



Executive

Date: Wednesday, 3 June 2020

Time: 2.00 pm

Venue: Virtual Meeting - Webcast at https://manchester.public-i.tv/core/portal/webcast_interactive/485345 - or -
Dial: 033 3113 3058 - Room: 18297270# - PIN: 9263#

The Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020

Under the provisions of these regulations the location where a meeting is held can include reference to more than one place including electronic, digital or virtual locations such as internet locations, web addresses or conference call telephone numbers.

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Membership of the Executive

Councillors

Leese (Chair), Akbar, Bridges, Craig, N Murphy, Ollerhead, Rahman, Stogia and Richards

Membership of the Consultative Panel

Councillors

Karney, Leech, M Sharif Mahamed, Sheikh, Midgley, Ilyas, Taylor and S Judge

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

Agenda

- 1. Appeals**
To consider any appeals from the public against refusal to allow inspection of background documents and/or the inclusion of items in the confidential part of the agenda.
- 2. Interests**
To allow Members an opportunity to [a] declare any personal, prejudicial or disclosable pecuniary interests they might have in any items which appear on this agenda; and [b] record any items from which they are precluded from voting as a result of Council Tax/Council rent arrears; [c] the existence and nature of party whipping arrangements in respect of any item to be considered at this meeting. Members with a personal interest should declare that at the start of the item under consideration. If Members also have a prejudicial or disclosable pecuniary interest they must withdraw from the meeting during the consideration of the item.
- 3. Minutes**
To approve as a correct record the minutes of the meeting held on 6 May 2020. 5 - 14
- 4. Revenue Outturn 2019/20** **All Wards**
The report of the Deputy Chief Executive and City Treasurer is enclosed. 15 - 38
- 5. Revenue Budget - Update for COVID-19 Funding 2020/21** **All Wards**
The report of the Deputy Chief Executive and City Treasurer is enclosed. 39 - 54
- 6. Capital Outturn 2019/20** **All Wards**
The report of the Deputy Chief Executive and City Treasurer **will follow.**
- 7. Capital Budget Update 2020/21** **All Wards**
The report of the Deputy Chief Executive and City Treasurer **will follow.**
- 8. Housing Revenue Account Delivery Model - Northwards Housing** **All Wards**
The report of the Chief Executive **will follow.**
- 9. A Housing Delivery Company** **All Wards**
The report of the Strategic Director (Growth and Development) **will follow.**
- 10. COVID-19 Monthly Update Report**
The report of the Chief Executive is **to follow.**

Information about the Executive

The Executive is made up of nine Councillors: the Leader and Deputy Leader of the Council and seven Executive Members with responsibility for: Children Services & Schools; Finance & Human Resources; Adult Services; Skills, Culture & Leisure; Neighbourhoods; Housing & Regeneration; and Environment, Planning & Transport. The Leader of the Council chairs the meetings of the Executive.

The Executive has full authority for implementing the Council's Budgetary and Policy Framework, and this means that most of its decisions do not need approval by Council, although they may still be subject to detailed review through the Council's overview and scrutiny procedures.

The Council wants to consult people as fully as possible before making decisions that affect them. Members of the public do not have a right to speak at meetings but may do so if invited by the Chair. If you have a special interest in an item on the agenda and want to speak, tell the Committee Officer, who will pass on your request to the Chair. Groups of people will usually be asked to nominate a spokesperson. Speaking at a meeting will require a telephone or a video link to the virtual meeting.

The Council is concerned to ensure that its meetings are as open as possible and confidential business is kept to a strict minimum. When confidential items are involved these are considered at the end of the meeting and the means of external access to the virtual meeting are suspended.

Joanne Roney OBE
Chief Executive
Level 3, Town Hall Extension,
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Manchester, M60 2LA

Further Information

For help, advice and information about this meeting please contact the Committee Officer:
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This agenda was issued on **Tuesday, 26 May 2020** by the Governance and Scrutiny Support Unit, Manchester City Council, Level 3, Town Hall Extension (Lloyd Street Elevation), Manchester M60 2LA

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Executive

Minutes of the meeting held on Wednesday, 6 May 2020

(This was a remote meeting with all persons present in the meeting being remote from each other)

Present: Councillor Leese (Chair)

Councillors: Akbar, Bridges, Craig, N Murphy, Ollerhead, Rahman, Stogia and Richards

Also present as Members of the Standing Consultative Panel:

Councillors: Leech, M Sharif Mahamed, Sheikh, Midgley, Ilyas, Taylor and S Judge

Exe/20/56 Tribute to former Councillor Sue Murphy

The Leader of the Council paid tribute to the important contribution Sue Murphy had made to the city and to the Council. Members and all those present observed a minute's silence in remembrance of Councillor Sue Murphy.

Exe/20/57 Minutes

To approve as a correct record the minutes of the meeting on 25 March 2020.

Exe/20/58 COVID 19 - Update on Response Phase

[Cllr Leese declared a personal interest in a part of the update as Director of Manchester Airport Group]

A report of the Chief Executive provided a summary of the work undertaken in response to the COVID-19 virus pandemic in Manchester.

The areas of work outlined in the report included:

- Providing a summary of the development of COVID-19;
- Detailing the activity undertaken by the City Council, Manchester Health and Care Commissioning (MHCC) and the Manchester Local Care Organisation (MLCO) to establish the Community COVID-19 Testing Hub with Trafford partners;
- Describing the work of the Manchester and Trafford mutual aid hub that had been set up to distribute Personal Protective Equipment (PPE) to front-line workers as quickly as possible;
- Information was provided on the governance arrangements to support the Council response, with reference to the Greater Manchester Resilience Forum (GMRF) which was to be represented at the Strategic Coordinating Group (SCG) and Emergency Committee;
- Information on workforce considerations;

- Detailing the various forms of support available to help residents, including but not restricted to welfare and benefit support, support for carers, Free School Meals, emergency food provision and the Hardship Fund;
- Direct support to businesses, including expansion of the Retail Discount and the availability of grants;
- An update on Adult Social Care and the work with Health Partners;
- Describing the work to assist residents experiencing homelessness and rough sleeping;
- An update on the response of a range of different council services;
- Describing the financial implications for the council of the virus pandemic and controls, noting that the work to identify the financial implications of the current COVID-19 crisis was ongoing and evolving, particularly as announcements were being made regarding lockdown and continuing social distancing; and
- An overview of post lockdown planning and preparations for the next phase.

The Leader stated that the pandemic was unprecedented and having a profound impact and he, on behalf of all Members paid tribute to the Chief Executive, the Senior Management Team, officers and all Public Sector workers for their invaluable and effective response to the difficult and challenging circumstances. He stated that he was in daily contact with the Chief Executive to monitor the emerging situation and that each Executive Member was in regular contact with the appropriate officers within the council's Senior Management Team. He further advised that he was contributing to the Greater Manchester Emergency Committee, chaired jointly by the Mayor of Greater Manchester and the Chief Constable of Greater Manchester Police (GMP). He told the meeting that he was in weekly contact with the Local Government Association to lobby central government over a range of issues, including the budgetary position.

With reference to the approval of a loan to support Manchester Airport, the Leader stated that due to the commercially sensitive nature of those arrangements it was not appropriate at that time to provide detailed information; however, he reassured the Members that the Deputy Leader, who had taken the decision, had consulted the Chief Executive, the Deputy Chief Executive and City Treasurer and relevant Scrutiny Chair prior to the decision being taken and that all Members had been briefed on these arrangements.

The Leader then invited each individual Executive Member to provide an update on the work within their area of responsibility.

The Executive Member for Adult Health and Wellbeing paid tribute to all the staff who were working to provide services and support to the residents of Manchester, commenting that this would not be forgotten. She explained that over previous years the foundations had been established in Manchester to respond effectively to the situation by the integration of health and social care services and by establishing effective relationships. The planning of the response to the emerging COVID-19 threat had commenced in January 2020 and those plans had been reported to the Health Scrutiny Committee and Executive. She added that it was an emerging and changing landscape and that the figures presented within the published report were already out of date and she provided the meeting with updated figures in relation to the number of reported COVID-19 deaths.

In regard to hospital capacity the Executive Member for Adult Health and Wellbeing reported that Manchester was doing well and reiterated the message that residents were encouraged to seek medical assistance when required and not to delay or avoid seeking medical help for fear of COVID-19.

In regard to testing, the Executive Member for Adult Health and Wellbeing advised that on 20 March 2020 the City Council, Manchester Health and Care Commissioning and the Manchester Local Care Organisation had established the Community COVID-19 Testing Hub with Trafford partners to support the national programme and to implement a Manchester response, noting that testing sites were currently provided at the Airport, the Etihad Stadium and at Alexandra Park. The intention was to implement mobile testing sites across the city. She stated that the Community Testing Team were accessing Care Homes, commenting that this was very important and discussions were ongoing with the Care Quality Commission and Public Health England to continue to test care home residents. She stated that Manchester was using its local expertise and knowledge to support and inform testing at a Greater Manchester level.

With specific reference to Care Homes, the Executive Member for Adult Health and Wellbeing stated that Manchester remained committed to working with Care Homes to offer appropriate support and advice across a range of activities and services, noting that at the time of reporting two thirds of care homes in Manchester were not reporting cases of COVID-19. She advised that patients were being tested for COVID-19 prior to discharge from hospital to a care home. In response to a specific question, she confirmed that she had been given an assurance that anybody in a care home experiencing COVID-19 symptoms would receive the most appropriate treatment, where necessary including admission to hospital. The Executive Member for Adult Health and Wellbeing stated that all care home providers would be written to to advise them on the range of support via emergency funding that would be available to them.

With regard to PPE, the Executive Member stated that nationally there was an issue with procurement; however, Manchester had benefited from the establishment of a number of mutual aid hubs to deliver PPE to frontline staff across a range of settings, including staff working in care homes, homeless charities and GP Practices. She stated that this activity had been supported by local business and voluntary and community groups and she expressed her gratitude to all those involved.

The Executive Member for Adult Health and Wellbeing concluded by advising that the Manchester Local Care Organisation remained committed to delivering services to support vulnerable residents, including those identified as being in the shielded category. She stated the Freephone Helpline number was available to residents and advice was provided in a number of languages. She reported that the Helpline had received over 10,000 calls to date that had resulted in food being delivered to support more than 8,000 residents, with 6,000 of these identified as requiring ongoing support. She stated that this had been achieved by the efforts of the Voluntary and Community Sector and she paid tribute to the way in which they had responded and adapted to deliver this support.

The Executive Member for Neighbourhoods reported next, stating that he wished to place on record his thanks on behalf of all Members and residents to all staff and the Biffa crews that had worked in difficult circumstances to deliver the city's waste and recycling service with the minimum of disruption to residents. He advised that the bulky waste collection service had been reinstated and he thanked residents for their patience and understanding during this period. In response to a comment made regarding the necessity to keep all Members informed in an appropriate and timely manner of any changes to collections the Leader stated every endeavour would be made to inform Members in advance of any public announcements; however, it was important to acknowledge that circumstances changed quickly and this might not always be possible.

