in the lobby of the Mount Street entrance to the Extension. That lobby can also be reached from the St. Peter's Square entrance and from Library Walk. **There is no public access from the Lloyd Street entrances of the Extension.**

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Membership of the Resources and Governance Scrutiny Committee

Councillors - Russell (Chair), Ahmed Ali, Andrews, Battle, Clay, Davies, Lanchbury, Moore, O'Neil, B Priest, A Simcock, Stanton, Wheeler and Wright

Supplementary Agenda

5. **Revenue Budget Outturn 2018/19 (formerly titled Revenue Budget Monitoring on main agenda)** 3 - 20
Report of the City Treasurer (Deputy Chief Executive) attached
- This report outlines the Council's final Revenue Outturn position for 2018/19.
6. **Global Revenue Budget Monitoring to the end of May 2019 (formally titled In year budget position and delivery of savings and investment proposals on main agenda)** 21 - 38
Report of the City Treasurer (Deputy Chief Executive) attached
- This report outlines the projected outturn position for 2019/20, based on spend as at the end of May 2019 and future projections.
7. **Income Generation** 39 - 56
Presentation of the Deputy Chief Executive and City Treasurer

Further Information

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

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This supplementary agenda was issued on **Friday 12 July 2019** by the Governance and Scrutiny Support Unit, Manchester City Council, Level 3, Town Hall Extension (Lloyd Street), Manchester M60 2LA

Manchester City Council Report for Information

Report to: Audit Committee - 11 June 2019
Executive – 26 June 2019
Resources and Governance Scrutiny Committee – 16 July 2019

Subject: Revenue Outturn Report 2018/19

Report of: City Treasurer (Deputy Chief Executive)

Summary

This report outlines the Council's final Revenue outturn position for 2018/19

Recommendations

The Resources and Governance Scrutiny Committee is requested to note that at its meeting on 26 June 2019, the Executive:-

- 1 Noted the outturn position for 2018/19 as set out in the report and summarised in the table at paragraph 4.
 - 2 Noted the Housing Revenue Account position for 2018/19 as outlined in paragraphs 48 to 51.
 - 3 Noted the overall General Fund position for 2018/19 as outlined in paragraph 52.
 - 4 Approved the use of budgets to be allocated as outlined in paragraph 53.
 - 5 Approved the use of reserves as outlined in paragraph 55.
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Wards Affected: None directly

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, work	

A connected city: world class infrastructure and connectivity to drive growth	
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Full details are in the body of the report, along with any implications for

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

Financial Consequences – Revenue

There is a small underspend at the end of the financial year which will be met from the General Fund reserve. Where required, provision has been made for known liabilities. Reserves are considered to be at a reasonable level to underwrite potential future costs and risks. If all recommendations are approved the Deputy Chief Executive and City Treasurer is of the opinion that the Council remains in a robust financial position.

Financial Consequences – Capital

There are no consequences for the capital budget.

Contact Officers:

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 Position: City Treasurer (Deputy Chief Executive)
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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.

The Revenue Budget 2018/19 as approved by Executive 7 February 2018

Introduction

1. This report provides a summary of the revenue outturn position for 2018/19.
2. Appendix 1 sets out the performance against the Prudential indicators in support of the council's borrowing requirement.

Outturn Position 2018/19

3. For 2018/19 the outturn variance to budget is an overspend of £293k. This is a reduction of £0.767m from the overspend position of £1.060m reported to the Executive in February.

Summary Budget Information

4. The following table summarises the spend for 2018/19 by service. The paragraphs that follow outline the main reason for the variation to budget and the changes from the previous forecast reported to Executive in February 2019 which was based on the position as at end December 2018.

Overview of Outturn Position 2018/19

	Revised Budget	Outturn	Variance	Variance last reported to Executive	Movement since last report to Executive
	£000	£000	£000	£000	£000
Total Available Resources	(578,828)	(580,628)	(1,800)	(1,943)	143
Total Corporate Budgets	122,578	119,972	(2,606)	(1,813)	(793)
Children's Services	112,855	119,877	7,022	6,999	23
Adult Social Care	182,901	186,126	3,225	3,200	25
Homelessness	9,643	10,711	1,068	799	269
Corporate Core	70,650	67,187	(3,463)	(3,461)	(2)
Neighbourhoods and Highways	72,909	72,273	(636)	(688)	52
Strategic Development	7,293	4,776	(2,517)	(2,033)	(484)
Total Directorate Budgets	456,250	460,949	4,699	4,816	(117)
Total Use of Resources	578,828	580,921	2,093	3,003	(910)
Total forecast over / (under) spend	0	293	293	1,060	(767)

Resources to support the Revenue Budget (£1.8m underspend)

5. The Council is responsible for the collection of local taxes (Council Tax and Business Rates). At the end of March 2019, 93.00% of Council Tax had been collected. This is 0.01% behind the position at the end of 2017/18. Council Tax relating to 2018/19 will continue to be collected and the ultimate collection rate will be higher.
6. Business Rates collection for 2018/19 at 31 March 2019 is 97.4%, 1.1% above the same point in 2017/18. Whilst the collection rate has increased, the continued volatility in the position for appeals and new buildings coming onto the list means that it is very difficult to predict future collection rates.
7. However, it should be noted that the income to be included in 2018/19 for these areas is fixed. Any variances will not impact until future years.
8. The available resources to fund the revenue budget are £1.8m higher than budgeted, this is a reduction in the underspend of £143k since that reported in February. The underspend is mainly due to:
 - Dividend income of £1.27m, made up of £0.815m from the National Car Parking joint venture and £455k from Piccadilly Triangle rental dividend which was not budgeted for, over and above the £400k budgeted.
 - Additional income of £0.516m relates to £235k release of a pay provision no longer required, £125k following an independent review of invoicing, £84k from a reduction in the required bad debt provision and an additional £72k from Manchester Central Convention Centre events income.

Corporate Budgets (£2.606m underspend)

9. Spend against Corporate budgets is £2.606m less than budget, an increase in the underspend of £0.793m since it was last reported in February, predominantly due to the release of unused contingency and the lower carbon reduction levy.
10. The reasons for the underspend are:
 - £340k centrally held contingency was not required in 2018/19, this is in addition to the £1.58m which was held in relation to the Waste Levy and reported in February.
 - The carbon reduction levy is £246k lower than budgeted, due to emissions across the estate being lower than estimated and a previous year usage adjustment.
 - Levies are £27k lower than the budget set due to lower than anticipated recharges for legacy GM probation and magistrates costs.
 - There is a central budget for historic pension costs. Additional allowances are £71k below budget and teacher's historical pension costs are underspent by £342k as the number of people in the scheme continues to reduce.

Children's Services (£7.022m overspend)

11. The 2018-20 budget delivery plan projected that the level of need for children and young people would cost an additional £19.6m over the period 2018-20. This was based on an estimate of placement need and further developments as a continuation of the existing strategy, whereby numbers in external residential and foster care provision were expected to reduce during 2018/19 and 2019/20.
12. The £7.022m overspend for Children's Services is an increase of £23k on that reported to Executive in February 2019. Whilst significant progress has been made in the delivery of the strategy the planned reductions in the numbers of external residential and external foster care placements has not been fully achieved. The position reflects additional funding to reduce the forecast overspend as set out below:
 - Allocation of corporate inflation contingency to meet increased unit cost of placements and other inflationary pressures of £2.9m.
 - Draw down of £1.5m of non-recurrent funding set aside as part of the 2018-20 budget to mitigate the risk of external residential placements numbers not reducing during the remainder of 2018/19.
13. The position is in line with that forecast in February 2019, with only a small increase in the overspend of £23k. The estimated impact for 2019/20 has been reviewed as part of the budget setting process. The 2019/20 budget includes additional funding to reflect the higher levels of residential and fostering care required and ongoing investment into early help in localities that is intended to deliver better outcomes and improved financial sustainability.
14. The main variances on the Children's Services budget are summarised in the following paragraphs.
15. Residential Placements - The budget for residential placements overspent by £3.094m, a decrease of £329k from that reported in February 2019. This reflects the inclusion of confirmed partner contributions as part of the multi-agency agreements to jointly review, support and fund complex placements.
16. External and Internal Fostering and Special Guardianship Orders (SGOs) - The budget overspent by £3.072m which is unchanged from the position reported in February. However there has been a reduction in the use of Independent Fostering Agencies with a corresponding increase in foster carers employed by the Council. There has also been an increase in the number of Special Guardianship Orders which is in line with the objective of promoting permanency for children and young people within families. These changes are in line with the strategy to increase family based permanent arrangements for children to improve outcomes as well as a more cost effective way of meeting demand.

17. Youth Offending Service - The budget overspent by £159k reflecting the overall increased number of remand placements and other forms of support. This is a highly volatile area overseen by partners on the Youth Justice board who are working with the judiciary in order to minimise the remand period. The overspend has reduced by £90k in the last quarter with some reductions in both the numbers and duration of remand placements.
18. Other Children's Services budget overspends are as follows:
 - Fostering, Adoption and Leaving Care Services - The £217k overspend is largely due to the higher than budgeted management fee for the Regional Adoption Agency (RAA) hosted by Stockport Council. Identifying prospective adopters is a challenge nationally and to increase the number of adoption opportunities for Manchester children it was considered beneficial to invest in a RAA as the model for Manchester. Additional investment of £200k has been provided in the 2019/20 budget.
 - Legal Fees - The £0.587m overspend on legal advice and court proceedings reflects the charges associated with providing information required by the courts in accordance with the Family Procedure Rules. Further funding of £400k has been provided for in 2019/20 based on the anticipated activity.
 - Leaving Care accommodation - the overspend of £341k is as a result of the increased numbers of care leavers requiring support. The service was retendered during 2018/19 securing an improvement in the support offered and reduction in costs of 30% which has partly offset the impact of an increase of 14 placements since December.
 - Child and Adolescent Mental Health Services (CAMHS) - it has been agreed to pay £480k to the Manchester Foundation Trust for the support required where the local authority is the corporate parent. This is based on an interim specification and the arrangement will be reviewed in 2019/20. Additional investment of £500k has been provided in the 2019/20 budget.
 - Other overspends of £220k, mainly relating to support for families to safeguard and promote the welfare of children in need (Section 17 of the Children's Act 1989).
19. The overspend is offset by the following underspends:
 - £108k for the Complex Safeguarding Hub and Multi Agency Safeguarding Hub due to the phasing of costs for this new service against the full year allocated budget.
 - £0.683m for Directorate Core and Back Office costs, in part reflecting the review of discretionary spend undertaken as part of the Recovery Plan.
20. The main variations in the budgets for Education Services are summarised below:
 - Early Years - An overspend of £225k largely relating to increased spend for building maintenance costs and less rental income being generated from Children's Centre sites being used by Early Years providers.
 - Strategic Leads and Quality Assurance – An underspend of £0.583m reflecting use of available grant income and vacancies within the service.

