



**Appendix 1:
Executive Summary
Integrated Monitoring Report
Period 7 – End of October 2020**

Financial Impact of COVID-19

The position:

The anticipated 2020/21 financial cost of COVID-19 to the Council is currently £152.4m. Of this £23.9m relates to additional expenditure and £128.5m to loss of income (most of which will impact the budget in future years).

The budget impact of COVID-19 up to March 2021 will be spread across the financial years 2020/21 to 2023/24 due to the way the council budgets for the airport dividend, parking income and the operation of the collection fund.

Government has published regulations to require billing authorities to spread their 2020-21 collection fund deficit over 3 years (2021/22 to 2023/24). The deficit is estimated at £34.8m - included in the forecast at £11.6m a year. From 2021/22.

This results in an estimated COVID-19 budget impact of **£55.3m in 2020/21 (pre grant allocations)** and £134m in 2021/22. The impact will continue beyond 2021/22.

The mitigation:

In year savings and mitigations have been identified to support the current year's position, these total £19m.

Tranche 1 to 4 emergency funding totals £64.8m (plus £0.4m used in 2019/20). £3.7m of round 1 COVID-19 emergency funding to support sales, fees and charges income losses has been confirmed, the 2020/21 total is estimated at £6.4m (tbc).

The recent funding announcement and other changes have provided additional resources totalling £34.8m which can be used to offset COVID related pressures which impact on the budget in future years, subject to any further in-year costs arising from COVID-19.

This leaves a **balanced budget for 2020/21** after expected funding and mitigations.

	Revised 2020 / 21
	£000
Original Gap (pre COVID)	0
COVID-19 Budget impact of Additional Costs and Net income losses (includes mandatory smoothing of CF deficit)	55,340
Gross Underlying Gap (incl COVID-19)	55,340
COVID-19 Emergency Funding (Confirmed)	(64,782)
COVID-19 Sales, fees and charges support (estimate)	(6,400)
Savings, mitigations and other changes	(18,993)
Corporate measures	0
Budget shortfall after expected funding/ mitigations	(34,835)
Use of reserves to fund remaining smoothed Collection fund deficit and loss of income impacting in future years	34,835
Total - Potential Budget Gap	0

Note the COVID-19 position is based on the draft round 8 return to MHCLG, to be submitted 11 Dec.

Any additional COVID costs in 2020/21 will be met through the adjusting the smoothing of reserves, if it cannot be accommodated through in-year BAU

Should any further capacity be created in 2020/21, this will enable the Council to further defer and reprofile the use of those reserves that were planned to support the budget position and which could be applied to reduce the gap in 2021/22.

Financial Impact of COVID-19 in 2021/22

The 2021/22 budget impact of COVID is forecast at £134m from anticipated continuing income losses of £109m (council tax, business rates, dividend) as well as additional costs of £25m - recognising the social care needs (Adults and Children's) arising from COVID-19 are likely to be severe and will require an ever-increasing share of Local Authority budgets.

It is anticipated that Business Rates and commercial income will decline due to the expected downturn in the economy arising from COVID-19. These income losses are forecast to have a budget impact of £109m which includes the airport dividend of £62m (after using £8.7m in reserve) Collection Fund shortfalls £42m (includes £14.6m from 2020/21 - with a further c£23m spread over 2023/24 and 2024/25) and other commercial and fee income of £5m.

The forecast £25m additional costs in 2021/22 are due to:

- £7.5m relates to ongoing implications for supporting those sleeping rough through the provision of 250 bed spaces on a more permanent basis as well as associated staffing support
- £13.5m for Adult Social Care. This includes anticipated increased complex discharges (£5m), increased demands on Home Care (£1.8m) and Residential care (£2.5m). There may also be additional staff costs to deal with the backlog of social care assessments for those discharged under COVID-19 arrangements (c £0.8m). In addition there will be additional demands for public health services which would cost an additional £0.8m in 2021/22. Beyond 2020/21 there are likely to be permanent increases in personal protective equipment (PPE) and salary costs estimated at £2.5m. Early indications from recent numbers of referrals into the safeguarding hub is demonstrating that families have struggled over the past few months and are now asking for support. Some of these requests for support will translate into care packages.
- Spikes in demand for children's social care placements £3.8m. As lockdown measures are lifted, children return to school and other factors there is a concern that this will lead to an increase in referrals into Children's Services.
- £200k in Coroners due to a backlog of inquests

Period 7 - High Level Headlines 2020/21

The net variations below total **£36.346m** which reflects the COVID-19 budget impact of £55.340m partly offset by in year savings, mitigations and other changes of £18.994m but before COVID-19 main funding.

Corporate Budgets £12.069m overspend. COVID-19 related income loss is forecast as £15.8m from dividend losses. Partly offset by increased Public Health grant allocation of £1m, £0.6m income from historic rents, £400k additional grant income, £0.5m reduced historic pension costs and £1.3m savings against budgets to be allocated.