Problems nationally with flytipping had attracted a significant amount of press attention. The Executive Member for Neighbourhoods reported that Manchester had in fact experienced a reduction in the number of flytipping incidents, and where these had occurred contractors had been able to remove these in a timely manner.

The Executive Member for Neighbourhoods further paid tribute to all local faith leaders for the support offered to their local communities and congregations, noting the importance of spiritual support at such times whilst observing social distancing.

In his report the Deputy Leader paid tribute to Manchester residents in responding and adapting to the current difficult situation. He stated that whilst there had been a small number of cases of non-compliance, Manchester had been able to continue to keep parks and open spaces accessible for the benefit of the majority of Mancunians.

The Deputy Leader advised that where incidents and complaints had arisen officers from the Anti-Social Behaviour Action Team had worked closely with colleagues in GMP to address those. The policy that had been adopted was one of engage and explain, and in general that was being effective. He further welcomed the work undertaken to address speeding vehicles and off road motorcycles, which was another issue being seen across the whole country.

The Deputy Leader stated that it was acknowledged that the need to maintain social distancing would remain in place for some time and the Council was committed to supporting residents and businesses to adapt to this new way of life.

The Executive Member for Children and Schools paid tribute to all staff working in Children's and Education Services and the Senior Management Team for their response to the crisis, noting that they had demonstrated resilience and commitment. He further paid tribute to all staff working in schools and early learning settings for their response in providing home learning materials and delivering welfare checks, noting that he recognised how difficult lockdown could be for families and children, particularly those with additional needs. He thanked staff for protecting and supporting vulnerable people and stated that all this had emphasised the importance of the public sector and social care. He advised that all schools were receiving daily updates from the Director of Education and that the feedback from the schools to this contact and support was very welcome.

The Executive Member advised that ahead of the Government scheme to issue vouchers via schools to families who would usually be eligible for Free School Meals, Manchester City Council had made local arrangements to support Manchester families and he thanked the Director of Customer Services and Transactions and the work of the staff in the Revenues and Benefit Unit to deliver this support in a timely manner.

The Executive Member also informed Members that the Statutory Social Work service had continued to deliver the service in a 'business as usual' way and he continued to receive regular performance activity updates. He was reassured that all Looked After Children in Manchester continued to receive the appropriate support and regular contact from Social Workers using a range of different methods, adding that equipment has been provided to young people to enable digital and virtual contact.

Tribute was also paid to Foster Carers, recognising the important and invaluable role they provided in supporting young people. He advised that they were contacted weekly by the service to offer support and maintain contact.

The Executive Member for Children and Schools concluded by paying particular thanks to all young people across the city for adhering to the lockdown and he stated that it was recognised how challenging and difficult this was for them.

In response to a question regarding the reported decrease in the number of calls requesting assistance from Social Services, the Executive Member replied that this reflected national trends. He said that work was underway to reach out, contact and support people in need, such as those with an Education Health and Care Plan (EHCP). Council teams located in the Neighbourhood Hubs were being proactive in identifying and offering such support.

The Executive Member for Finance and Human Resources thanked all frontline staff and recognised the important work of all of the back office staff for supporting the response to this crisis, including those in the ICT and HR Departments for supporting staff as they interpreted and responded to the changing working environment and guidance. He noted that Manchester had already begun to prepare to respond to the emergency in advance of any Government announcements and made reference to the work of the Revenue and Benefit Unit to administer free school meals and financial support for businesses across the city. He advised the scale of this challenge could not be underestimated and he thanked the staff for their hard work to process the required changes and apply the grants and discounts appropriately, noting this equated to £66.865m support paid to local business. He further encouraged all local businesses to check what support they were entitled to that could help them through this challenging time and stated that information could be obtained via the Council's website.

In response to a specific question in relation to the numbers of fraudulent applications for grants, the Executive Member for Finance and Human Resources advised that he had sought an assurance from the Head of Audit and he was satisfied by the checks and due diligence taken by staff when processing applications. In regard to the one

specific incident regarding a double payment he reported that this was a genuine mistake and had been resolved quickly.

In regard to a question regarding Welfare Funding the Deputy Chief Executive and City Treasurer stated that the use of the funding would continue to be reported.

Reporting next, the Executive Member for Environment, Planning and Transport thanked all staff for their work to support the residents of Manchester and wanted to take the opportunity to reassure residents that the work to tackle climate change was ongoing and remained a priority for the Council. In regard to the reporting of 2019/20 direct emissions she confirmed that this would complete the reporting against the Council's previous Climate Change Action Plan and would establish an accurate baseline by which to report progress against the new Climate Change Action Plan. The Council remained committed to ensuring that the Council's direct emissions reduced by 50% over the next five years and would continue to play a full part to support the city to achieve its carbon budget reduction ambitions.

The Executive Member reported that a mapping exercise was currently underway to explore future tree planting opportunities in 2020/21. At the appropriate time local communities and stakeholders would be invited to plant trees. In terms of reducing emissions, applications had been submitted to the Department of Transport to fund a fleet of e-cargo bikes and trailers to support greener courier services and submission had been made to the National Lottery Fund to seek funding to support local communities to deliver local environmental projects to address climate change and increase resilience. Furthermore, European Development Funding was being sought to progress work on the Hammerstone Road Depot and the installation of solar car ports at the Velodrome site. Dialogue had also commenced with the Department for Business Energy and Industrial Strategy with the aim of securing additional funding to support the delivery of the Climate Change Action Plan.

The Executive Member for Housing and Regeneration informed the Members that across Manchester there were approximately thirty Registered Housing Partners and as a result of existing joint work arrangements and relationships they had been in a strong position to respond at a community level when the virus pandemic crisis had emerged.

The Executive Member paid tribute to the positive response and 'can do' attitude of all the staff to support vulnerable residents. She made reference to the numerous initiatives undertaken by different providers to contact and support local residents. She thanked them all for their huge and important contribution that they played in supporting residents and she stated that they in turn would be supported in the difficult months ahead.

With regard to Manchester Move, the meeting was advised that this housing allocations system had been suspended during the lockdown period with priority being given to emergency allocations to ensure people requiring discharge from hospital or those fleeing domestic abuse could be housed quickly, appropriately and safely.

In his report to the meeting the Executive Member for Skills, Culture and Leisure thanked the staff working in the Homelessness Team and across the wider Homelessness Partnership and the Voluntary and Community Sector for their invaluable work to support the most vulnerable residents in the city, often with complex needs, at such a challenging time.

The Executive Member advised that 255 people had been accommodated in hotels and other temporary accommodation and they continued to receive specialist support. He said that the ambition would now be to identify suitable permanent accommodation for these residents and this would be facilitated via individual support plans. He stated that this remained a challenge and the Government would continue to be lobbied to ensure appropriate funding was made available to Manchester to support this area of activity.

The Leader stated that despite the best efforts of officers, there remained a small number of rough sleepers who had refused all offers of accommodation; however, work with partners continued to offer support to these individuals and those individuals could still access support.

Decision

To note the report.

Exe/20/59 COVID 19 - Forward Recovery Planning

A report of the Deputy Chief Executive and City Treasurer provided the Executive with an overview of forward planning work for the city's recovery from the COVID-19 crisis. This included preparations which were already underway to manage the phased opening up of the city and planning for the longer term challenges.

The report outlined proposals to reset and reposition the Our Manchester Strategy 2016 -2025 to respond to the post COVID-19 challenges the city now faced, starting with a consultation which was rooted in the Our Manchester approach.

The areas of work outlined in the report included:

- Economy – planning to support the economic recovery of the city, including support for businesses, supporting residents to develop skills and get back into employment, promoting residential and commercial development and transport planning;
- Residents and communities – including addressing poverty, supporting vulnerable residents, building community resilience and relationships, supporting the Voluntary, Community and Social Enterprise (VCSE) sector and understanding and addressing how the crisis was impacting on different groups; and
- Impact on the Council and Public Services – including Health and Social Care, Public Service Reform, changing ways of working and the financial impact of the crisis.

The report stated that this would be supported by:

- Evidence base and impact for each of the above workstreams;
- External relationships with a range of key partners; and
- The reset of the Our Manchester Strategy

The proposed terms of reference for the COVID-19 Recovery Coordination Group were appended to the report.

The Leader introduced the item, highlighting the challenges the city would face, in particular the predicted impact of the crisis on unemployment levels. He advised that an Executive Member would lead on each area of this work, alongside a senior responsible officer. He reported that it was important to both keep people safe and ensure that they felt safe.

The Deputy Leader advised Members that the world had changed significantly since the Our Manchester Strategy was developed in 2015 and that it needed to be reviewed to take into account the COVID-19 crisis, the impact of Brexit and the increasing priority being given to addressing climate change. He outlined the proposed approach and timeline for this review, involving consultation with stakeholders, with a revised strategy to be submitted to the Executive for approval in early 2021.

The Executive Member for Housing and Regeneration thanked staff in the Growth and Development service for their work. She emphasised the importance of building and development for the city's economic recovery and updated Members on housing building, particularly the building of affordable housing, including confirmation of £51 million in housing infrastructure funding for the Northern Gateway project and discussions with existing housing providers were ongoing to understand the challenges they were facing due to COVID-19. She informed Members that an update on the establishment of a housing delivery vehicle would be provided to the Executive's meeting in June 2020. She stated that the Council was committed to supporting and working with developers who shared its vision of safe, secure, quality, affordable housing and to getting the city building again.

The Executive Member for Environment, Planning and Transport reported that use of all forms of public transport had decreased dramatically since the start of the COVID-19 crisis and that car use had also reduced, although some key workers had switched from using public transport to driving to work due to concerns about transmission of COVID-19 on public transport. She informed Members that air quality had improved significantly due to fewer vehicles being on the road but that people who could not work from home needed to be able to travel to work safely. Enabling them to do so was a priority for the Council and its partners; looking closely at national guidance. She thanked transport workers, highways staff and Transport for Greater Manchester (TfGM) for their work. She advised Members that enabling people to walk safely while observing social distancing was also a priority, that a decision had already been taken to close part of Deansgate in the city centre to vehicles and that the Council was looking at what measures could be taken in local district centres, in consultation with Ward Councillors.

The Leader informed Members that colleagues in Public Health, Environmental Health and the Health Service were working together to develop proposals on contact tracing and mass testing, which would complement the work taking place at a national level.

The Executive Member for Finance and Human Resources informed Members that, since the Council's budget had been approved on 6 March 2020, the situation had changed drastically. He highlighted some of the financial challenges which were detailed in the report submitted to the Executive and expressed concern that the additional funding being provided by the national government would not cover the full impact of the COVID-19 crisis. He advised that, due to the economic uncertainty, escalating costs and loss of income arising from this crisis, the budget would need to be reviewed and a detailed report would be brought to the Executive's meeting in July 2020.

The Chief Executive thanked the Leader, Executive Members and Council staff for all their work, emphasising that this was still an ongoing effort to respond to the situation and plan for the future of the city. She highlighted the importance of considering what data could be put into the public domain, taking into account the rapidly changing nature of the situation.