21. The centrally retained Dedicated Schools Grant (DSG) has overspent by £1.711m, largely due to expenditure within the high needs block which supports the education of children with Special Educational Needs and Disabilities (SEND). The overspend has increased by £1.1m since that reported in February due to additional post-16 special education needs and disability pressures. This is due to post-16 Education, Health and Care Plans (EHCP) for the colleges being £0.8m higher than previously notified and additional EHCPs allocated for the spring term of £150k. In particular in-year adjustments to SEND funding to primary, secondary and colleges was £1.1m higher than what was expected in December 2018. This reflects the national position where demand for high needs services are outstripping the level of grant funding available. This has been recognised nationally by the Department for Education (DfE) and Manchester City Council and other local authorities have been lobbying for the funding to be increased.
22. During the autumn the Council consulted schools and the Schools Forum on a transfer of funding from the schools block to the high needs block of 0.5% per pupil (£2m) in 2019/20. This was to fund the increased numbers of children and young people with Education, Health and Care Plans. However, in December 2018 the DfE announced additional funding nationally, of which £1.281m for 2018/19 and 2019/20 has been allocated to Manchester City Council. As a result it was agreed not to progress the funding transfer.
23. A detailed report on SEND and a review of the High Needs Block was provided to Schools Forum on 13th May 2019. This estimated that the overspend on the DSG due to High Needs is expected to increase to around £2.7m in 2019/20. The report identified recovery proposals including the need to consult with schools again on a transfer grant from the Schools Block to the High Needs Block in 2020/21.

Adult Services (£3.225m overspend)

24. The final outturn position is an overspend of £3.225m an increase of £25k on that reported in February 2019. £3.351m relates to the areas of social care included in the Manchester Health and Care Commissioning (MHCC) Pooled Budget, offset by a £126k underspend for Adult Social Care services outside the pool. In 2018/19 the MHCC Pooled Budget for both health and social care totalled £1.1 billion. The CCG (health) element of the pooled budget was balanced for 2018/19.
25. As reported during the year the overspend on the Pooled Budget predominantly related to the time required to implement the new care models being longer than originally planned which affected the timing of the associated savings. The delivery timescales and phasing of the delivery of savings has been reset as part of the 2019/20 budget process with collaborative work across a number of organisations in place to secure their delivery. Where the new care models have been implemented evaluation is being carried out to see if they are delivering the expected changes.

26. Funding for demographic growth of £7.416m was approved as part of the Council's contribution to the MHCC Pooled Budget. This funding has been utilised to meet the increase in numbers requiring care and support as previously reported, £2.5m of this was used to reduce the overspend as part of the Recovery Plan, with a further £0.4m subsequently applied by year end as the demand reduction from reablement was not achieved as planned.
27. As part of the 2018 Autumn budget and December 2018 Finance Settlement the government announced £240m of additional funding for 2018/19 and 2019/20 for councils to spend on adult social care to help councils alleviate winter pressures on the NHS, getting patients home quicker and freeing up hospital beds across England. The use of the 2018/19 allocation of £2.67m was agreed between partners and at the Council's Executive in December 2018. The proposals were part of a wider funding strategy that smoothed resources over two to three years to enable permanent rather than agency or temporary appointments for social work posts supporting the delivery of the social care improvement plan, transition to the new home care contracts and to support the health and social care system to manage winter pressures. This includes a carry forward of £0.560m into 2019/20. This is in line with that planned as part of the December Executive report which set out the use for this grant.
28. £1.797m of resource has been transferred to the Adult Social Care Reserve. This relates to underspends on plans for 2018/19 that are largely due to difficulties in recruitment of the staff required. It is anticipated that the move to permanent rather than temporary recruitments will enable this to progress in 2019/20. The funding will be used to meet the ongoing costs of care following hospital discharges that have been met from demography funding in 2018/19 and as part of the longer term funding strategy referred to above. The planned use of the improvement and resilience funding for 2019/20 will be reported to the Executive and Health and Wellbeing Board early in 2019/20.
29. The Adult Social Care grant underspend of £1.889m will also be carried forward as this was to fund the additional costs for the expanded reablement service and other costs associated with the delivery of the new care models which have been rephased. The use of the grant will reflect the revised delivery timescales. Again this is in line with the 2019/20 Budget and Business Plan.
30. A summary of the reasons for the £3.225m overspend is set out below:
 - Residential and Nursing budget overspend of £0.737m. Numbers of residential and nursing care placements are 40 lower than 12 months ago, reflecting the strategy to place people closer to home where possible and the increase in extra care schemes. However the revised timescales for the delivery of all the planned extra care schemes means that the associated savings have not been achieved in full.
 - £2.7m of demography funding has been allocated to the budget. This has met the cost of increased demand and in part mitigated the delay in achieving savings in residential placements and care packages expected from the Prevention, High Impact Primary Care and Reablement care

models.

- The position also reflects the use of demographic funding to meet the costs of reducing the number of people with a delayed discharge from hospital who have gone into residential care.
- The Homecare budget overspent by £1.461m due to delays in implementing the new care models, particularly for the use of assistive technology. Since December the homecare hours commissioned have risen by 849 or 3%, which would have resulted in a £3.448m overspend before the application of £2m demographic funding.
- Budgets to support people with a learning disability have overspent by £54k due to a small shortfall against planned savings from the implementation of 'strengths based' support planning. The savings from the reviews of high cost placements have been delivered in full. The position includes the allocation of £1.6m of demography funding to meet the increase in demand for these services.
- The budgets for Mental Health services broke even. This includes the non achievement of the £0.6m savings against the 'strengths based' support planning saving, allocation of £0.8m demography funding to meet new demand and £427k of funding for the national living wage to meet the increase in placement costs and the higher than budgeted number of placements.
- Adult Social Care budgets for care delivered through the Manchester Local Care Organisation have overspent by £1.552m. This largely relates to the cost of agency staff required for in-house care services to ensure the appropriate staffing ratios are met. Whilst recruitment to vacancies across the service is underway this has had limited impact on the level of agency cover required. Further work has commenced to look at future staffing levels as the service develops new provision will result in the need for less agency capacity in the future.
- Reablement underspend of £0.5m relating to delay in expansion of the new care model during 2018/19 has led to an increase in the underspend on the Adult Social Care grant. The grant carry forward is reflected in the £1.889m referenced above.
- Commissioning budgets have overspent by £463k due to the non delivery of planned savings. Potential areas for savings have been identified for 2019/20 as part of the wider re-commissioning work.
- Public Health staffing budgets have underspent by £297k due to delays in recruiting to specialist positions.
- Other budgets within the pool have combined net underspend of £119k and areas outside of the pool an underspend of £126k due to delays in recruitment.

Homelessness / Welfare reforms (£1.068m overspend)

31. The budget for Homelessness Service is £5.7m net of grants. The service also receives external funding including:
- The Flexible Housing Support Grant (FHSG) of £1.3m. This fixed sum grant replaced the demand led Temporary Accommodation Management Fee with effect from 1st April 2018.

- New burdens funding for the Homelessness Reduction Act of £0.509m over two years which has been allocated by the Ministry of Housing, Communities and Local Government.
 - Greater Manchester Combined Authority (GMCA) has received funding of £1.8m over two years to support three hubs across Greater Manchester. Manchester's allocation is £0.745m over the two years.
 - Rough Sleeper Initiative Grant of £418k for 2018/19 and recently announced additional funding of £0.5m from 2018/19 on condition that the service successfully meets criteria.
32. There has been a significant increase in the numbers of households who are homeless in Manchester including families, single people, young people and people who are rough sleeping. This trend is also reflected nationally. Dispersed temporary accommodation placements have increased from 153 in April 2014 to 1,243 in April 2018 and 1,491 in March 2019.
33. The final outturn position is an overspend of £1.068m which is an increase of £269k since that reported in February 2019. The overspend consists of £0.919m in bed and breakfast accommodation and £149k for Homelessness Prevention.
34. Between the last report, based on activity to December 2018, and year end the number of single people supported in bed and breakfast accommodation increased from 89 to 138, with families supported remaining relatively stable (42 at the end of December to 37 by the end of March 2019). This has resulted in an increased overspend of £120k from that reported in February.
35. There has been increased expenditure on prevention payments of £149k to enable families to remain in settled accommodation and prevent people from becoming Homeless. This reduces the reliance on temporary accommodation.
36. Provision to support 'A Bed Every Night' cost £0.569m from November to March, this was funded from GMCA £398k, with the remaining balance funded from MHCLG Cold Weather Payments of £85k and Rough Sleeper Initiative funding of £86k. The impact of the scheme in Manchester is being reviewed and plans for 2019/20 provision are in development.