The Deputy Chief Executive and City Treasurer also added her thanks to those expressed earlier. She advised Members that the Council had received funding which would cover a lot of the additional costs incurred this year but that she was concerned about the impact of the crisis on the Council's income streams including business rates, council tax, dividends and commercial income and that this impact would be felt in the next financial year. She assured Members that significant work was taking place to address all the areas outlined in the report.

The Leader informed Members that the Leader of the Opposition was experiencing technical difficulties that were making his continued participation in the meeting difficult. The Leader therefore offered that any questions or comments he wished to make would be added to the public record. He informed Members that discussions would be taking place with the Chairs of the Scrutiny Committees about what form scrutiny would take during this period, recognising that the usual requirement for officers to produce several reports each month was not practical at present.

Decisions

1. To note the approach to the forward planning work and the establishment of the COVID-19 Recovery Coordination Group and its terms of reference.
2. To approve the preparatory work required to plan for a formal reset of the Our Manchester Strategy 2016-2025.
3. To note the work that is taking place through Greater Manchester, the UK Core Cities, and to influence the Government.
4. To receive monthly update reports on this work as a standing item, given the dynamic and rapidly changing nature of the situation.

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Manchester City Council Report for Resolution

Report to: Executive – 3 June 2020

Subject: Revenue Outturn Report 2019/20

Report of: Deputy Chief Executive and City Treasurer

Summary

The report sets out the final outturn position for the Council's revenue budget in 2019/20. It also highlights the movements from the previous forecast for the year which was reported to the Executive in February 2020, and which was based on the position as at the end of December 2019.

Recommendations

The Executive is recommended to:

1. Note the outturn position for 2019/20 as set out in the report and summarised in the table at paragraph 6.
 2. Note the Housing Revenue Account position for 2019/20 as outlined in paragraphs 63 to 66.
 3. Note the overall General Fund position for 2019/20 as outlined in paragraphs 67 to 68.
 4. Approve the use of budgets to be allocated as outlined in paragraph 69 to 70.
 5. Approve the use of and transfer to reserves as outlined in paragraph 71 to 72.
 6. Approve the use of grants in addition to that already planned, as detailed in paragraph 73.
 7. Note the allocation of COVID-19 funding received by the Council as outlined in paragraph 74.
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Wards Affected: None directly

<p>Environmental Impact Assessment - the impact of the issues addressed in this report on achieving the zero-carbon target for the city</p>
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<p>The budget reflects the fact that the Council has declared a climate emergency by making carbon reduction a key consideration in the Council's planning and budget proposals.</p>
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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

There is a small overspend 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 was in a robust financial position at the end of March 2020.

Financial Consequences – Capital

There are no consequences for the capital budget.

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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 Executive 12th February 2019

Introduction

1. This report provides a summary of the revenue outturn position for 2019/20 which includes the in-year costs of COVID-19 until end March 2020.
2. The report also includes a brief update on the next budget review and future reporting of the impact of COVID-19, including the emergency grant funding which is to be brought into the budget for 2020/21.

Outturn Position 2019/20

3. For 2019/20 the outturn variance to budget is an overspend of £0.527m. This is a reduction of £2.263m from the overspend position of £2.790m at the end of December 2019 which was reported to the Executive in February.
4. On 19 March the Government announced £1.6bn of new funding for local government to help them respond to COVID-19 pressures across all the services they deliver. Manchester's allocation was £18.589m. £389k COVID-19 related expenditure was incurred in 2019/20 and this has been funded by this allocation leaving a balance of £18.2m. The costs incurred relate to :
 - £322k in ICT to enable staff to work from home;
 - £54k Facilities Management for additional cleaning equipment and materials; and
 - £13k Adults Social Care for personal protective equipment.
5. On 18 April the Government announced a second allocation of £1.6bn to support local authorities. The allocation for Manchester was £15.167m, providing overall grant funding of £33.756m to support the Council's response to COVID-19.

Summary Outturn Information

6. The following table summarises the outturn for 2019/20 by service. The paragraphs that follow outline the main reason for the variation to budget and detail the changes from the previous forecast reported to the Executive in February 2020, which was based on the position to the end of December 2019.

Overview of Outturn Position 2019/20

	Original Approved Budget £000	Revised Budget £000	Outturn £000	Variance £000	Variance last reported to Executive £000	Movement since last report to Executive £000
Total Available Resources	(610,835)	(628,091)	(630,030)	(1,939)	(1,779)	(163)
Total Corporate Budgets	113,629	119,852	119,085	(767)	(801)	34
Children's Services	120,434	120,869	122,491	1,622	3,241	(1,619)
Adult Social Care	198,263	198,324	205,222	6,898	6,953	(55)
Homelessness	13,375	14,111	14,235	124	0	124
Corporate Core	67,838	69,679	66,814	(2,865)	(2,851)	(14)
Neighbourhoods	91,781	99,321	97,256	(2,065)	(1,498)	(567)
Growth and Development	5,515	5,935	5,454	(481)	(475)	(6)
Total Directorate Budgets	497,206	508,239	511,472	3,233	5,370	(2,137)
Total Use of Resources	610,835	628,091	630,557	2,466	4,569	(2,103)
Total forecast over / (under) spend	0	0	527	527	2,790	(2,263)

Resources to support the Revenue Budget (£1.939m underspend)

7. The Council is responsible for the collection of local taxes (Council Tax and Business Rates). At the end of March 2020, 92.73% of Council Tax had been collected. This is 0.27% behind the position reported at the end of 2018/19. Council Tax relating to 2019/20 will continue to be collected and the ultimate collection rate will be higher.
8. Business Rates collection for 2019/20 at 31 March 2020 is 97.58%, 0.67% above the same point in 2018/19. Again Business Rates will continue to be collected and the ultimate collection rate will be higher.
9. However, it should be noted that local taxation income included in 2019/20 for these areas is fixed. Variances will not impact until future years.
10. The available resources to fund the revenue budget are £1.939m higher than budgeted, this is an increase in resources of £163k since the end of

December (reported in the February global monitoring). The underspend is mainly due to:

Fortuitous income of £2.005m, made up of:

- £496k additional income for car parking;
- £424k additional income from Manchester Central, (this reflects a £176k reduction on forecast as a result of event cancellations from mid-March due to COVID-19);
- £195k Photovoltaic income from solar panel feed in;
- £0.6m Investment Estate income from the Arndale centre;
- £249k income from EE due to the re-negotiation of the contract;
- £41k due to Manchester Central rental 2018/19 being higher than estimate and a review of bad debt provisions.

11. There is £75k less income from dividends than expected in 2019/20 and other minor favourable net underspends totalling £9k.

Corporate Budgets (£0.767m underspend)

12. Spend against Corporate budgets is £0.767m less than budget, a decrease in the underspend of £34k since the end of December (reported in the February Global Monitoring).

13. The reasons for the underspend are:
- £0.678m underspend due to a reduction in the number of people in receipt of historic specific education related pensions;
 - £116k underspend on Carbon Reduction Commitment (CRC) charge. The CRC Energy Efficiency Scheme was a government scheme designed to improve energy efficiency and cut carbon dioxide emissions generated by organisations. The CRC leveraged a 'carbon tax' for each tonne of carbon dioxide emitted each year. In 2019/20 the Council expected CRC charges relating to 2018/19 to be paid, however, because consumption across the estate was reduced the CRC charge was £116k lower than the estimate included in the 2018/19 position. Government closed the CRC scheme on 31 March 2019, after consulting on reforms to the way they tax and regulate business energy efficiency;
 - £14k underspend on small levies; and
 - £41k overspend on the 2019/20 Apprenticeship Levy. The Apprenticeship Levy was introduced by the Government in April 2017 as a commitment to new apprenticeships. The levy is applied to employers with an annual paybill of £3m or more and is charged at 0.5% of the employer's paybill. The Payroll Service calculates this based on the Council's paybill each month. The Levy is paid into an online Apprenticeship Service account and can be used to pay for apprenticeship related costs. Unused funds expire after 24 months. In 2019/20 an overspend of £41k was as a result of an increased payroll bill and this will accrue to Manchester's Apprenticeship Service account and be available to fund future apprenticeship costs for 24 months.

Children's Services (£1.622m overspend)

14. The 2019/20 budget delivery plan projected 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.
15. The £1.622m overspend for Children's Services is 1.34% of the £120.869m budget. The overspend has decreased by £1.619m since the position as at December 2019 which was reported to the Executive in February 2020. Key movements relate to additional Corporate Contingency allocation, reduced placement and looked after children associated costs and additional income, further detail is provided below. 93% of the £2.653m savings target have been achieved.
16. The main variances on the Children's Services budget are summarised in the following paragraphs.
17. Residential Placements - The budget for residential placements overspent by £1.387m, a decrease of **£165k** since the last report. There are regular resource tracking and monitoring multi-agency panels to ensure the level of accommodation and cost continues to be appropriate for the young person's needs. As previously reported the position also reflects the progress that has been made through joint commissioning of specialist provision for children; this has resulted in a contribution of £3.7m from Manchester Health and Care Commissioning (MHCC) towards the cost of these placements.
18. Fostering - The budget underspend has increased by **£0.998m** from the last report and is £1.378m. This movement is made up of an allocation of corporate inflation contingency of £0.586m which met the increased unit cost of external fostering placements and reduction in the use of Independent Fostering Agencies of £412k.
19. The service has performed well in the discharge from care and avoidance of children coming into care through increasing the use of permanent Special Guardianship Orders with numbers increasing by 7 to 583 since the last report. Adoption Allowances and Child Arrangement Orders have recently been reviewed and as a result have reduced by 30 to 148. Special Guardianship, Adoptions Allowances and Child Arrangement Orders spending is £0.653m higher than the budget of £6.042m, which is a **£19k** reduction since the position as at December 2019.
20. The recharge for Children's Legal Services has a projected overspend of £1.267m which is an increase of **£288k** since the last report. The movement is due to higher than expected use of external legal services. The overspend relates to:
 - an increase in the use of external legal services due to internal staff turnover;

- the increased volume for demand in legal services;
 - greater complexity of cases leading to more use of external legal advocates/barristers and subject experts; and
 - the level of support required for the social work teams.
21. Children's and Corporate Legal Services are working to address this position by ensuring that pre proceeding work is carried out, carrying out any earlier assessments and working with the family which may either delay or incur additional costs once the care proceedings begin.
22. The Leaving Care service and placements has a projected overspend of £0.586m which has decreased by **£264k** since the last report, it relates mainly to:
- Supported accommodation placements overspend of £109k, the reduced overspend is due to a reduction of 10 supported accommodation placements. The service has undertaken to improve the cost effectiveness of placements. Part of this work is ongoing with Strategic Housing and Registered Providers to increase the range and choice of provision for care leavers, that is both suitable and achieves value for money whilst enabling young people to successfully live independently;
 - Staying Put and Supported Lodgings overspend of £176k due to number of placements being 15 higher than planned;
 - Leaving Care allowances overspend of £313k, spend in this area has increased by 35% following the extension of support up to the age of 25 for all care leavers through the Children and Social Work Act 2018; and
 - Leaving Care Service is underspent by £12k based on vacancies and income from the Department for Education.
23. Special Education Needs Transport which provides home to school and home to further education settings for children and young people in education with Education Health and Care Plans (EHCPs) is overspent by £78k relating to the cost of transport for children with Special Education Needs and Disabilities (SEND). The pressures have been mainly due to an increase in service demand, in particular there has been a marked increase in the number of young people eligible for transport in the post 16 and post 19 phases. Partly as a result of better route planning and other mitigations the overspend is **£116k** lower since the position as at the last report which reflects the achievement of £0.655m savings delivered against a target of £0.733m.
24. Other budgets which include support to families for accommodation, essential living, assessments, translations and birth certificates are £318k overspent; there has been a £1k adverse movement since the last report. The Regional Adoption Agency management fee overspend has reduced by £205k and is now £78k underspent as a result of a lower recharge than previously expected. The budget for No Recourse to Public Funds (NRPF) is underspent by £0.841m, this underspend has increased by £219k since the position as at the last report due to a reduction in the number of families presenting and a quicker turnaround in completing immigration claims through the Home Office.

25. Unaccompanied Asylum Seeking Children (UASC) is overspent by £23k, this has moved by **£268k** favourably since the position in the last report due to higher than expected Home Office grant income. The Home Office has agreed to fund claims in advance of confirmation of immigration status due to COVID-19. There is a future risk that some of the additional income may be subject to clawback at a later date if claims are confirmed as invalid.
26. Education Services, including Short Breaks and Education Psychology, has an overspend of £435k, this has increased by **£344k** since the last report due to increase in Quality Assurance and Admission staffing costs and recharges. The pressure relates to:
- Education Commissions and Services which includes Education Psychology overspent by £339k. This pressure mainly relates to an increased number of Education Psychology assessments due additional demand as a result of the additional requests and the statutory requirement to complete the EHCP process in six weeks.
 - School Organisation overspend of £96k following additional provision of additional support from the Contact Service.
27. Children's social care workforce, Commissioning and Strategic Leads budgets are underspent by £0.685m, this underspend has reduced by **£123k** since the last report. The major variances are:
- Localities, Permanence and Emergency Duty Service underspend of £0.523m due to ongoing challenges in respect of recruitment and retention of social work staff;
 - Fostering Service is underspent by £90k due to staff vacancies;
 - Families' First service and Supervised Contact overspend of £216k; arising from the use of agency staff to meet out of hours service requirements. This service is currently under review which is expected to achieve a greater level of efficiency and service improvement; and
 - Child Adolescent Mental Health Services commission underspend of £288k.
28. The Early Years **£143k** underspend is a result of the delay in the completion of work to determine the condition of the buildings and inform changes to the tendering of daycare sites to ensure that going forward buildings are maintained to a high standard whilst at the same time sustaining the quality of settings and sufficient early years provision across the City, of which 97% are currently judged by Ofsted to be 'good or better'.
29. Dedicated Schools Grant (DSG) in 2019/20 totalled £530m, of which £217m was top sliced by the Department for Education for academy school budgets. DSG has overspent by £4.282m due to the increased costs charged to the high needs block. This part of the grant supports children with SEND and special school places. The DSG overspend has increased by £286k since the position in the last report due to the increased number of Post 16 placements in colleges.

30. In the Council's school funding settlement for 2020/21 there is an additional £11.994m in the high needs block of the DSG to support children and young people with high levels of need. Based on the expected growth in demand for special school places and education, health, and care plans it is expected that a third of the current years overspend can be set against next year's grant and the rest of the deficit will be recovered across 2021-23.
31. A key priority for the Council is to increase the effectiveness of services to improve outcomes for children and young people. This is delivered through effective leadership and management at a locality level and programmes of activity with key partners, adopting a targeted and systematic approach to improved standards of practice; early help and prevention, effective commissioning and market management and maximising efficiencies where appropriate in service delivery.

Adult Services (£6.898m overspend)

32. The final outturn position is an overspend of £6.898m, a decrease of £55k on that as at the end of December (which was reported in the February Global Monitoring). The breakdown of the overspend is a £7.116m overspend on the areas of social care included in the Manchester Health and Care Commissioning (MHCC) Pooled Budget, offset by a £218k underspend for Adult Social Care services outside the pool. The overspend is 3.48% of the £198.324m budget. The MHCC Pooled Budget for both health and social care totalled £1.196bn. The CCG (health) element of the pooled budget was balanced for 2019/20.
33. The £7.116m overspend on the MHCC Pooled budget relates in the main to the following areas:
- In-house Learning Disability Supported Accommodation overspend of £3.887m from ongoing and rising needs for care and support;
 - Savings not delivered of £4.0m, against an original target of £7.9m;
 - Other budget variations totalling a net underspend of £0.771m.
34. Funding for demographic growth of £2.404m was approved as part of the Council's contribution to the MHCC Pooled Budget. This funding has been utilised to meet the increased client numbers and acuity of needs in Learning Disability and Mental Health services.
35. The 2019/20 budget included £4.258m to reflect the cost of the national living wage in the annual fee increase to care providers. This has been applied in full. In addition a further interim inflationary uplift was awarded to support the residential care sector across Manchester. The aim of which was to support the sustainability and stability of this sector. The financial pressures on this element of the care sector has become more apparent with the recent arrival of the COVID-19 pandemic.
36. Manchester's Adult Social Care Improvement Programme remains the driver for significant change and longer term sustainability, primarily via the Integrated Neighbourhood Teams (INTs). Mobilised INTs with their closer

worker relationships and improved communication across social workers, district nurses, GPs and community mental health teams have been critical in the last few weeks as the city has responded to COVID-19. New assessment and support planning procedures have been developed in line with central government guidelines to ensure the safe discharge of patients from hospital into care settings appropriate for their needs. When it is safe to do so, full Care Act assessments will resume and will continue to build on the 'strengths based' approach previously mobilised.

37. Due to the COVID-19 pandemic, further roll out of the new homecare contract to the remaining parts of the city has been paused. 10 of the 12 localities across the city are either fully operational or part operational with the new providers. Commissioners are working closely with providers at this time to ensure continuity of services for all clients.
38. The last report to the Executive referenced an additional allocation of £0.896m of Better Care funding to support Adult Social Care. As proposed at that time £413k was applied to support demand in the homecare budget and £483k was deployed to support pressures across the system but primarily at Manchester Royal Infirmary, where additional social worker capacity assisted with timely discharges of patients.
39. The final year end position also reflects spend of £0.702m of the ASC Improvement Plan funding of £0.797m and £1.948m of the £2.667m winter pressures grant spent. The underspends on these two funding allocations are due to delays in recruiting to posts and full development of a career pathway scheme. The underspends have been placed in the Adult Social Care reserve to be reviewed in 2020/21 in light of updated plans and the recent COVID-19 pandemic and the expected budgetary pressures that will result.
40. The major variances for ASC are explained in the following paragraphs:
 - The most significant overspend was on the In-house Learning Disability Supported Accommodation budget (LDSA), which overspent by £3.887m, an increase of £300k from the last report. The overspend is due to additional workforce spend to support the rising needs of residents within the service. A programme of carer assessments for all residents is ongoing. MHCC agreed as part of the 2020/21 budget process to assess the impact of people meeting the continuing health care (CHC) eligibility. Both the review of residents needs and their assessment against the CHC eligibility criteria will support a reconfiguration of budgets for 2020/21.
 - Included within the above are the transitional costs of moving residents to newly built accommodation. The actual costs totalled £331k against the estimate in the last report of £300k. These costs have been funded from the Adult Social Care reserve in this financial year, with the ongoing additional costs expected to be met from the service budget. At the end of March, 8 people had moved into the new 20 bed property in the north of the city, 11 had moved into a 20 bed property in central and 7 to a 20 bed property in the south of the city.

- The Residential and Nursing budget overspent by £0.523m which is an increase of £80k since the last report. Numbers of residential and nursing care placements are 20 lower than 12 months ago but short of the estimated reduction to deliver a balanced budget. The budget included savings of £1.084m, which equated to a reduction of 49 placements across the year, from the introduction of new care models. Further savings from the residential and nursing budgets are expected as new Extra Care schemes become operational in 2020/21, the cost of which was reflected in the 2020/21 budget process. The position reported above does not include any costs for clients discharged from hospital due to COVID-19, as they will be 100% funded by central government in 2019/20. The longer term implications of COVID-19 on Adult Social Care will be a significant financial pressure in 2020/21.
- The Homecare budget overspent by £1.381m which is a reduction of £435k since the last report. The reduction in the overspend is largely due to the allocation of additional funding from council contingencies. As stated above, progress has now been paused on the further roll-out of the new homecare contracts. The number of hours commissioned in March was an average of 29,577 hours per week which is considerably higher than the 27,000 average from earlier in the year. The expansion of the Reablement service and caseload level, that was expected to deliver savings, has not yet reached the target and the introduction of Technology Enabled Care (TEC) has also been slower than expected. Currently, Reablement staff are supporting other pressures across the wider system, in particular the pressures on care homes. As previously reported, the homecare budget had a savings target of £4.7m for 2019/20 and £2.4m remained unachieved at year end. In order to offset the overspend from the non-achievement of the savings, £1m originally earmarked for Reablement expansion and £413k from the CCG from the increased Better Care Fund allocation has been allocated to the homecare budget. There has been a reset of the savings proposals for 2020/21 as part of the budget process in recognition of the delays in fully mobilising new care models and the new homecare contract.
- Learning Disability externally commissioned services overspent by £0.8m which is an increase of £162k since the last report. There has been a net increase of 57 clients since the start of the year with a cost of £1.936m. The reported position includes the allocation of £1.007m of demography funding to meet the increase in demand for these services. Savings of £0.650m were agreed as part of the budget process with £0.744m being achieved against high cost placements.
- The budget for Mental Health services overspent by £0.562m which is an increase of £130k since the last report. Since March 2019, there has been considerable fluctuation in the numbers of clients supported with those aged 65+ in residential care reducing by 21 and those aged less than 65 increasing by 17. However, the main driver for the pressure on the budget is an increase of 43 in supported accommodation placements. The cost of

backpay for a number of these clients is also included and is the result of a data cleansing exercise following the transition to the new social care system.

- In addition to the above, there were further pressures on the care budgets due to the additional delivery of short breaks, resulting in an overspend of £0.501m, £215k on shared lives and £156k on community alarms due to reduced levels of income.
- Reablement underspent by £0.504m due to the delay in the scaling up of the new care models during 2019/20.
- Cash personal budgets underspend of £186k was due to lower than predicted demand and a focus on ensuring allocated funding was spent appropriately.
- Day centres underspend due to delays in recruitment and a repurposing of staff to support the COVID-19 response in late March of £254k.
- Staffing budgets underspend of £433k on social workers due to delays in the ability to recruit.
- Other outturn variations include pressures on externally commissioned supported accommodation placements of £300k, an increase of £26k from the last report, which is due to increased demand. The commissioning and corporate budget had an overspend of £0.579m largely due to the delay in identifying contract savings of £0.5m. Carers had an underspend of £158k at year end which was a reduction from the reported overspend from the last report, due to an upturn in activity in the last two months of the year.
- Public Health staffing budgets underspent by £288k due to the delays in recruiting to specialist positions.
- Other budgets within the pool have combined net overspend of £35k and areas outside of the pool an underspend of £218k due to delays in recruitment to specialist roles.