Corporate Core (£3.463m underspend)

37. The £3.463m underspend is made up of £3.309m Corporate Services and £154k Chief Executives.
38. The outturn shows a small improvement of £2k since that reported in February 2019 which is the net result of a number of changes across the Core.
39. The Chief Executives underspend of £154k includes a £337k underspend due to staffing vacancies, the release of a £168k provision held for a potential repayment of grant monies and £244k higher savings through the purchase of annual leave.

40. This is offset by additional running costs of £104k and £491k overspend in the Coroners Service due to a combination of both increased case numbers and more complex cases.
41. The Corporate Services underspend of £3.309m includes employee savings and running costs with £2.102m due to vacant posts in a number of service areas including Commissioning, Procurement, Revenue and Benefits, Customer Services, Financial Management, Audit and Commercial Governance; a £1.2m reduction in the bad debt provision required for Revenues and Benefits; and £168k additional income in Capital Programmes relating to minor works on Platt Hall, Manchester Velodrome, National Football Museum, Withington Library and City Road East. These are offset by a £161k historic pension liability.
42. A transfer to reserve of £440k Revenue and Benefits Discretionary Housing Payment and Welfare Grant underspend has been made for use against future pressures in this area.

Neighbourhoods Directorate (£0.636m underspend)

43. The £0.636m underspend is made up of a Neighbourhood Services underspend of £0.656m offset by a small £20k overspend in Highways. The underspend has reduced by £52k compared with the February report to the Executive. Further detail on the main variances is set out below:
 - Community Safety and Compliance underspend of £0.928m, largely due to employee cost savings because of the delay filling some vacant positions as a result of the police vetting requirements and savings on running costs.
 - Libraries, Galleries and Culture underspend of £149k due to a combination of staff savings through vacancies and reduced expenditure on running costs.
 - Parks, Leisure and Events, Bereavement Services and Pest Control have overachieved against their income targets by £168k. This is offset by a shortfall in the 'The Christmas Offer' income of £63k leaving a net position of £105k.
 - The above is partly offset by overspends in Manchester Markets of £259k due to vacant units at New Smithfield Market and reduced rental income across the markets estate because of the reduced number of tenants.
 - Other overspends of £168k include a Waste and Street Cleaning overspend due to increased pay costs and £123k increased costs of Canal Safety Barriers for the City Centre.
44. It is requested that the £36k that was freed up following the use of the High Street Cleaning Grant in 2018/19 is transferred to reserves for use against future pressures.

45. The position for the Highways Service is a £20k overspend. In December, when last reported, there was an underspend of £488k due to increased income from permit fees, Highways Capital Programmes and reduced plant and machinery costs in Manchester Contracts. This has reduced by £0.508m due to an increased revenue contribution towards the capital costs of both the Asset Surveys and Gully cleansing programmes.

Strategic Development (£2.517m underspend)

46. The £2.517m underspend has increased by £484k from that reported to Executive in February, largely due to the receipt of income at Heron House, Arndale Centre and the Town Hall Extension, offset by expenditure relating to the Civic Quarter Heat Network, demolition costs and sports development costs as below. The underspend is made up as follows:
- Operational Property – additional income including rent for the Town Hall Extension totalling £284k.
 - Licensing underspend of £219k mainly arising from income relating to the licensing of premises.
 - Investment Estate underspend of £1.759m due to increased rental income for land used for car parking and business rate refunds for Heron House and the Arndale, offset by reduced income from rents and advertising.
 - Housing and Residential Growth underspend of £177k due to staff savings from vacant posts and increased contributions from the HRA.
 - Planning Building Control and Licensing underspend of £0.683m which includes underspends in both staffing costs and additional income.
 - Work and skills underspend of £123k underspend largely due to staff savings from vacant posts.
 - Facilities Management overspend of £155k - an underspend of £226k due mainly to staff savings, offset by increased costs of utilities and security.
 - Civic Quarter Heat Network - £216k initial advisor costs to assist in developing the capital scheme.
 - Strategic Development Directorate - expenditure of £218k in relation to unforeseen demolition costs (Hall and Rogers building and Ashton New Road) and funding of sports developments in Eastlands.
 - City Centre Regeneration - £139k overspend due to additional project staff costs.
47. It is requested that £0.524m relating to the unexpected rental income from the Arndale Centre is credited to the Investment Estate smoothing reserve for use against future pressures.

Housing Revenue Account

48. The Housing Revenue Account (HRA) outturn position is a £11.064m favourable variance. This allows for funding set aside to improve fire safety measures through the installation of sprinkler systems within council owned tower blocks which will take place in 2019/20, and £1.128m lower PFI

payments due to delays in delivering the capital works on the Brunswick PFI scheme.

49. The other material variances are £0.660m reduced bad debt provision due to the slower than planned roll out of Universal Credit and proactive work to support residents; and increased income of £369k. This was in the main due to £120k additional rental income because of reduced voids, £124k increased investment income, £45k VAT shelter credits and £55k Feed In Tariff income.
50. The balance of £0.863m underspends is the net impact of a number of smaller variances across budgets, the main changes being £323k relating to backdated Council Tax refunds and £178k release of amounts held on the balance sheet, with the remainder as a result of lower than anticipated legal and professional fees, depreciation charges, bank charges and energy costs.
51. The HRA is a ring-fenced account and any surplus/deficit in year has to be transferred to/taken from the HRA reserve. For 2018/19 £4.295m has been transferred to the HRA general reserve (as opposed to budgeted transfer from reserves of £6.769m). This leaves a balance of £68.863m in the HRA General Reserve. The 30 year business plan currently forecasts that reserves will be exhausted by 2039/40 and work is ongoing to identify efficiencies that ensure that the reserves are kept at a sufficient level to underwrite risk and to fund future investment needs as required.

General Fund Reserve position

52. The General Fund reserve position at 1 April 2018 was £22.307m. The 2018/19 budget assumed there was a transfer to the General Fund reserve of £31k leaving a balance of £22.338m. This excluded the impact of any variance at the end of the 2018/19 financial year. As the actual outturn position is an overspend of £293k the balance on the General Fund Reserve at 31 March 2019 is £22.045m. This is deemed to be a reasonable amount for the risk the City Council is facing and is in line with that planned when the budget was set.

Budgets to be Allocated

53. In line with the 2018/19 budget report to Executive in February 2018 the inflationary pressures and budgets are allocated on the assessment of individual business cases approved by the Executive Member for Finance and Human Resources and the Deputy Chief Executive and City Treasurer. Since last reported to the Executive the following allocations are recommended for approval:
 - Allocation of £1.4m contribution to Manchester Health Care and Commissioning which will be returned in 2019/20.
 - £418k allocation to Homelessness to replace the Rough Sleepers grant allocation, so the grant which can be applied to future pressures.
 - Apply £0.663m to the Cross Cutting Saving target to avoid further saving requirements.

- Waste and Street Cleaning Contract inflation request for £188k. The contract with commenced on 4 July 2015, for the provision of domestic waste collections and street cleansing services. The agreed value of the contract is subject to inflation and any agreed variations. The methodology and formulae for calculating the annual inflation are prescribed within the contract documentation and work has been undertaken to validate this inflationary request.

54. The remaining £340k is to be released to support the revenue budget.

Transfer to Reserves

55. Requests to transfer to reserves totalling £1m, are recommended for consideration by Executive, these are:

- High Street Cleaning - £36k. On 26 March the Ministry of Housing, Communities and Local Government allocated Manchester £95k High Street Cleaning grant. The grant came with strict conditions and needed to be fully allocated by 31 March 2019. Manchester was able to satisfy these conditions and fully allocated the grant. This enabled £36k of planned street cleaning expenditure to be offset alongside £59k new spend. The transfer to reserves of £36k will allow the service to perform future street cleaning and waste activities in 2019/20.
- Discretionary Housing Payments and Welfare Grant - £440k. The 2018/19 Government grant allocation to Manchester was £2.43m, combined with a further £1.4m contribution from the Council, giving a total budget of £3.83m. The majority of this allocation was committed by 31 March 2019 leaving £440k unallocated. The transfer of the unallocated amount to reserves will provide increased capacity for welfare and housing support to Manchester residents in 2019/20, accompanying the further roll out of Universal Credit.
- Arndale rental income - £0.524m. The Council received late notification of rental income from the Arndale in March 2019. The transfer of £0.524m of this income to the Investment Estate Smoothing reserve will be used to protect against future estate pressures.

Prudential Indicators

56. Prudential Indicators were introduced as part of the prudential borrowing regime which replaced the former controls on borrowing through credit approvals. Each year the Council sets various indicators as part of the budget process and then monitors throughout the year that these indicators are not breached. The table at Appendix 1 indicates the final performance against the indicators.

Conclusion

57. Overall the variance of spend to budget for 2018/19 is an overspend of £293k.

58. This is an improved position of £0.767m from that previously reported, to the Executive of £1.060m. In the main the improvement is due to additional fortuitous income and the release of contingencies that were not required.
59. A number of pressures have been addressed through the 2019/20 budget setting process and key risks will continue to be monitored and mitigations sought as required throughout 2019/20. As set out in this report, there are continued pressures on the budgets for Children's Services and Adult Social Care and robust action will be required in 2019/20 if a balanced budget is to be achieved. The achievement of the approved savings targets is also integral to this process and will continue to be closely monitored and reported.

Prudential Indicators APPENDIX 1

No	Prudential Indicator		Target		Actual as at end of March 2018	Target Breached Y/N
	Ratio of Financing Costs to Net Revenue Stream	Non – HRA	7.74		7.61	N
		HRA	3.82		3.79	N
2	Capital Expenditure		£m		£m	
		Non – HRA	568.0		437.5	N
		HRA	27.5		15.3	N
		Total	595.5		452.8	N
3	Capital Financing Requirements *		£m		£m	
		Non – HRA	1,409.6		1,247.0	N
		HRA	281.7		281.7	N
		Total	1691.3		1528.7	N
4	Authorised Limits for External Debt		£m		£m	
		Borrowing	1,454.8		726.1	N
		Other Long Term Liabilities	216.0		155.9	N
		Total	1670.8		882.0	N
5	Operational Boundaries for External Debt		£m		£m	
		Borrowing	1,146.7		726.1	N
		Other Long Term Liabilities	216.0		155.9	N
		Total	1362.7		882.0	N
6	Upper Limits for Fixed Interest Rate Exposures	Net Borrowing at Fixed Rates as a percentage of Total Net Borrowing	100%		63.5%	N
7	Upper Limits for Variable Interest Rate Exposures	Net Borrowing at Variable Rates as a percentage of Total Net Borrowing	85%		36.5%	N
			<i>Lower Limit</i>	<i>Upper Limit</i>		
8	Maturity Structure of Borrowing	under 12 months	0%	70%	0%	N
		12 months and within 24 months	0%	100%	19.5%	N
		24 months and within 5 years	0%	80%	25.2%	N
		5 years and within 10 years	0%	70%	0%	N

No	Prudential Indicator		Target		Actual as at end of March 2018	Target Breached Y/N
		10 years and above	20%	80%	55.3%	N
9	Upper Limits for Principle Sums Invested for over 364 days		£0		£0	N

***Please note that Capital Financing Requirement's Prudential Indicators are draft until confirmed**

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Manchester City Council Report for Resolution

Report to: Resources and Governance Scrutiny Committee - 16 July 2019
Executive - 24 July 2019

Subject: Global Revenue Budget Monitoring Report to the end of May 2019

Report of: Deputy Chief Executive and City Treasurer

Summary

The report outlines the projected outturn position for 2019/20, based in spend as at the end of May 2019 and future projections.

Recommendations

The Executive is recommended to:

1. Recommend that the Council approve the proposed virements over £0.5m in paragraph 61.
2. Approve the use of budgets to be allocated in paragraph 58.
3. Approve the use of reserves in Paragraph 59.
4. Approve the use of grants in addition to that already planned, as detailed in paragraph 60.
5. Approve the proposed virements under £0.5m in paragraph 61.
6. Note the report.

Wards Affected: None directly

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, work	
A connected city: world class infrastructure and connectivity to drive growth	

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

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

Financial Consequences – Revenue

The report identifies a projected net revenue overspend of £3.495m for 2019/20, based on income and expenditure up to the end of May 2019. All Strategic Directors continue to work to address the position by identifying greater efficiencies and accelerating savings where possible in order to support the overall financial position of the City Council.

With the likely scale of funding pressures and future resource reductions, it is important that the Council holds a robust position on reserves and maintains the ability to deal with issues that arise during the financial year. Requests to allocate funding to or from reserves in year are included within the report.

Financial Consequences – Capital

The revenue budget includes funding to meet the capital financing costs of the Council. Changes in the capital programme can affect the budget to meet such costs.

Contact Officers:

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Position: Deputy Chief Executive and City Treasurer
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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.

The Revenue Budget 2019/20 as approved by the Executive on 13 February 2019.

Introduction

1. This report provides a summary of the projected revenue outturn position for 2019/20.

May 2019 position

2. The forecast for 2019/20 at the end of May 2019 is an overspend of £3.495m.

Summary Budget Information

3. The following table summarises the spend for 2019/20 by service. The paragraphs that follow outline the main reasons for the variation to budget.

Overview of forecast Position 2019/20

	Original approved budget £000	Revised Budget £000	Outturn £000	Variance £000
Total Available Resources	(610,835)	(610,835)	(610,826)	9
Total Corporate Budgets	113,629	108,337	107,916	(421)
Children's Services	120,434	118,855	120,490	1,635
Adult Social Care	198,263	198,068	201,726	3,658
Homelessness	13,375	13,942	13,942	0
Corporate Core	67,838	68,789	67,944	(945)
Neighbourhoods and Highways	91,781	97,081	96,780	(301)
Growth and Development	5,515	5,763	5,623	(140)
Total Directorate Budgets	497,206	502,498	506,405	3,907
Total Use of Resources	610,835	610,835	614,321	3,486
Total forecast over / (under) spend	0	0	3,495	3,495

4. The main differences between the 2019/20 original and revised budget are that:
 - £5.084m for the annual pay inflation award which was included in the original Corporate Budgets and allocated across Directorates (Adults Social Care pooled budget was allocated £1.002m in the original budget);
 - £2.7m Youth Services budget transfer from Children's Services to Neighbourhoods and Highways;
 - £0.983m Decriminalised Parking Enforcement and Bus Lane income budget from Neighbourhoods and Highways to Corporate Services; and

- £279k Winter Pressures grant transfer from Adults Social Care to Homelessness.
5. All variances are measured against the revised budget.

Corporate Costs and Resources

Corporate Budgets and Available Resources (£412k underspend)

6. Spend against Corporate budgets is £412k less than budget. This is mainly due to historic pension costs being lower than budget due to a reduction in the number of recipients, offset by an underachievement of £9k on Council Tax Subsidy Grant.

Business Rates and Council Tax

7. The Council is responsible for the collection of local taxes (Council Tax and Business Rates). At the end of May 2019, 18.11% of Council Tax had been collected. This is 0.24% lower than the position at the end of May last year. It is too early to predict what the final Council Tax collection rate will be for 2019/20.
8. Business Rates collection is 21.82% at the end of May 2019, 3.61% ahead of last year. Whilst the collection rate has increased, the continued volatility in the position for appeals and new buildings coming onto the rating list means that it is very difficult to predict what the final position will be.
9. However, it should be noted that the income to be included in 2019/20 for these areas is fixed. Any variances will not impact until future years and will be transferred to or from the Business Rates reserve.

Children's Services (£1.635m overspend)

10. Manchester Children's Services is formulating a plan that articulates the delivery of children's services in accordance with the Council's 'locality' model, which will see greater collaboration, joint working, increased access to social care expertise and shared responsibilities across the children services partnership. This alongside the Council's innovation projects (no wrong door, front door reform and complex safeguarding hub) are expected to lead to a sustained reduction of unnecessary requests for a statutory intervention, release social capacity to deliver a timely plan of 'permanence' for children who become looked after, continuously improve the overall quality of practice and divert resources to early help services; supporting the progression of children's services to secure a 'good' Ofsted inspection outcome.
11. This plan will give due regard to how capacity can be released to enable resources to be invested more in early help and prevention and to address the issues, needs and contributing factors which drive the persistently high referrals and re-referrals to support a more sustainable financial position for Children's Services for future years. In response to the volatility in the looked

after children population and provider market, the other key area and focus of the Children and Education Services Directorate Budget Strategy is the development of a cost, demand and (internal and external) market sufficiency strategy (commissioning and market development) to inform the budget for 2020/21 to 2024/25.

12. For 2019/20 in order to put the Children's Services budget in a sustainable position, additional resources of £10.8m were identified in addition to the £2.8m agreed as part of the 2019/20 budget in February 2018 – a total of £13.6m. This enables a reduction in the Directorate savings for the 2018-20 period of £7.951m with revised Directorate's savings in 2019/20 of £2.653m.
13. The forecast outturn to the end of May is an overspend of £1.635m (1.4%) against a net budget of £118.855m the major variances are as follows:
14. External residential placements is projected to overspend by £1.691m due an increase of eight placements since the 2019/20 budget was finalised and a 2% increase in the average unit cost of placements. The position includes £3.3m of funding from Manchester's Clinical Commissioning Group (CCG) towards the costs of residential placements. This is made up of a non-recurrent contribution of £2.2m agreed in March 2018, ahead of progress being made towards joint assessment and funding of support to meet children and young people's needs and a further £1m projected income from the CCG for agreed contributions towards specific placements. The Strategic Director of Children Services and Education continues to undertake a line by line analysis of all external residential placements in order to assess permanence going forward. This position also reflects the current shortfall in delivery of commissioning savings of £400k, work is ongoing to review this provision and seek further efficiencies. This includes:
 - Understanding of residential cohort used to drive commissioning decisions
 - Building relationships with existing and new providers, sharing insights as to type of support Manchester is looking for.
 - Integrated commissioning arrangements with MHCC and Education partners.
15. Leaving Care service has a projected overspend of £312k. The 2019/20 budget included savings of £309k to meet pressures in supported accommodation placements. The projection is for an overspend of £290k which means that this pressure has reduced slightly and the savings remain high risk. Placements are currently 104 compared to the budget available for 87 placements. This includes the cost of accommodating care leavers over the age of 18 and the position reflects that placements are expected to reduce by 5 due to young people taking over their own tenancy or transitioning to Adult Services. Considerable work has been done to address placement costs through realignment of services to meet an individual's needs which has resulted in unit costs being 15% below those anticipated when the budget was set. Staying Put and Supported Lodgings costs are overspent by £22k. Work continues with Strategic Housing to increase the range and choice of provision for care leavers that is both suitable and achieves value for money enabling young people to successfully live independently.