Homelessness / Welfare reforms (£124k overspend)

41. The position reported is an overspend of £124k against a net budget of £14.111m.
42. The increase of £124k since the balanced position from the end of December (which was reported in the February Global Monitoring) is due to an ongoing increase in the number of households supported in Dispersed Accommodation. The overspend consists of £350k Dispersed Accommodation, £151k Bed and Breakfast (B&B) Accommodation which is partly offset by an underspend on staffing of £377k.

43. Presentations at the front door in 2019/20 were 9,840, a 21% increase from 2018/19 with a record number of presentations in the last 3 months of 2019/20 of 2,534.
44. Temporary Dispersed Accommodation overspend of £350k, where the Council sources temporary accommodation for families who are homeless from the private rented sector. Following a significant increase since 2014, the number of families has continued to rise from 153 in April 2014 to 1,478 in April 2019 and 1,663 in March 2020. An increase in the year of 185, an average of 15 per month.
45. The Council incurs a shortfall of c£88 per week for each unit of temporary accommodation because Local Authorities are unable to access funding from the Department of Work and Pensions for the full cost of accommodation and are limited to the housing benefit rate as at 2011. As the Council is unable to claim the full housing benefit to cover the cost of temporary accommodation the flexible housing support grant of £2.1m is being fully applied to meet the cost in addition to the £3.4m budget.
46. Unsupported temporary accommodation, or B&B, is overspent by £151k based on the updated numbers and after utilising £424k from reserves. Between the last report, and year end the number of single people supported in B&B accommodation decreased from 105 to 101, with families supported remaining relatively stable (167 at the end of December to 179 by the end of March 2020).
47. A new process has been implemented at the front door for Section 21 presentations (tenant evictions), the service is still treating people as being effectively homeless from the date they present with a valid Section 21, this is to delay the use of temporary accommodation and move people in a managed way. The team has been operational from mid-January 2019 and in that time have worked with 1,059 cases with 644 cases prevented, 563 of which had an invalid Section 21 and a further 81 were prevented following contact with the landlord. This delay allows more time for the Private Rented Sector (PRS) team to work with the family or single person, and also means that they can move directly from the old property into dispersed accommodation, avoiding the use of B&Bs.
48. The Homelessness position is partially mitigated with an underspend of £377k on staffing, a number of temporary roles have been filled with internal candidates which has had an impact on the mainstream funded posts.
49. The budget for Homelessness Service is £14.111m net of grants. The service also receives external funding including:
 - The Flexible Housing Support Grant (FHSG) of £2.1m. This fixed sum grant replaced the demand led Temporary Accommodation Management Fee with effect from 1 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 (MHCLG);
 - 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 £0.5m for 2019/20. £108k carry forward of 2019/20 Rough Sleeper Initiative and Rapid Rehousing Funding, the bid submitted for 2020/21 funding which combines these funding streams was predicated on the Council carrying forward any underspend in 2019/20 to be used to fund part of the bid for 2020/21;
 - Rapid Rehousing Funding of £214k for 2019/20;
 - Private Rented Sector Funding of £401k, £340k of funding was not utilised in 2019-20 and has been carried forward to 2020-21, this was due to the late allocation of funding from MHCLG; and
 - A Bed Every Night Funding £1.363m which supported the provision of 39,687 bed nights.
50. The 2019/20 budget included funding of £0.5m investment into the Inspections Team for Dispersed Accommodation and Floating Support Welfare Contact Officers has resulted in 1,382 properties being inspected between July and March. With the Contact Officers ensuring oversight and service safeguarding has been maintained of all households whilst unallocated to a specific Support Worker, in addition to this the role has also overseen the escalation of property issues, chasing progress on repairs and supporting residents with move on.
51. £0.8m investment into Prevention funding for a new homelessness prevention service which will support those households identified early on as being at risk of homelessness. This is being piloted 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 a crisis point.
52. Adult Social Care Winter pressures grant of £279k was allocated and approved as part of the 2019/20 budget setting process to support Homelessness on a permanent basis. This is funding eight posts and links a Homelessness Support Worker to each of the three hospitals as well as Mental Health provision. In addition the funding has provided additional Private Rented Sector staffing to ensure that people are discharged from hospital with a permanent accommodation offer.

Corporate Core (£2.865m underspend)

53. The £2.865m underspend is made up of £2.643m in Corporate Services and £222k in Chief Executives.
54. The outturn shows a small improvement of £14k since the end of December (which was reported in February Global Monitoring report) which is the net result of a number of changes across the Corporate Core service.

55. The Chief Executives underspend of £222k is made up of a £362k underspend due to staffing vacancies in Legal Services and Communications; £390k additional income in Legal Services from external commercial work; £168k additional income due to higher than forecast sales of certificates in Registrars and £147k reduced salary costs due to a higher than forecast number of employees purchasing additional annual leave through the annual leave purchase scheme.
56. This is reduced by £0.845m overspends, which includes the following areas Coroners Service (£0.591m) due to a combination of both increased case numbers and more complex cases and Elections (£254k) made up of additional costs of Local Elections £54k and £200k on the European Parliamentary Election.
57. The Corporate Services underspend of £2.643m is made up as follows:
- The following services have reported staffing underspends due to savings on employee budgets due to vacant positions, some of which were being held for 2020/2021 savings, and the timing of recruitment: People Reform and Innovation £6k, Performance Research and Intelligence £0.551m, Procurement and Commissioning £169k, Financial Management £446k, Human Resources £182k, Audit £54k, Customer Services £397k and Commercial Governance £56k. Due to budgeting for posts at the top of grade, reviewing levels of turnover and the timing of recruitment the vacancy factor has been increased in the 2020/21 budget on a number of the above services including Revenue and Benefits and the Shared Service Centre.
 - Policy and Partnerships net £10k underspend due to £299k staffing saving due to vacant positions and the timing of recruitment, offset by a reduction in project income of £289k due to lower volume of project activity.
 - Revenue and Benefits £256k underspend due to £0.711m savings on employee budgets due to vacancies and the timing of recruitment, this included a number of banked posts that have contributed £400k towards the 2020/21 approved savings. The £0.711m is offset by £180k additional one off costs for Academy licences, £80k reduction in fees due to a lower number of council tax enforcement notices being issued and £195k lower than forecast subsidy and increased bad debt provision.
 - The ICT underspend of £399k is made up of 0.501m savings on employee budgets due to the number of vacant positions and £465k underspend to fund projects. This is reduced by a shortfall in the staff capital charge to projects of £292k, dual running costs in relation to the move to the new data centre £260k and £15k on other running costs.

- Shared Service Centre £24k overspend due to £291k savings on employee budgets on a number of vacant posts, offset by £232k reduced income from schools due to reduced income from providing recruitment support, reduced purchase card rebate £26k and an overspend on running costs of £57k.
- Capital Programmes £156k underspend due to additional fee income for work undertaken on both minor schemes and commercial work for other Local Authorities.
- Corporate items overspend of £15k on internal recharges.

58. The total in year spend on Discretionary Housing payments was £3.520m, this was funded through a combination of government grant and additional mainstream resources. It was envisaged that there may be pressures in this area therefore additional resources were allocated for 2019/20. However whilst payments were slightly higher than 2018/19 there were £0.672m of resources remaining at year end and these have been transferred to reserve for use against future pressures in this area.

Neighbourhoods Directorate (£2.065m underspend)

59. The overall £2.065m underspend is made up of a Neighbourhood Services underspend of £1.054m and £1.011m Highways. The underspend has increased by £0.567m compared to the position as at the end of December (reported in the February Global Monitoring) and further detail on the main variances is set out below:

- Community Safety and Compliance is underspent by £1.472m, largely due to employee cost savings in Compliance Services of £1.276m throughout the year due to a combination of staff not being at top of grade accounting for £170k, a higher than forecast levels of staff turnover and the timing of recruiting to some posts resulting in £1.306m, offset by other areas totalling a £200k overspend. At year end there were 28 mainstream vacancies for which recruitment is ongoing subject to COVID-19 restrictions. In addition to this there were also savings of £187k in respect of GMCA recharges for landfill costs and other savings of £9k;
- Libraries, Galleries and Culture underspend of £105k due to staff savings because of vacant posts and the use of apprentices within Library Services;
- Bereavement Services and Pest Control have overachieved against their income targets by a total £217k;
- The Christmas Offer underachieved against its income target by £273k. This was due to a combination of the partial closure of Albert Square, increased security and cleaning costs and higher than forecast costs of construction design management (CDM) due to the new configuration of stalls across the city.
- There were underachievements of income in Manchester Markets of £417k due to vacant units at New Smithfield Market and a decline in the numbers of regular stall holders at the Sunday Market Car Boot; and

- Other overspends of £50k include an Events overspend of £46k due to additional safety costs as a result of an increased number of protests and mass gatherings.

60. Highways Service overall position is a £1.011m underspend which is an increase of £102k since the end of December (which was reported in the February Global Monitoring). Their overall position is made up of £247k higher than forecast fee income in Highways Capital Programme, increased commercial income of £0.803m in Highways Maintenance on external works such as drop crossings and school crossing points and £96k additional pay and display car park income. The areas of underspend are offset by £41k for additional costs for HS2, £49k to replace CCTV cameras and £45k repairs for public realm.

Growth and Development (£481k underspend)

61. The outturn position of £481k underspend has shown a small increase of £6k from that reported at the end of December (which was reported in the February Global Monitoring).

62. The overall underspend of £481k is made up of underspends in the following areas:

- Investment Estate underspend of £476k due to increased net rental income from the Estate, notably Heron House and Manchester Airport, and reduced costs associated with staffing, offset by increased costs, mainly on bad debt provision;
- Housing and Residential Growth underspend of £273k due to staff savings from vacant posts and lower than anticipated capital cost on the spend to save recharges for Ben Street;
- Staffing underspends in Building Control £87k and work and skills £30k due to a number of vacant posts; and
- Licensing underspend of £120k mainly arising from income relating to an increased number of premises licences.

62a. The above underspends are offset by the following;

- Increased utility costs of £85k in Operational Property;
- Facilities Management overspend of £335k due to increased costs for security, repairs and maintenance, planned property maintenance, and refuse removal, offset by staffing savings and additional income for building cleaning;
- City Centre Regeneration £32k overspend due to higher than forecast staffing costs;
- Other miscellaneous overspends £53k.

Housing Revenue Account

63. The Housing Revenue Account (HRA) outturn position is a £14.586m favourable variance. The two main variances are £13.161m due to reduced revenue contribution towards capital expenditure because of delays in the

commencement of several capital schemes and £1.518m lower than forecast PFI payments due largely to slippage in the planned installation of sprinklers at both Miles Platting and Brunswick.

64. As part of the year end closedown the calculation of depreciation charge was £0.828m higher than initially forecast and there was a £438k reduced bad debt provision required due to the continued delay in the roll out of Universal Credit and proactive work to support residents, and a £300k reduced insurance contribution.
65. The balance of £3k overspend is the net impact of a number of other minor variances across budgets.
66. The HRA is a ring-fenced account and any surplus/deficit in year has to be transferred to/taken from the HRA and Major Repairs reserves. For 2019/20, £4.238m has been transferred to the HRA reserve (opposed to budgeted transfer from reserves of £10.348m). This leaves a balance of £76.015m in the HRA General and Major Repairs reserves. The 30 year business plan currently forecasts that reserves will be exhausted by 2045/46, and this is before the cost of achieving zero carbon is taken into account. 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

67. The General Fund reserve position at 1 April 2019 was £22.045m. The 2019/20 budget assumed there was a transfer from the General Fund reserve of £0.165m leaving a balance of £21.880m. This excluded the impact of any variance at the end of the 2019/20 financial year. As the actual outturn position is an overspend of £0.527m the balance on the General Fund Reserve at 31 March 2020 is £21.353m.
68. There is a request to carry forward resources for £143k. If the carry forward request is approved this will be a first call on the General Fund reserve reducing it to £21.210m. The carry forward request is:
 - £143k for Early Years Centres building condition surveys, which were only partially completed in 2019/20 and delayed due to COVID-19 outbreak. Specific funding was set aside for contingency to fund this urgent work in 2019/20;

Budgets to be Allocated and Contingency

69. In line with the 2019/20 budget report to Executive in February 2019 the inflationary pressures and budgets and contingency 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:

- £0.586m from Contingency to offset the price increases on placements from the Northwest External Foster Care framework;
- £476k from budgets to be allocated and £81k allocated from contingency to Homecare to support packages and reduce the demand for hospital beds; and
- £91k allocated from contingency for inflationary increases on the Street Lighting PFI.

70. This fully allocates the budget in 2019/20 to support the revenue position.

Transfer from Reserves

71. A drawdown request for the following reserve has been submitted:

- £16k in 2019/20 and £86k in 2020/21 from the Transformational Challenge award reserve to support the Adult Social Care's strength based development programme. This programme involves working alongside residents to identify the support and resources available from relatives, carers and from within the local community.

Transfer to Reserves

72. Requests to transfer to reserves are recommended for consideration by Executive, these are:

- Homelessness Grants - £340k unspent Private Rented Sector Access Fund, which is an incentive to Landlords in the private rented sector in the form of rent deposits and rent in advance which helps tenants secure and maintain tenancies in the private rented sector, reducing the burden on temporary accommodation. £108k carry forward of 2019/20 Rough Sleeper Initiative and Rapid Rehousing Funding, the bid submitted for 2020/21 funding which combines these funding streams was predicated on the Council carrying forward any underspend in 2019/20 to be used to fund part of the bid for 2020/21.
- Discretionary Housing payments totalled £3.520m in 2019/20, this was funded through a combination of government grant and additional mainstream resources. There were £0.672m of resources remaining at year end and these have been transferred to a reserve for use against future pressures in this area.
- Due to delays in recruiting to posts and full development of a career pathway scheme, £0.815m winter pressures grant was transferred to the Adults Social Care reserve. This will be reviewed in 2020/21 in light of updated plans and the recent COVID-19 pandemic and the expected budgetary pressures that will result.
- In addition to the winter pressures grant above £1.003m of ASC grant remained unutilised due to delays in the full development of new care models and staff recruitment.

Grants allocated to Manchester City Council in year

73. Notifications have now been received in relation to specific external grants. These allocations were not confirmed at the time of the 2019/20 and 2020/21 budget setting process and therefore have now been considered through the in year Revenue Gateway process. These include:
- Engaging libraries Phase 2 - £10k in 2019/20 and £15k in 2020/21. The project is to employ a project manager for 15 months and to programme a series of workshops and events. These will help Multilingual Manchester with research into language diversity in the city;
 - Unlocking clean energy in Greater Manchester - £164k in 2020/21, £104k in 2021/22, and £106k in 2022/23. The overall objective of the project is focussed on increasing small scale renewable energy generation in Greater Manchester and promoting wider investment in small scale renewables;
 - European Regional Development Fund (ERDF) - Research and Intelligence Biohealth Accelerator - £101k in 2020/21, £71k in 2021/22 and £72k in 2022/23. The Council will provide advice and guidance on ERDF technical requirements as well as assist in the processing of grant claims. For this the Council will receive full cost recovery of salaries;
 - Get Greater Manchester digital - £50k in 2020/21. The grant will fund a digital Inclusion officer role for two year to review and support digital inclusion within the city.

COVID-19 - Emergency Grant Funding

74. On 19 March the Council received £18.589m from the government to help respond to COVID-19 pressures. £389k of COVID-19 related expenditure was incurred in 2019/20 and this has been funded from the grant allocation. The balance of £18.2m will be carried forward for use in 2020/21. The inclusion of COVID-19 related funding for 2020/21 is considered as part of a separate report elsewhere on this agenda.

Savings

75. The 2019/20 budget process identified £14.798m of savings and budget reductions to be delivered in 2019/20.
76. Each saving has been monitored and reported throughout the year. The table below shows where savings have, or have not, been achieved in 2019/20 across each of the Directorates. The position on the deliverability of the savings moving forward was taken in account as part of the 2020/21 budget setting process.

Directorate	Savings Target 2019/20				
	Achieved £000	Not achieved £000	Total £000	Non recurrent / Investment £000	Net Total as per MTFP £000
Children's Services	2,466	187	2,653	392	3,045
Adults Social Care	3,908	4,000	7,908	(5,915)	1,993
Homelessness	0	440	440	0	440
Corporate Core	3,349	0	3,349	0	3,349
Neighbourhoods	4,951	0	4,951	0	4,951
Growth and Development	1,020	0	1,020	0	1,020
Total Budget Savings	15,694	4,627	20,321	(5,523)	14,798

77. The unachieved savings are detailed below.

Children's Services:

78. Unachieved savings totalling £187k:

- Leaving Care £109k (35%) due to placements being higher than budgeted following extension of support up to the age of 25 years in line with the Children and Social Care Act 2018; and
- Home to School Travel £78k (11%) due to activity levels and demand running higher than last year in line with increase in Education, Health and Care Plans and special school places.

Adults Social Care

79. Unachieved savings totalling £4.000m

- Reablement £1.136m (35%) as roll out delayed due to other service priorities such as homecare contract mobilisation and support for residential care.;
- Assistive Technology £0.688m (59%) due to the delay in mobilisation of the service due to lead time for procurement;
- High Impact Primary Care £153k (100%) from Residential, Homecare and Social Work. Whilst the service delivered improved outcomes it did not achieve a net reduction in demand;
- Strength based support planning in Mental Health services £0.5m (65%) which is dependent on the outcome reviews;
- Strengths based support planning for other Adult Social Care £198k (40%). The changes to practice and training were rolled out but full implementation was delayed;

- Homecare £0.750m (100%) due to the revised timescales to implement the new homecare contract across all localities;
- Contract review £0.5m (100%). Pressure due to delay in safely transferring packages to new providers across all localities; and COVID-19
- Shared lives savings of £75k (50%) which was due to a delay in recruitment

Homelessness

80. Unachieved savings totalling £440k
- Historically numbers in Bed and Breakfast (B&B) have fallen each year in December, however this year no reduction was seen and despite increased focus on prevention, presentations totalled 9,840 this year, an increase of over 20% from 2018/19. A drawdown of £424k from the reserve for homelessness mitigates the majority of this pressure in 2019/20, with £16k unachieved saving contributing to the overall overspend position. This has been considered as part of the 2020/21 budget setting process.

Conclusion

81. Overall the variance of spend to budget for 2019/20 is an overspend of £0.527m.
82. This is an improved position of £2.137m from the end of December, which was reported in the February Global Monitoring, of £2.790m. In the main this is due to an improvement in the Children's Services position which is detailed in the report.
83. A carry forward request of £143k for Early Years children's centres' site surveys has been made, and, if approved, this will be the first call on reserves in 2020/21.
84. A number of pressures have been addressed through the 2020/21 budget setting process and key risks will continue to be monitored and mitigations sought as required throughout 2020/21, whilst recognising the unprecedented impact of COVID-19 on the Council's financial position. An update on the budget for 2020/21 will be reported to the Executive in July.

Recommendations

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

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**Manchester City Council
Report for Resolution**

Report to: Executive - 3 June 2020

Subject: Revenue Budget - Update for COVID-19 Funding 2020/21

Report of: Deputy Chief Executive and City Treasurer

Summary

The report outlines the COVID-19 funding that has been provided by Central Government and the current forecast of additional expenditure and loss of income as a result of the COVID-19 pandemic. It also requests that the additional funding be included within the 2020/21 revenue budget and that the allocation of that funding be delegated to the Deputy Chief Executive and City Treasurer in consultation with the Executive Member for Finance and Human Resources.

Recommendations

The Executive is recommended to:

1. Note the COVID-19 funding received by the Council as outlined in paragraph 4.
2. Approve an increase in the use of COVID-19 reserve of £18.2m and grants and other external funding of £15.167m in 2020/21 outlined in paragraphs 5 to 9.
3. Approve an increase in grants and other external funding for the use of the hardship fund, excluding that used to support Council Tax Support claimants as that will be held in the Collection Fund outlined in paragraphs 12 to 22. This is estimated at £1.3m.
4. Approve an increase in grants and other external funding of £68k relating to the emergency support for rough sleepers allocation as outlined in paragraph 24.
5. Approve an increase in grants and other external funding of £3.342m relating to the Care Home Infection Control Fund as outlined in paragraphs 25 to 27.
6. Approve an increase in grants and other external funding of £489k relating to the Reopening High Streets Safely Fund in paragraphs 29 to 32.
7. Approve an increase in business rates related funding of £138.477m (as outlined in paragraphs 33 to 35) related to business rates, expanded retail discounts (in addition to an amount of £5.540m included in the approved budget) and a corresponding transfer to the business rates reserve to fund the resultant collection fund deficit which will be included in the 2021/22 budget.

8. Note that the Council is acting as agent to administer the BEIS scheme for grants to businesses as detailed in paragraphs 36 to 38 of this report. As the Council is acting as agent these payments will be netted off the grant received and will not be shown gross in the budget.
9. Approve an increase in grants and other external funding of £5.432m, relating to the Local Authority Discretionary Grants Fund as outlined in paragraphs 39 to 45. This will either be met from an underspend from the Department for Business, Energy and Industrial Strategy (BEIS) scheme for grants to businesses as set out above, or, if required, top-up funding will be provided.
10. Note that the arrangements for the payment of grants made under the Local Authority Discretionary Grants Fund (paragraphs 39 to 45) will be approved by the Deputy Chief Executive and City Treasurer in consultation with the Executive Member for Finance and Human Resources.
11. Delegate authority for the allocation of the additional grant funding to individual services to the Deputy Chief Executive and City Treasurer in consultation with the Executive Member for Finance and Human Resources.
12. Approve an Increase in the Manchester Health and Care Commissioning (MHCC) pooled fund of £7.176m, which consists of £3.834m from the COVID-19 Emergency Funding (see paragraph 11) and relates to the forecast spend to the end of July, and £3.342m direct allocation in respect of the Care Home Infection Control Fund (paragraph 28).