16. The Section 17 payments projected overspend of £117k is due to the demand for support required to be provided to families for accommodation and essential living costs.
17. The Legal Fees for Children's Safeguarding projected overspend of £166k is based on the activity to date and the previous outturn. This relates to anticipated court proceedings costs, translation costs and assessment charges. The Strategic Director of Children Services and Education has recently met with Manchester's Legal Team in order to understand this position better.
18. The Home to School Transport and Travel projects an overspend of £53k. The 2019/20 budget reflected the need to achieve savings of £0.733m to manage a service pressure for the Home to School Transport budget for children and young people with special educational needs and disabilities. Based on current commitments it is forecast that £286k of savings have been delivered and the remaining savings will be achieved through a reduction in spend of £434k on the budget for Travel Passes, based on the existing and anticipated passes to be issued. However, the position on both these budgets may change based on the volume of travel applications received for the new academic year. There are also savings of £90k from Travel Co-ordination of which £50k are expected to be achieved and a further £40k will be achieved next year once capital work is undertaken to enhance pedestrian crossings.
19. The Education Psychology overspend is projected at £349k. Education Health and Care Plans (EHCP) for children and young people aged up to 25 were introduced on 1 September 2014 as part of the Special Educational Needs and Disability (SEND) provisions in the Children and Families Act 2014. In Manchester schools there are a total of 2,895 EHCPs which is a 23% increase over the last three years. The Council is receiving more requests for EHCPs for young people aged 20 to 25. Education Psychologist's assessments inform the EHCP plans and as a result of the additional EHCP demand and statutory requirement to complete EHCP process in 6 weeks the current commission for Education Psychologists has had to increase beyond current available budget.
20. Foster care and Special Guardianship Orders has a projected underspend of £0.776m. At the end of May 2019 external placement numbers were 421, a reduction of 8 placements compared to budget. Placement costs have increased by 2% (£18 per week) since the budget was finalised. Internal Foster Care placements are 454 at end of May 2019 compared to budgeted placements of 467. The service has performed well in the discharge from care or avoidance of children coming into care through increasing the use permanent Special Guardianship Orders and Child Arrangement Orders where deemed appropriate with numbers increasing by 48 to 531 since the budget was set. This is leading to additional costs of £0.569m, which are being met from the underspend in foster care.
21. Children's social care workforce budgets are projected to underspend by £100k. This relates to Locality Social Work teams and Permanence and

Emergency Duty Service underspend of £380k due to existing vacancies. The Families First service and Supervised Contact overspend of £347k, based on the use of agency staff, is currently under review. Complex Safeguarding Guard Hub is undergoing a restructure and current vacancies has led to a small underspend of £25k. Children's Social Care Commissioning Team underspend of £28k is due to vacancies which are expected to be recruited to later in the year. Other underspends total £14k.

22. Children's and Adults Mental Health Service (CAMHS) projects a £20k underspend. The Council is working with Manchester Foundation Trust and Manchester Health and Care Commissioning and has agreed to pay a £480k contribution towards CAMHS based on an interim specification whilst a revised contract specification is being developed for implementation later this year. The underspend relates to the cost of the agreed contribution compared to the budget available.
23. Strategic Leads, Quality Assurance and Statutory Assessment projects a £157k underspend. This is after the use of the recently confirmed School Improvement Grant and recharges to Dedicated Schools Grant.
24. Dedicated Schools Grant (DSG) in 2019/20 totals £530.06m, of which £6.10m is top sliced by the Department for Education to pay for academy budgets. At this stage it is expected that the DSG will overspend by £1.9m. This is mainly due to the high needs block which supports children with special education needs and special school places. There are DSG pressures in out of area placements, Education Health and Care Plans (EHCPs) and post 16 year old Education.

Adult Services (£3.658m overspend)

25. The Adult Social Care (ASC) and Population Health (PH) budget for 2019/20 is £198.068m of which £193.540m is part of the £1.186bn Manchester Health and Care Commissioning (MHCC) Pooled Budget for 2019/20.
26. The forecast outturn to the end of May is an overspend of £3.658m (1.8%), against a net budget of £198.068m. The 2019/20 budget includes gross savings of £7.909m to be made in the year from ASC services and from those savings £1.845m will contribute towards the cost of expansion of the Reablement service and Extracare services to enable people to be supported better at home and reduce delays in hospital discharge. The position reported to the end of May reflects that savings will be delivered later in the year and therefore will not have a full year impact in 2019/20. Through the partnership arrangements with Manchester Health and Care Commissioning for the health and care pooled budget, measures to manage spending pressures will be considered including taking into account funding available to support system resilience.
27. The major variances are as follows:

28. Budgets within the scope of Manchester Local Care Organisation overspend of £1.374m on Adult Social Care budgets. The most significant pressure is on the in-house supported accommodation budget which continues to incur high costs on agency staffing. The service has had an overspend of c£1m in 2016/17 and 2017/18 which increased to £1.8m in 2018/19, the underpinning financial model and the key assumptions is being fully reviewed. Significant work is underway to improve the agency management information to further understand agency requirements.
29. Residential and nursing project a £255k overspend. The budget includes savings of £1.084m, which equates to a reduction of 49 placements across the year, resulting from the impact of new care models. Residential and nursing placements show a net decrease of 5 from March 2019 and continue to show a reduction.
30. Homecare projects a £0.981m overspend. The hours commissioned as at the end of May are 26,744 which are in line with the numbers commissioned over the last 6 months. The Homecare savings from new care models were £4.533m which equates to a reduction of 5,930 hours or c22% of the commissioned hours. This was modelled to be achieved from reduced packages of care following reablement, the introduction of an improved assistive technology offer and high impact primary care. Based on progress to date it is estimated that £2.1m of savings from these new care models can be delivered in 2019/20 and this is reflected in the reported position. Contract savings of £0.750m were expected from the new homecare contract which is due to commence in September on a phased basis. Progress against this savings target will be expected in the last six months of the year as such £375k of savings are included in the forecast. Savings from Strengths Based Assessments of £300k have also been estimated for delivery later this year. These estimates will be kept under review as the year progresses.
31. Learning Disability projects a £0.616m overspend. There has been a net increase of 8 clients since the start of the year with a cost of £0.544m. The reported position reflects a request to draw down demography funding to meet the cost, subject to approval of the Deputy Chief Executive and City Treasurer and Executive Member for Finance and Human Resources. Savings of £0.650m were agreed as part of the budget process which were split between £0.500m on high cost placements and £150k from the introduction of an enhanced shared lives offer. To date £22k of savings are verified as being achieved against high cost placements. The shared lives offer is still being developed in full and is unlikely to achieve savings before the last quarter of the year. Until the offer is finalised and new carers are recruited, no savings have been built into the reported overspend above.
32. Mental Health projects a £150k overspend. Whilst mental health placement numbers have reduced by 6 for those over 65 years old and by 9 for those under 65 since March 2019. There remains a pressure of £150k on the budget.

- 33. Commissioning and corporate budgets projects a £0.582m overspend. This overspend is largely as a result of a delay on identification of contract savings of £0.5m which was a savings target for 2019/20. Options are being considered to deliver this saving.
- 34. Carers budgets project a £200k underspend based on levels of spend to date when compared to spending patterns from 2018/19.
- 35. Safeguarding budget projects a £100k underspend on staffing related costs. This is outside the remit of the MHCC Pooled Budget.

Homelessness / Welfare reforms (Breakeven)

- 36. The position reported is a projected break even position against a net budget of £13.942m. The position reflects the allocation of £4.340m investment and demography budget of £250k as per the Council's 2019/20 budget process and planned spend of external recurrent and non-recurrent funding streams. Whilst the position is breakeven there is risk from continuing rising demand, new initiatives and services developments funded from non-recurrent resources.
- 37. The use of Bed and Breakfast (B&B) during May averaged per night 143 single people and 70 families. The budget position is based on the expectation that numbers will reduce during the remainder of the year. To delay the use of temporary accommodation and move people in a managed way, a new team has been implemented at the front door for Section 21 presentations (no fault evictions). This delay allows more time to work with the family or individual to avoid eviction. Where there is a need for temporary accommodation the aim is to move people directly from their current property into dispersed accommodation, avoiding the use of B&B. If the numbers continued at the current rate for the rest of the year there would be a £75k overspend.
- 38. The net spend on dispersed temporary accommodation in addition to that claimed through housing benefit is forecast as £5.5m based on placement numbers in May. Forecast gross spend is £14m with eligible housing benefit income of £8.5m. This cost is being met by additional investment of £3.4m included in the 2019/20 budget and Flexible Housing Support Grant of £2.1m. Placements have increased by 27 since March 2019 to 1,508 in May 2019. Numbers of families in temporary accommodation continue to rise and there is a risk that despite significant additional investment in prevention the number of presentations in Manchester will continue to rise. There is an estimated £0.750m capacity in the Housing Benefit subsidy for numbers continuing to rise, this would allow for around 75 new placements, but numbers between June 2018 and March 2019 rose by 150. Work is ongoing to put in place an approach to minimise the cost to the Council of temporary accommodation by maximising the use of eligible housing benefit.
- 39. The 2019/20 budget included £0.5m of investment into the Inspections Team for Dispersed Accommodation and Floating Support Welfare Contact Officers. The investment in the Inspections team will ensure there is sufficient capacity

to make certain that properties are up to standard. The Welfare Contact Officers will ensure oversight and service safeguarding is maintained of all households whilst unallocated to a specific Support Worker, in addition to this, the role will oversee escalation of property issues, chasing progress on repairs and supporting residents with move on

40. The 2019/20 budget also included £0.8m of funding for a new homelessness prevention service which will support those households identified early on as being at risk of homelessness. The intention is to pilot this in two areas of the city, linking in with Early Help, education, health, and other locality based services, and providing a multi-agency/multi-modal prevention response to those households identified as being at risk of homelessness before they hit crisis point.
41. Funding of £205k from Greater Manchester Combined Authority (GMCA) for A Bed Every Night commitment for April and May has been confirmed. It is expected that Manchester's provision for the remainder of the year will cost £0.962m, with funding of £0.816m required from GMCA. Remaining £146k of additional support for medium to high needs clients as well as move on support to be funded from the new prevention investment.
42. Adult Social Care Winter pressures grant of £279k has been agreed as part of the 2019/20 budget setting process, this will fund eight posts on a permanent basis to enable successful recruitment and retention of staff linking a Homelessness Support Worker to each of the three hospitals as well as Mental Health. In addition to this there is a requirement to increase Private Rented Sector staffing to ensure people are not discharged from hospital into Homelessness but have a permanent accommodation offer which will be funded as part of the Adult Social Care Winter Pressure grant allocation.
43. The financial position reflects full spend of the following non-recurrent funding allocations:
 - Rough Sleeper Initiative (RSI) funding of £0.5m funds a number of different initiatives and services that work together as an RSI Partnership, with the objectives of preventing people from rough sleeping and finding accommodation for people already rough sleeping.
 - Ministry for Housing Communities and Local Government (MHCLG) has allocated funding for Rapid Rehousing Pathway programme of £215k. Additional staff attached to the Council's Outreach Team will develop relationships and help people who sleep rough to access appropriate local services, get off the streets and into settled accommodation.
 - Private Rented Sector Access Bid of £401k to increase the existing PRS offer to landlords including assistance for deposit and bonds.
 - New burdens funding of £390k is being utilised to provide capacity to reduce demand resulting from Homelessness Reduction Act. However whilst the responsibilities are ongoing, given the uncertainty around funding capacity arrangements have been made on temporary basis.
 - MHCLG Prevention and Flexible Homeless Support Grant provide additional funding of £1.005m to be utilised to prioritise prevention activity, carry out homelessness activities in line with the principles of

homelessness reduction act and reduce or eliminate the use of emergency B&B accommodation, particularly for periods over 6 weeks.