Wards Affected: None directly

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

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

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 additional government funding in relation to COVID-19 to be included in the 2020/21 revenue budget. It also includes an estimate of additional costs and loss of income as a result of the pandemic.

Financial Consequences – Capital

There are no direct implications arising from this report.

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Background documents (available for public inspection):

The following document discloses 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.

Government Grant notifications and further details can be found through the following links:

[£1.6bn COVID-19 funding for local government to help them respond to coronavirus announced 19 March 2020](#)

[Further £1.6bn COVID-19 funding for local government to help them respond to coronavirus announced 18 April 2020](#)

[£3.2 million emergency support for rough sleepers during coronavirus outbreak announced 17 March 2020](#)

[Council tax: COVID-19 hardship fund 2020 to 2021 - guidance](#)

[£600 million Infection Control Fund announced 15 May 2020](#)

[Coronavirus \(COVID-19\): business support grant funding - guidance for local authorities updated 13 May 2020](#)

[£50 million boost to support the recovery of our high streets](#)

Introduction

1. This report sets out the amount of government funding provided to the Council in relation to the COVID-19 pandemic to support businesses, council tax payers, care homes, rough sleepers and the direct costs and loss of income falling on the Council.
2. It also sets out the amendments that are required to the revenue budget in 2020/21 as a result of this funding and the process for allocating resources across services.
3. The impact of COVID-19 will require a fundamental review of the Council's budget for 2020/21 and this will be reported back to Executive in July

Central Government Funding related to COVID-19

4. At the time of writing this report the Government has announced the following funding allocations in response to the COVID-19 pandemic which has had a significant effect on the finances of all local authorities. New funding is being announced periodically but the report only includes those grants where the allocations to the Council have been announced. Due to the timing of the announcements the grant funding was not part of the original Council budget for 2020/21 which was approved on 6 March and is therefore now required to be formally included within the 2020/21 budget. The following paragraphs set out further details regarding the grant funding available (Local Authority element) for inclusion in the budget.

Funding Source	Manchester £000's
COVID-19 Emergency Funding for Local Government - (£1.6bn nationally) - first allocation	18,589
COVID-19 Emergency Funding for Local Government - (£1.6bn nationally) - second allocation	15,167
Council Tax Hardship Fund (£500m nationally)	7,458
Emergency Support for Rough Sleepers (£3.2m nationally)	68
Care Home Infection Control Fund (£600m nationally)	3,342
Reopening High Streets Safely Fund (£50m nationally)	489
Support for Businesses	
Expanded Retail Discount 2020/21(excludes 1% for Fire Authorities)	138,477
Small Business Grant Fund and Retail, Hospitality and Leisure Grant Fund (£12.3bn nationally)	121,032
Local Authority Discretionary Grants Fund	5,432

COVID-19 Emergency Funding for Local Government

5. On 19 March the Government announced £1.6bn of additional funding to support local authorities in responding to COVID-19. The funding is not ring fenced and is intended to help authorities address pressures they are facing across all service areas as a result of the pandemic.
6. Government grant guidance distributed alongside the original grant stated that the additional funding should enable local authorities to do the following:
 - Meet the increased demand for adult social care and enable councils to provide additional support to social care providers. Government expects that the majority of this funding will need to be spent on providing the Adult Social Care services required to respond to the Coronavirus crisis;
 - Care Commissioning Groups (CCG) will separately be funding additional costs of discharging and keeping people out of hospital, including social care costs - commissioned by the local authority unless existing local arrangements suggest otherwise. It is essential that 'boundary issues' do not cause delays. Therefore, the Government would expect the local authority to place an appropriate portion of the funding they choose to dedicate to adult social care into a pooled budget with the local CCG;
 - Meet the cost of extra demand and higher business as usual costs of providing children's social care, including those as a result of school closures and the need for increased accommodation to address the need for isolation, including for unaccompanied asylum-seeking children. The Government stated that it recognised the existing funding pressures on children's social care, and the additional pressures COVID-19 will make;
 - Provide additional support for the homeless and rough sleepers, including where self-isolation is needed. This is on top of the £3.2m emergency fund announced on 17 March (£68k to Manchester) to help rough sleepers, or those at risk of rough sleeping, to self-isolate;
 - Support those at higher risk of severe illness from COVID-19, who may be asked to self-isolate in their homes for the duration of the pandemic. This funding is available to support initial costs incurred by local authorities in their critical role in supporting those within the most clinically high-risk cohort who also have no reliable social network (i.e. who are both at high risk clinically and socially); and
 - Meet pressures across other services, as a result of reduced income, rising costs or increased demand.
7. For the first tranche of funding (£1.6bn nationally) the allocation to individual local authorities was based on the Adults Relative Needs Formula (RNF) for £1.4bn, with the remainder of £200m based on the 2013/14 Settlement Funding Assessment (SFA). The Council received £18.589m in March 2020.
8. During 2019/20 the Council incurred COVID-19 related expenditure of £389k against this grant for the purchase of personal protective equipment, additional cleaning and the necessary IT to enable home working. In accordance with accounting principles the balance of the grant funding not

used in 2019/20, totalling £18.2m has been transferred to a COVID-19 reserve and will be used to offset pressures in 2020/21.

9. On 18 April a further £1.6bn was made available by the Government to support local authorities in dealing with the immediate effects of the pandemic. Of this amount £6m was top-sliced nationally for a contingency fund for the Home Office to support fire authorities with the remainder allocated on a per capita basis using ONS population projections. It did not take into account the demand or need for services. Manchester's allocation from the second tranche was £15.167m and was received from the Government in May. In total the Council will have received £33.756m of the national £3.2bn allocation.
10. This funding is alongside £1.3 billion dedicated funding routed through Clinical Commissioning Groups (CCGs). This will be used to enhance the NHS discharge process so patients who no longer need urgent treatment can return home, or to a care setting, safely and quickly. The funding can also be used to help prevent hospital admission in order to safeguard the capacity in acute settings. It is available to cover the associated costs for Social Care packages.
11. A report to the Manchester Health and Care Commissioning (MHCC) Finance Committee recommends that Council grant funding will be pooled in tranches, with the first tranche of £3.834m reflecting Adult Social Care and Public Health commitments already made and expected to the end of July. This is net of any contribution expected from the CCG funding.

Council Tax Hardship Fund (£7.458m)

12. Manchester was allocated £7.458m from the £500m council tax hardship fund announced at the March 2020 Budget. This will allow more than 34,000 people currently in receipt of working-age Local Council Tax Support in 2020/21 to receive a further discount of £150. In addition some of the allocation will be used to boost the support available to the most in-need residents. This includes emergency Council Tax Support (CTS) for people facing hardship who may not be eligible for the existing scheme, supporting emergency food provision and carers.
13. The award to Manchester is based on a snapshot of the CTS caseload and the money awarded is expected to provide Council Tax support and other urgent support to residents.
14. Based on a recent snapshot of the CTS caseload, to award each claimant a credit to their Council Tax account of £150, would cost c£5.12m. However, there is an expectation that due to the economic position and the large number of pending Universal Credit claims there will be a significant number of additional CTS claims.
15. Government has stated that awards should not be apportioned when a resident moves or comes off benefits and new claimants should also receive

the grant. This brings some risk when determining how much of the balance to use towards other initiatives, which is allowable under the guidance. To provide the capacity for potential further claims, a further 20% or £1.024m, in addition to the £5.120m has been assumed to deliver the scheme. This takes the costs to £6.144m, leaving £1.314m to support other welfare priorities. This is subject to change based on the number of residents claiming Universal Credit and then CTS from the Council.

16. The amount of the fund used to support CTS claimants will be transferred from general fund to the collection fund. This is to compensate the collection fund for the loss in council tax income as a result of the credit of £150 to each claimants' account.
17. The proposals for the balance is based on the position as understood at the present time and may change to respond to new and emerging requirements. They include:
18. Provision of £200k for lunch time meals for children. The Council had a temporary scheme that covered the final two weeks of term and the Easter holidays. All households in receipt of free school meals (FSM) have now transferred to the government scheme of vouchers supported by schools in the city. As schools have now been funded for this period it has been agreed that money paid out for families in receipt of FSM will be recouped. The Council also has an ongoing provision for families that do not meet the free school meal criteria. This is to ensure all children in the city have access to a lunchtime meal. The ongoing COVID-19 scheme delivered as part of the welfare provision is available for families waiting for a Universal Credit, families not entitled to FSM but facing hardship and other emergency situations. Some of the costs will be claimed back from schools as per the agreement with them as schools will have funding in their budget following an allocation from the government.
19. £0.5m has been set aside to support Council Tax payers in the city who may not be in receipt of Council Tax Support using the discretionary scheme and assessed on a case by case basis. Some of this may be required to support the £150 awards should the growth in Universal Credit and CTS claims be higher than the 20% estimated.
20. £200k for emergency food provision. £100k of this has been used for food provision at the Council's response hub. It is expected that the remaining £100k will be requested shortly.
21. A temporary fund of £200k for unpaid carers to apply for. It is open for carers to ensure the ongoing health and wellbeing of both the carer and the person who needs care. This includes those households where a child or young person is the carer. It can be used for a range of purposes including transport costs (including taxis) or fuel, furniture, emergency delivery of food and one-off practical costs to help with the caring role at this time. Carers can receive advice about accessing this financial support from Manchester Carers Centre or their Young Carers Coordinator. Advice is also available on the Council's

website under benefits and support. The emergency fund for carers is administered through the Council's Welfare Provision Scheme.

22. Finally, additional support of £200k has been made available via the Council's Welfare Provision to support households that might be facing a crisis or emergency. The policy has been changed so that it is now open to residents that may not be in receipt of benefits or be waiting for benefits and facing a crisis or emergency that cannot be met due to COVID-19 impacts.
23. The scheme was signed off by the Executive Member for Finance and Deputy Chief Executive and City Treasurer under their delegated powers for discretionary council tax schemes.

Emergency Support for Rough Sleepers (£68k)

24. A total of £3.2m was allocated by the government to help rough sleepers to self isolate. The Council can claim a maximum of £68k which was calculated based on the number of rough sleepers reported in the Autumn 2019 snapshot. The fund is to assist local authorities with funding to provide accommodation and support to people who are at high risk or have been diagnosed with COVID-19. The fund is targeted at those who are currently rough sleeping or in accommodation where bedrooms are shared and who as a result, are unable to follow guidance on self-isolation.