Corporate Core (£0.945m underspend)

44. The £0.945k underspend is made up of £1.958m underspend in Corporate Services offset by £0.639m overspend in Chief Executives and £374k unachieved cross cutting savings which is a timing issue because of part year implementation.
45. The Chief Executives overspend of £0.639m is primarily due to increased costs of the Coroners service, this is due to an increased number of cases, along with the complexity of cases.
46. The Corporate Services underspend of £1.958m includes employee savings of £1.573m due to vacant posts in a number of service areas including Performance Research and Intelligence, Procurement and Commissioning, Revenue and Benefits, Customer Services, Financial Management, and Commercial Governance. There is a £420k underspend in ICT due to a lower forecast spend against resources allocated to fund projects and a £30k underspend on Corporate items due to a reduced audit fee. This is offset by an overspend of £65k in the Shared Service Centre which is due to reduced income and an overspend on running costs.
47. There is a £374k overspend due to unachievement of cross cutting savings in relation to the HR policies. However there continues to be work ongoing to ensure that savings can be set against this target.

Neighbourhoods Directorate (£301k underspend)

48. The £301k underspend is made up of a £53k underspend on Neighbourhood Services and £248k on Highways Services.
49. Neighbourhoods Services is forecasting an underspend of £373k on Community Safety and Compliance, City Centre Management, Licensing and the Out of Hours Team mainly due to employee underspends with recruitment ongoing and a number of posts will be filled in the coming months.
50. This is offset by £320k lower than forecast income in Manchester Markets due to a decline in tenants at New Smithfield Market, Sunday Market Car Boot and Wythenshawe Market.
51. The position for the Highways Service is a £248k underspend, this is due to £105k underspend on Manchester Contracts as a result of a reduction in employee and subcontractor costs and additional income from pay and display car parks of £143k.

Growth and Development (£140k underspend)

52. The forecast underspend of £140k is made up a £320k underspend in Facilities Management due to a combination of staff vacancies and reduced security costs offset by additional expenditure on property repairs and planned maintenance costs.
53. The above underspend is offset by £145k overspends on Operational Property due to a combination of increased utility costs and reduced rental income from operational estate, and an overspend on Housing and Residential Growth of £35k due to additional council tax expenditure offset by savings in employee costs.
54. There are a number of ongoing risks associated with the Investment Estate, these include rental income from across the estate, and potential business rate costs for properties held pending development.

Housing Revenue Account

55. The Housing Revenue Account (HRA) is forecasting a £1.333m favourable variance.
56. The main variance is a £1.397m underspend on forecast PFI payments due to rescheduling of some capital investment, with works slipping into 2020/21, this is offset by a number of other smaller variances across the HRA.
57. The HRA is a ringfenced account and any in year surplus/deficit has to be transferred to or from the HRA reserve. Due to the forecast underspend £9.020m will be transferred from reserves, compared to a budget of £10.353m. This would leave a balance of £58.510m in the HRA General Reserve at year end.

Budgets to be Allocated

58. In line with the 2019/20 Budget Report to Executive in February 2019 the inflationary pressures and budgets are allocated on the assessment of individual business cases, approved by the Executive Member for Finance and Human Resources and the Deputy Chief Executive and City Treasurer. The following allocations are recommended for approval:
 - Release of non-pay inflation for Redgate Holdings (Waste Management) of £355k. This will enable the continued disposal of appropriate material at Redgate Holdings Ltd and avoid the costly option of disposal via the Waste Levy.
 - Release of £5.084m for the 2019/20 annual pay award to mainstream budget allocations.

Transfer to Reserves

59. A drawdown request for the following reserve has been submitted:
 - Manchester Fair Trade status – £12k draw down from Transformational

Challenge Reserve. The Council with the support of the Co-operative, Manchester's Fairtrade flagship employer, will be championing Fairtrade in the city, promoting its benefits, and encouraging retailers and customers to choose and support Fairtrade products.

Grants

60. Notification has been received in relation to specific external grants, the use of which were not confirmed as part of the 2019/20 budget setting process and therefore have been considered through the Revenue Gateway process in year.
- Local Government Association Cyber Resilience phase 1 grant of £25k allocated to ICT. The awarded grant will have a positive impact on the provision of cyber security training that will benefit all staff within the organisation. This training and increased awareness will help mitigate the risk of the Council being affected by a cyber-attack.
 - New Burdens funding of £85k allocated to Revenues and Benefits. This will fund additional temporary staffing resources which are necessary to respond more effectively to organised fraud cases received by the Benefits Service.

Virements

61. The following virements are proposed for a revised 2019/20 budget which require Executive / Council approval:
- £300k from Chief Executive Corporate Items to the Cross cutting savings budget in Corporate Core Directorate. This is made up of savings of £150k due to additional annual leave purchased by staff, based on an analysis of take up this year, and the introduction of a shared cost (salary sacrifice) model for the purchase of Pension Additional Voluntary Contributions which is projected to generate £150k in savings from employer national insurance contributions.
 - £0.560m from Cross cutting savings budget in Corporate Core Directorate allocated across Directorates following work recently undertaken to rationalise the Council's senior structure and the level of vacancies held.
 - £2.692m Youth Service budget from Children's Services to Neighbourhood Services to reflect the change in reporting arrangements.

Savings 2019/20

62. In 2019/20 budget process identified £9.022m of savings and budget reductions to be delivered in 2019/20. In addition, a further £5.776m of recovery plan savings have been agreed bringing the total savings required to £14.798m
63. The report sets out the assessment of risk against approved saving for 2019/20. The key areas of concern are those savings targets that have been rated as high risk or 'red'. These are shown in the table below.

Savings	Green	Amber	Red	Total	Non recurrent / Investment	Net Total as per MTFP
	£000	£000	£000	£000	£000	£000
Children's Services	876	1,468	309	2,653	392	3,045
Adults and Social Care	0	1,400	6,508	7,908	(5,915)	1,993
Homelessness	0	440	0	440	0	440
Corporate Core	2,499	850	0	3,349	0	3,349
Neighbourhoods	4,545	406	0	4,951	0	4,951
Growth and Development	1,020	0	0	1,020	0	1,020
Total Budget Savings	8,940	4,564	6,817	20,321	(5,523)	14,798

64. Delivery of amber and red savings will continue to be tracked and reported, and mitigations identified, where possible, to address the 2019/20 financial pressures. The red rated savings are detailed below.
65. Children's Services has £309k savings rated as red, the reported position assumes these will not be achieved in 2019/20. The savings are contained to Supported Accommodation / Leaving Care placements which are higher than budget. Where appropriate the service is supporting young people to take on their own housing tenancy agreements.
66. Adult Social Care has £6.508m savings rated as red. Although categorised as red because further work is required, the service expects to achieve £2.875m of these savings later in the year which is reflected in the reported position. The red savings are made up the following.
67. Reablement savings risk of £3.218m that the model will not have the forecast impact on homecare savings. A number of investigations are underway to improve contact time with the client which will assist delivery.
68. Strength based support planning has estimated savings of £0.5m, in addition there are £1.162m saving risk against Assistive Technology, now known as Technology Enabling Care (TEC). The TEC offer is being rolled out as part of the implementation of the strengths based assessment. Training of front line social care staff is currently underway and new procedures and processes are being put in place as part of the implementation of the new social care case management system (Liquid Logic) later in July. It is expected that benefits from these initiatives will start to be realised later in the year.
69. High Impact Primary Care saving risk of £153k from Residential, Homecare and Social Work. Work is being undertaken by the service to define the scope of the model and build integrated Neighbourhood Teams to assist delivery.

70. There are planned savings of £0.775m from Mental Health assessments where the service is working with Greater Manchester Mental Health to reassess all existing packages of care. Whilst the reviews are progressing, the time taken has gone beyond the original timescale of end of March 2019. This is reflective of both capacity in the service and the need to ensure high quality reviews and appropriate changes to care being properly considered and implemented. To date there have been some reductions in the cost of packages, but there has been some difficulty in sourcing alternative suitable care as such estimated savings may take longer to deliver.
71. Contract review saving risk of £0.5m as the implementation plan is yet to be developed. Further work is being undertaken to link into other service savings to assist with delivery.
72. Implementation of pre-paid cards has a savings risk of £200k due to the delays in mobilising the take up of the new cards, the services is working with social workers to promote the benefits of pre-paid cards and this saving is expected to be realised later in the year.

Investment Priorities 2019/20

73. In 2019/20 the Council committed to £31.863m of investment priorities. An update for these investments to the end of May is shown in Appendix 1.

Conclusion

74. Overall the projected variance of spend to budget for 2019/20 is an overspend of £3.495m.
75. A number of pressures have been addressed through the 2019/20 budget setting process and key risks will continue to be monitored and mitigations sought as required throughout 2019/20. As set out in this report, there are continued pressures on the budgets for Children's Services and Adult Social Care. The achievement of the approved savings targets is also integral to this process and will continue to be closely monitored and reported.

Recommendations

76. The recommendations appear at the front of this report.

Appendix 1: 2019/20 Investment Priorities

Investment Priorities	2019/20 £000	Objective / Update on progress / Outcomes
Children's Investment		
Looked After Children	12,931	Budget requirement for Children's placements, the Regional Adoption Agency, Children's Mental Health Services (CAMHS) and other safeguarding services supported by funding allocations and reserves.
Early Years	500	Reinvestment of Early Years savings to support the service
Adults Investment		
Additional capacity in Social Work, Safeguarding, the Citywide Care Homes Team, the Learning Disability service and other specialist services. Greater internal capacity for Best Interest Assessors supporting Deprivation of Liberty Safeguards	1,067	Recruitment to address significant challenges identified by incoming Director of Adult Social Services. Progress is positive with c70% of roles recruited to, all pre-employment checks are not yet complete, so start dates are expected in the next few months.
Development i.e. social work career pathway and additional team manager capacity for the in-house Learning Disability Accommodation Service	500	To aid recruitment and retention of social workers a career pathway is being developed. This includes collecting benchmarking information from other authorities. Modelling of possible cost implications is now underway. A future strategy is to go to the Improvement Board once agreed for approval.
Enable permanent recruitment to posts funded via Adult Social Care seasonal resilience funding	1,456	Roles identified to support work across the system in order to improve discharge from hospital. c70% of roles have been recruited to although workers have not yet started due to ongoing pre-employment checks.
Seasonal resilience funding for additional winter arrangements such as placement costs as agreed between partners	1,211	Smooth the pressure from increased package costs across the winter months. Additional provision will be purchased as required to ensure speedy discharge from hospital.
New Care Models	3,343	Investment in the New Care Models

Investment Priorities	2019/20 £000	Objective / Update on progress / Outcomes
Net Investment agreed during 2018/19 budget setting	3,840	Investment to meet need (part of £15m requirement over 2 years)
Homelessness Investment		
Homelessness - enhanced enforcement activity in the private rented sector	500	£0.5m investment into the Inspections Team for Dispersed Accommodation and Floating Support Welfare Contact Officers. This will ensure that there is sufficient capacity to make sure that properties are up to standard and ensure service safeguarding and oversee escalation of property issues
Investment agreed during 2018/19 budget setting	3,840	To support prevention and temporary accommodation including Bed and Breakfast accommodation.
Demography agreed during 2018/19 budget setting	250	The Demography provision has been applied
Neighbourhoods Investment		
Neighbourhoods - Support Food Inspections	255	Increase the number of food safety inspections, allergen control checks, imported food controls at Manchester Airport and strengthen management oversight.
Neighbourhoods - Further action to tackle littering, fly tipping and poor business waste management	500	To tackle and ultimately reduce the increasing number of commercial and refurbishment waste being fly tipped in particular hot spots throughout the City.
Neighbourhoods - Anti Social Behaviour (ASBAT)	420	Provide additional funding for the ASBAT team to address additional number of cases of anti-social behaviour across the city, delivering prevention, intervention and support to help reduce anti-social behaviour. The funding will be used to provide additional offices, management and support capacity across the city.
Youth Funding	150	Ideas are being developed for various schemes to progress in 2019/20, from 2021 consideration is to be given to part fund revenue costs of the Gorton youth hub.
Corporate Core		
Core - Welfare Reform support from additional Council Tax revenues	1,100	To support additional Discretionary Housing payments. Currently 41% of the total budget has been committed which is at a similar level to last year.
Total Investment	31,863	

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City Council Income Generation

Resources & Governance Scrutiny

City Council Income Generation - Contents

1. Introduction
2. Background to Local Authority Income Generation
3. Legislative background
4. Overall Council Summary of Income achieved/forecast
5. Breakdown of Income across Services
6. Drill Down on Key areas & Issues?
7. Growing our Resource Base
8. Review Opportunities going forward.

Income Generation - Introduction

Slides are to update scrutiny members on the following:-

- Provide details of income generating activities across the Council.
- Actions Council undertake to generate income.
- What can be done in the future to increase income generation.
- What other models exist?

To receive a report on Income generating activities within the Council with a focus on what the Council proactively does to generate income, what more could be done in the future and what other models exist.

Income Generation - Background

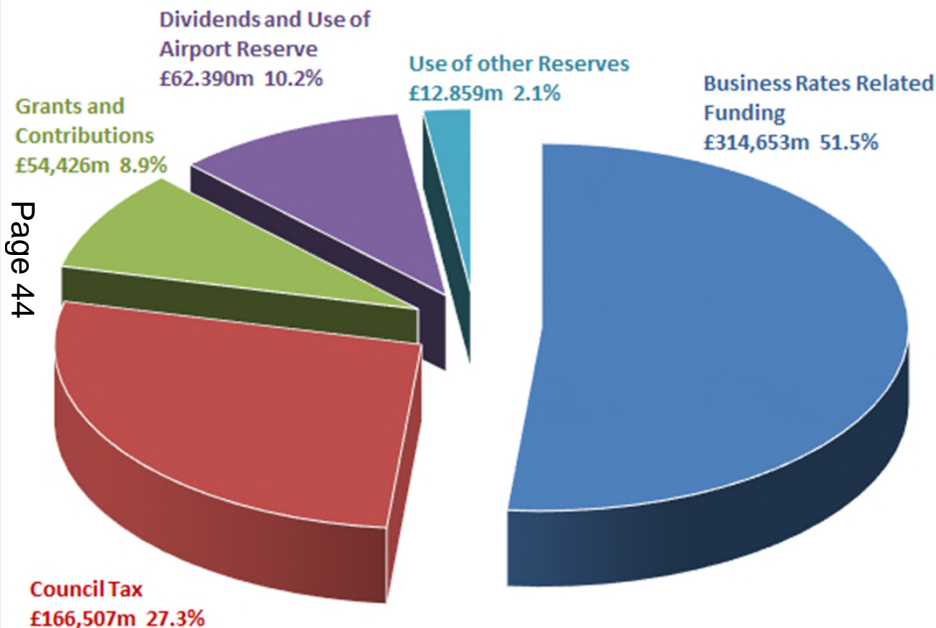
- Local Authorities have traditionally received fees & charges for the provision of services, these can be split into statutory or discretionary services.
- Local Authorities do not always control the level of fees that are charged, for statutory services the fee levels are often set by Government. E.g. planning fees.
- During the years of austerity, income generation as well as spending has been a key consideration.
- There needs to be a balance between risk/reward when considering income opportunities.

Income Generation - Legislative Background

- **Charging for Discretionary Services** - s.93 of local government act 2003 provides local authorities the power to charge for discretionary services. There is a limitation on what can be charged, in that authorities can only recover their costs. E.g. Fleet services, markets
- **Commercial Trading** - s.95 Local Government Act 2003, and the Local Government (Best Value Authorities)(Power to Trade) Order 2009 - Allows Authorities to undertake commercial activities in relation to their ordinary functions. This activity must be undertaken by a trading company within the meaning of the Local Government and Housing Act 1989, if it is intended to make profits through trading.
- Local Authorities (Goods and Services) Act 1970 - Enables the Council to provide services to other Council's, and other public bodies but not the private sector or the public in general.

Net Income

Budget 2019/20- Net Income £610.8m

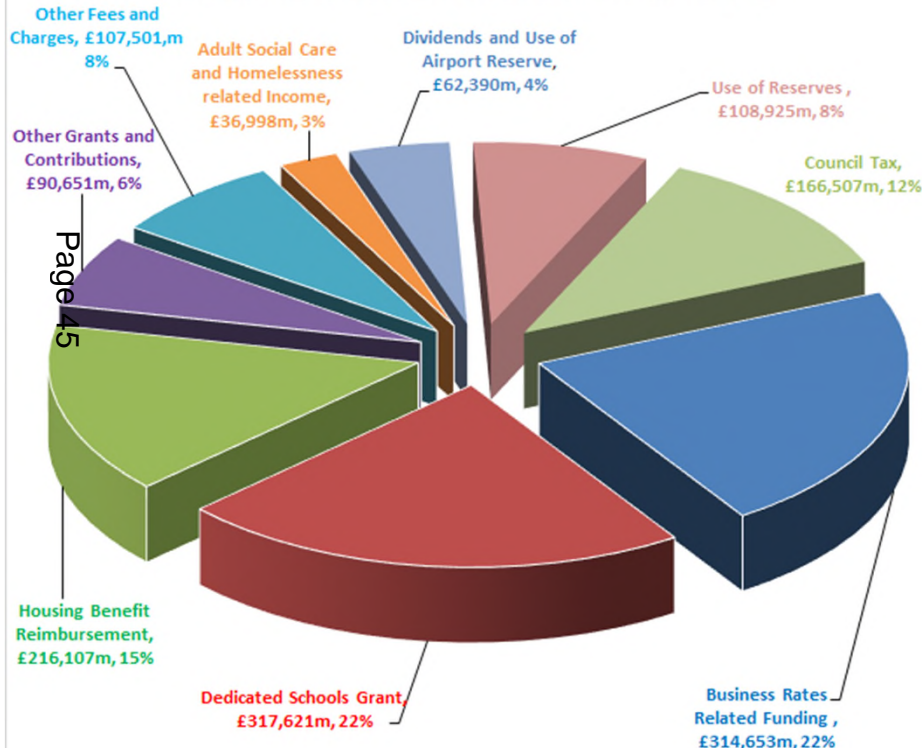


Un-ringfenced resources to support the council's net budget of £610.8m include:

- Council Tax - Just over a quarter of spend, reflects 1.99% general increase and 1.5% ASC precept Increase
- Business Rates - retained amount broadly set by government, 2019/20 last year 100% retention pilot. 50% of gain goes to GMCA - refunds if not utilised.
- Government Grants Includes:
 - Improved Better Care Fund £28.1m
 - New Homes Bonus £8.2m
 - Social Care Grants and Winter Pressures £7.2m
 - MHCC contribution £4m
- Majority of Airport dividend used a year in arrears for prudence
- Main use of reserves includes:
 - Budget Smoothing reserve £2.5m as part of three year budget
 - Use of Bus Lane reserve to support transport levy £3m
 - Use of reserves to fund 2019/20 priorities over three years including ASBAT, Adult Social Care Improvement Plan and Children's Social Care

Gross Income

Budget 2019/20- Gross Income £1.421bn



- The Councils gross budget is c£1.4bn (Excluding the HRA)
- This includes significant amounts which are not spent directly on council services as follows:
 - Dedicated Schools Grant £317.6m
 - Housing Benefits Reimbursement £216.1m
- The focus of this paper is Other Fees and charges, of £107.5m, around 8% of the gross income available.