Care Home Infection Control Fund (£3.342m)

25. The government has announced an allocation of £600m for an Infection Control Fund. The fund is to support adult social care providers to reduce the rate of transmission in and between care homes and support wider workforce resilience. The allocation between authorities has been based on the number of care beds with an area cost adjustment applied. The Council will receive an amount of £3.342m which will be payable in two equal instalments.
26. The guidance note issued with the allocations states that it is expected that each care home should receive an amount per Care Quality Commission registered care beds. The amount per bed represents 75% of the funding. The remaining 25% must be used for infection control measures, however local authorities are able to allocate based on need. This may involve support for domiciliary care workforce measures.
27. The MHCLG bulletin added the following:
 - All local authorities must conduct a daily review of care homes in their area to ensure care homes have the support they need with staffing, help with accessing PPE and other areas of operation
 - The NHS will ensure that each care home has a named contact to provide better access to clinical advice through weekly check ins to review their patients and offer direct support for staff with use of equipment and medication
 - A wellbeing package is being rolled out for social care staff on the new CARE app including two new helplines, led by the Samaritans and

Hospice UK. This will help support their mental health and wellbeing and support those who have experienced a traumatic death as part of their work or help with anxiety and stress.

28. This funding will be added to the MHCC Pooled Budget and administered by the Manchester Local Care Organisation (MLCO) in accordance with the funding guidance.

Reopening High Streets Safely Fund (£489k)

29. On 24 May the Government announced £50m to support the recovery of high streets. The fund is to provide Council's with additional funding to support business communities with measures that enable safe trading in public places. The fund will particularly focus on high streets as well as other public places at the heart of towns. The Council will work in accordance with the guidance issued by the Government when developing the scheme. As per the Government announcement, the fund will support four main strands of activity, viz:
- Support to develop an action plan for how local authorities may begin to safely reopen their local economies.
 - Communication and public information activity to ensure that reopening of local economies can be managed successfully and safely
 - Business facing awareness raising activities to ensure that reopening of local economies can be managed successfully and safely
 - Temporary public realm changes to ensure that reopening of local economies can be managed successfully and safely.
30. The costs of administering this grant will also be eligible for reimbursement of up to 4% of the total grant value. This 4% would be taken from the grant itself.
31. There are three main categories where activities are out of scope for the grant:
- Activity that provides no additionality i.e. it should not replace funding for already committed expenditure
 - Capital expenditure - changes to the physical environment are not expected to last more than 12 months or until no longer required for social distancing
 - Grants to businesses - funding cannot be used to provide direct support to businesses to make adaptations to their premises, purchase PPE, purchase goods or equipment or offset wages or other operating costs.
32. Expenditure for reimbursement under this grant will be eligible from 1 June. The details of the requirements of this European Regional Development Fund (ERDF) grant will be covered in a Funding Agreement which the Government hopes to have agreed with all local authorities by the end of June. Once this agreement is in place then claims for reimbursement for expenditure incurred from 1 June can begin to be made. The grant awards will be available to access up until the end of March 2021.

Business Rates Expanded Retail Discount

33. The government announced in its October 2018 Budget that it would provide a business rates retail discount to apply in the years 2019/20 and 2020/21. In response to the coronavirus pandemic, in the Budget on 11 March it was announced that this discount would be increased to 100% and extended to include the leisure and hospitality sectors. Following the announcement on 23 March 2020 of further measures to limit the spread of COVID-19, the government confirmed that some of the exclusions for this relief had been removed so that all retail, leisure and hospitality premises that have had to close as a result of restriction measures would be eligible for this relief.
34. This relief applies to all occupied retail, leisure and hospitality properties for the year 2020/21. There is no rateable value limit on this relief.
35. This funding has been administered in line with other business rates discretionary reliefs. The Council has awarded these additional reliefs totalling £138.477m which will be fully funded by Section 31 (revenue) grant. There is no direct impact on the Council's financial position.

Small Business Grant Fund and Retail, Hospitality and Leisure Grant Fund

36. The Council is delivering grants to businesses, including funding of £10k for businesses currently in receipt of small business rate relief or rural rate relief, and for businesses in the retail, hospitality and leisure sectors with a rateable value of up to £15,000. For businesses in retail, hospitality and leisure the grant rises to £25k where their rateable value is between £15,001 and £50,999. The Department of Business, Energy and Industry Strategy (BEIS) has provided funding of £121.032m to meet these grant payments. Payments made to 17 May total £78.390m and have been paid to a total of 6,249 businesses, it is intended that all the remaining eligible grants will be paid by 1 June.
37. The support grant will remain subject to State Aid requirements, with Small business grant believed to be deliverable within the existing state aid de minimis of €200,000 and the retail, hospitality and leisure grant being part of the temporary COVID-19 arrangements which has a de minimis of €800,000. The Council will request businesses to sign a declaration as part of the application form and give them further information about state aid. It is the responsibility of the business to do this as the Council will not hold this information.
38. The making of these payments is directed by the government and is classed as an agency arrangement in that the Council is passporting these grants on the government's behalf. Therefore these payments will be netted off the grant received and will not be shown gross in the budget.

Local Authority Discretionary Grants Fund (£5.432m)

39. A discretionary fund is to be set up to accommodate certain small businesses previously outside the scope of the business rates funds scheme with funding made available from the Government of £5.432m. This is all expected to be provided for as direct grants to businesses in the city.
40. The high level of start up businesses and other micro businesses in the city using rent and rates inclusive property means that demand is expected to be high.
41. Grant awards will be based on each business unit based on the annual fixed property costs charged. This is usually rent and rates inclusive, but may be just rent. For bed and breakfast businesses operating from domestic properties, mortgage charges will be considered as fixed property costs.
42. The rationale for this approach is:
- Government funding is insufficient for us to support all of the businesses that are believed to be eligible or would like to support;
 - to maximise the number of businesses that can be supported;
 - the award is directly linked to the property related costs and these can be clearly evidenced;
 - there is other support available for businesses for staff costs including furlough.
43. All successful businesses will receive a standard grant payment of up to £5,000. In exceptional circumstances applications for £10,000 and £25,000 will be considered on the individual merits of each case, the size of the business, the number of employees and the impact of the pandemic on the business, as well as the long term economic impact on the city.
44. Due to the fixed funding available, the Council will prioritise awards from these business types in the order described as follows. This is on the basis of their relevance and impact to the local economy and the following rationale.
- Start-up and micro businesses have the least financial resilience and are more adversely affected by cash-flow issues than larger and more established businesses.
 - The digital, life sciences and creative sector is one of the key growth sectors in the city and will be important as part of the city's recovery.
 - The Enterprise Zones are located in 2 of the city's growth areas - Corridor and Manchester Airport.
 - Charities will be needed to provide services to the most vulnerable residents in the City post the crisis.
 - Independent hospitality and retailers are likely to be small or micro and not have the reserves needed to support them through this crisis.
 - A threshold of fixed property costs of more than £1,500 per year has been stated as the government guidance states that businesses should have relatively high property related costs in order to qualify for the scheme.
45. It is expected that any unspent grant from the £121m funding made available for Small Business Grants and Retail, Hospitality and Leisure Grants will be

set aside to fund the Local Authority Discretionary Grants Fund. Should the underspend prove insufficient to meet the funding requirement of £5.432m then top-up funding will be provided by the Government.

46. The scheme must be operational before 3 June and will be approved by the Deputy Chief Executive and City Treasurer in consultation with the Executive Member for Finance and Human Resources under discretionary powers established for business rates schemes .

Required Changes to the Revenue Budget 2020/21

47. The revenue budget 2020/21 will need to be updated to reflect the additional grant funding for COVID-19 as outlined in this report.
48. The balance of the first allocation of the COVID-19 emergency funding for local government of £18.2m is currently in a COVID reserve and a request to utilise these reserves for 2020/21 is recommended alongside the inclusion of the second allocation of the COVID-19 emergency funding for local government of £15.167m within this year's budget.
49. The balance of the Council Tax hardship fund that is not to be transferred to the collection fund, to support CTS claimants, is required to be included in the 2020/21 revenue budget (estimated at £1.3m) together with the emergency support for rough sleepers allocation (£68k).
50. The business rates expanded retail discounts will reduce the business rates liability of ratepayers and will result in a deficit on the collection fund. This will be compensated by the receipt of section 31 grant from the government. However due to the accounting arrangements relating to business rates the section 31 grants will be accounted for in 2020/21 but will need to be transferred to the business rates reserve to meet the resultant collection fund deficit that will not be included until the 2021/22 budget. It is requested that the revenue budget is increased by the amount of section 31 grant due (£138.477m) in order to finance a transfer to the business rates reserve for use in 2021/22.
51. The grants to retail, hospitality and leisure businesses are directed by the Government and classed as an agency arrangement in that the Council is passporting these grants on the Government's behalf. Therefore these payments will be netted off the grant received and are not required to be shown gross in the budget.
52. The Local Authority Discretionary Grants Fund of £5.432m is required to be included in the 2020/21 revenue budget as additional external funding.
53. The Reopening High Street Safely Fund of £489k is required to be included in the 2020/21 revenue budget as additional external funding.
54. It is requested that the allocation of the COVID-19 grant to individual Directorate budgets is delegated to the Deputy Chief Executive and City

Treasurer in consultation from the Executive Member for Finance and Human Resources.

55. A specific allocation to the MHCC Pooled Budget of £7.176m is to be made, consisting of £3.834m from the COVID-19 Emergency Grant reflecting the expected spend until the end of July and £3.342m in respect of the Care Home Infection Control Funding.
56. The revised budget after taking account of the changes outlined is shown in the table below, this reflects the inclusion of the new grants and associated spend only. There is a fundamental review currently being undertaken to update the Council's financial position for 2020/21 in light of the impact of COVID-19 on both expenditure and income streams. This will be reported to the Executive in July.

	Original Budget 2020/21 £'000	Proposed Revisions £'000	Revised Budget 2020/21 £'000
Resources Available			
Business Rates Related Funding	339,547	138,477	478,024
Council Tax	174,465		174,465
Grants and other External Funding	66,642	25,798	92,440
Dividends and Use of Airport Reserve	62,890		62,890
Use of other Reserves	22,581	18,200	40,781
Total Resources Available	666,125	182,475	848,600
Resources Required			
<i>Corporate Costs:</i>			
Levies / Statutory Charge	71,327		71,327
Contingency	860		860
Capital Financing	44,507		44,507
Transfer to Reserves	18,263	138,477	156,740
<i>Subtotal Corporate Costs</i>	<i>134,957</i>	<i>138,477</i>	<i>273,434</i>
<i>Directorate Costs:</i>			
Additional Allowances and other pension costs	9,580		9,580
Insurance Costs	2,004		2,004
Inflationary Pressures and budgets to be allocated	10,271		10,271
Directorate Budgets	509,313	43,998	553,311
<i>Subtotal Directorate Costs</i>	<i>531,168</i>	<i>43,998</i>	<i>575,166</i>
Total Resources Required	666,125	182,475	848,600
Shortfall / (surplus)	0	0	0

Recommendations

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

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