Income Generation - Overall Council Summary of Income achieved/forecast

- The table provides a summary of overall income for 2018/19 budget & actual, and 2019 budget.
- Further detail is provided on all services with income in excess of £1m. It should be noted that there are a number of instances where the income correlates to spend budgets and there will be comparable shifts in spend too.
- The sums include:
 - Business units and income generated from sport, leisure and other neighbourhood facilities
 - Income from the investment estate and the corporate property estate /facilities management
 - Planning Income
 - Income from on street licencing and bus lane enforcement used to support relevant costs in the revenue budget
 - 18/19 are higher than budget as they include some one off income i.e. investment estate, and income offset by corresponding costs. i.e. Leisure events.
- The sums stated exclude the following income sources:-
 - Housing Revenue Account Income
 - Adult Social Care Income - the charges are set by national frameworks for residential and home care
 - Homelessness Income
 - Schools Income
 - Ringfenced income that is credited to reserve - e.g. parking, bus lane and Business Improvement District

Overall Income	2018/19 Budget £000's	2018/19 Actual £000's	2019/20 Budget £000's
Fees, Charges, Service Income.	112,001	112,179	107,501

Income Generation - Breakdown of Income Across Key Areas

Service/Income Stream	2018/19 Budget £m's	2018/19 Actual £m's	2019/20 Budget £m's	Comments
Neighbourhood Directorate				
School Catering	10.157	9.587	9.709	Currently £2.25 per meal, provide to 88 schools - Risk around losing schools to external companies
Bereavement Services	2.919	3.013	3.024	Income from burials and cremations - Rates reviewed annually and increased by 4.3% for 2019/20 - Higher burial fees are charged to non Manchester residents.
Fleet Services	1.664	1.809	1.758	Provide fleet service to both internal & external customers, includes vehicle hire, servicing and fuel.
Manchester Markets	10.285	10.226	10.708	Includes local, wholesale, Street and car boot markets. Rents are reviewed annually, and increased 19/20 budget is primarily due to increased rates for rent and service charge. Recently seen a decline in numbers of traders.

Income Generation - Breakdown of Income Across Key Areas

Service/Income Stream	2018/19 Budget £m's	2018/19 Actual £m's	2019/20 Budget £m's	Comments
Leisure & Sports Development	7.968	9.197	7.511	Includes leisure management contract tendered 18/19. Sports development across the City including provision of school swimming and other sporting events. 19/20 budget reduced due to the transfer of services to Manchester Active.
Community Safety & Compliance	3.477	2.317	1.902	Includes fixed penalty notices for enforcement, and the new 3 year licensing model for houses of multiple occupation. 18/19 was the first year of HMO licensing, and licenses are for 3 year period. Initial increase in income received, with surplus credited to reserve and drawn down over the 3 year period.
Parks & Open Spaces	0.895	1.263	1.011	Fees & charges for use of facilities, and provision of activities in parks. Ongoing development as part of the commercialisation strategy.
Highways Services	5.714	7.013	6.009	Income from car parking, including the joint venture and permit income, provision of winter services and enforcement activity. As part of 19/20 budget proposals fees for permit income were increased.

Income Generation - Breakdown of Income Across Key Areas

Service/Income Stream	2018/19 Budget £m's	2018/19 Actual £m's	2019/20 Budget £m's	Comments
Libraries, Galleries & Culture	0.940	1.065	0.817	Income through fees and charges across the service. Work continues to develop the commercial strategy, including catering offer and exhibition tax relief.
Growth & Development				
Investment Estate	23.492	25.244	24.512	Rent & service charge income from assets held within the investment estate. Includes a combination of owned and leased assets. 2018/19 included additional one off income. Budget increased for additional rental income as part of budget proposals
Planning, Licensing & Building Control	7.284	8.868	7.677	Planning fees from developers, can be volatile and are reliant on growth and development in the City. Licensing includes taxis, street traders, licensed premises, gambling etc. Include cost recovery models over multiple years. Surplus from increase in planning fees goes into planning reserve to meet costs of delivering the Local Plan and protect against volatility in future years

Income Generation - Breakdown of Income Across Key Areas

Service/Income Stream	2018/19 Budget £m's	2018/19 Actual £m's	2019/20 Budget £m's	Comments
Facilities Management	1.619	0.800	1.299	Provision of FM services to external customers, includes cleaning & security. Customers include registered social landlords and Universities. 19/20 budget reduced to realign budgets, and cessation of provision of storage.
Corporate Property	0.896	1.231	0.896	Rent and service charge income, along with other income from occupiers of City Council buildings.
Corporate Core				
Legal & Democratic Services	8.296	7.777	8.469	Main source of income is provision of legal services to other authorities. These are subject to inflation annually, and 1 contract has been updated for 2019/20. Other income includes registration of births, deaths & marriages along with citizenship ceremonies and approved premises.
Revenue & Benefits	1.420	1.140	1.420	Fees recovered as part of recovery overpayments work, will be offset by corresponding fee expenditure.

Income Generation - Breakdown of Income Across Key Areas

Service/Income Stream	2018/19 Budget £m's	2018/19 Actual £m's	2019/20 Budget £m's	Comments
Other Core Support Services	1.888	1.623	2.203	Income received across core services for provision of support to other organisations. 19/20 income targets increased as part of the budget proposals.
Parking	10.262	10.724	10.588	Parking income includes pay and display income and penalty charge notices. Income from parking enforcement can only be used to fund costs of providing & maintenance of parking service and environmental improvements with any surplus being held in a ringfenced reserve. Actual income excludes surplus credited to reserve.

Income Generation - Breakdown of Income Across Key Areas

Service/Income Stream	2018/19 Budget £m's	2018/19 Actual £m's	2019/20 Budget £m's	Comments
Bus Lane Enforcement	4.010	5.609	6.710	<p>Income from bus lane PCN's, 18/19 increased income due to increased numbers of PCN's, particularly on Oxford Road following introduction of new cameras in late 17/18. All surplus on bus lane income is credited to a ringfenced reserve, actual income excludes surplus credited to reserve.</p> <p>As part of any new scheme it is anticipated that there will be a change in driver behaviour, and this is reflected in the prudent forecast of income received in future years.</p> <p>Bus Lane income can only be used for funding costs of enforcement, costs of operating public transport and Highways improvements.</p>
Children's Services	1.099	1.358	1.205	Includes rents, recharges to schools & blue badge income.

Income Generation - Opportunities Going Forward

- Work underway to review all income sources and set out details of:-
 - Charging Policy
 - Basis of Charges
 - Opportunity to increase charges, are charges statutory or discretionary?
- As part of budget process 2020/21 review this will identify any further opportunities for increasing income budgets, assessment to include:-
 - Review demand/volume
 - Review previous years performance v budgets
 - Review level of charge
- Ensure new income generating opportunities are identified and maximised.

Income Generation -Key Issues.

- Significant number of income sources are demand led, and therefore volatility is outside control of City Council, this includes:-
 - Planning Fee income
 - Investment Estate
 - Parking/Bus Lane enforcement income
 - Retail markets
- Changes in the retail sector are likely to impact on the High Street with a potential reduction in associated rental income
- The parking joint venture contract is up for renewal and the opportunities for income and investment in the City will form part of the process

Growing Our Resource Base

- Business Rates - New System will retain growth incentives - Attracting inward investment and securing new commercial development
- Council Tax:
 - Facilitating new homes through the Residential Growth and Affordable Housing Strategies
 - Capital Investment - bring forward and support major infrastructure projects which grow the City e.g. Northern Gateway Strategic Regeneration Framework
- Commercial income including:
 - Maintaining revenues from the Airport such as the dividend, rental income and returns on shareholder loans
 - Civic Quarter Heat Network - Council providing finance to the SPV's, return to City Council in dividends, interest and energy savings
 - NCP parking Joint Venture - c.£5m rent and c£1m dividend income
 - Income from the investment estate (currently c.£22m)

Looking to the future - Other Approaches

- Industrial Strategy and how we measure and harness economic impact:
 - People at the centre of growth, creating more a **inclusive economy** in the city
 - Go beyond traditional income measurements - measuring the impact on 'well-being',
- Community Wealth Building:
 - Understanding and harnessing existing wealth for the benefit of local economies and communities
 - Forefront of progressive procurement policy and practice
 - Achieve greater economic, social and environmental benefits for local places and people
 - Further embed social value focused contract management - robust delivery
 - LA's role as a place shaper - Thinking beyond narrow definitions of Social Value
 - Role of anchor institutions in harnessing community wealth
- Community-led commissioning:
 - Re-cast the relationship between citizen and state
 - Builds on emerging evidence from democratic models led directly by people bringing better outcomes