Children's Services £1.917m underspend. COVID related expenditure and income loss is forecast to be £1.053m, this is offset by underspends of £2.970m in the following areas: an underspend due to improved commissioning of external provision, potential in-year savings through delaying restructures, vacancies, renegotiation of partner contribution, additional grant and efficiencies. Alongside the savings there are a number of existing pressures relating to legal charges, leaving care allowances, short breaks and supervised contact.

Adult Social Care £6.721m overspend. COVID related expenditure is forecast to be £9.883m, this is offset by underspends totalling £3.162m in the following areas: Provider Services of £0.695m, (made up of underspends of £1.920m primarily across Reablement, Day Care and Short Breaks, offset by a significant pressure on the Internal Supported Accommodation budget of £1.225m); Hospital Teams, Front door and TEC of £76k; Integrated Neighbourhood Teams of £0.729m mainly from Homecare; Population Health of £102k; Commissioning £0.806m on Extra Care; Back office of £0.765m relating to investment funding, NLW budgets and staffing; MHCC of £154k due to recruitment delay. Partly offset by overspends of £147k in MLCO Complex Services and £18k mainly due to the use of external best interest assessors

Homelessness £5.167m overspend. COVID related pressures of £4.953m, increased by a further £214k due to the net impact of savings, mitigations and other changes. In addition Next Steps Accommodation funding has now been allocated of £2.068m, of which £1.668m has been assigned to accommodation costs already committed with a further £100k to be utilised for additional cold weather provision and £300k for incentives to move people on into Private Rented Sector.

Corporate Core £1.824m overspend. Due to £5.377m COVID related pressures which are partly offset by in year savings, and mitigations of £3.553m. This is made up of an underspends in Chief Executives £0.518m mainly due to savings on employees' and running costs, along with savings in Elections because of the cancelled election; and Corporate Services £3.035m mainly due to employee savings (£2.635m), additional capital programmes fee income (£150k) and higher than forecast savings from the upfront payment of employer contributions (£250k).

Neighbourhoods Directorate £8.675m overspend. COVID-19 related pressures of £11.243m, made up of £4.236m increased expenditure and £7.007m loss of income. This is offset by in year savings and mitigations of £2.568m across the Directorate. This is mainly due to the employee savings in galleries and libraries, parks and leisure and compliance and community safety, along with £471k higher than forecast income from highways capital works that have been undertaken during the lockdown period.

Growth and Development £3.807m overspend. Due to COVID pressures of £7.021m, made up £2.297m increased expenditure and £4.724m loss of income. This is offset by in year savings and mitigations of £3.214m through a combination of staff savings and additional income across the service.

Period 7 monitoring	Gross position Including COVID impact				
	Original Approved Budget	Revised Budget	Forecast Outturn	Total Forecast Variance	Movement from last reported to Exec
	£000	£000	£000	£000	£000
Total Available Resources	(666,125)	(846,898)	(832,997)	13,901	(965)
Total Corporate Budgets	126,761	258,851	257,019	(1,832)	(264)
Children's Services	130,320	134,728	132,811	(1,917)	(2,575)
Adult Social Care	221,253	232,247	238,968	6,721	(153)
Homelessness	15,285	17,604	22,771	5,167	339
Corporate Core	69,958	91,354	93,178	1,824	529
Neighbourhoods Directorate	93,802	100,842	109,517	8,675	234
Growth and Development	8,746	11,272	15,079	3,807	(1,522)
Total Directorate Budgets	539,364	588,047	612,324	24,277	(3,148)
Total Use of Resources	666,125	846,898	869,343	22,445	(3,412)
Total forecast over / (under) spend	0	0	36,346	36,346	(4,377)
COVID 19 Government grant income (tranche 1 to 4) - Confirmed				(64,782)	(24,330)
COVID-19 Sales, Fees and Charges grant Income - Forecast				(6,400)	(6,400)
Reprofile the use of reserves to fund income losses in future years				34,836	34,836
Net forecast over / (under) spend				0	(271)

Memo: Breakdown of variance			
COVID related Expenditure *	COVID related income reduction*	Savings, mitigations and other changes	Total Forecast Variance
£000	£000	£000	£000
0	15,810	(1,909)	13,901
0	0	(1,832)	(1,832)
518	535	(2,970)	(1,917)
9,883	0	(3,162)	6,721
4,919	34	214	5,167
2,005	3,372	(3,553)	1,824
4,236	7,007	(2,568)	8,675
2,297	4,724	(3,214)	3,807
23,858	15,672	(15,253)	24,277
23,858	15,672	(17,085)	22,445
23,858	31,482	(18,994)	36,346
(64,782)			(64,782)
(6,400)			(6,400)
34,836			34,836
18,994		(18,994)	0

* COVID-19 pressures as per draft round 8 return to MHCLG, to be submitted 11 Dec.

Investments

Investment Priorities	2020/21 Budgeted Investment	2020/21 Full Year Committed Investment	Objective / Update on progress / Outcomes
	£000	£000	
Neighbourhoods Directorate Investment			
Capacity for further pressures including Domestic Violence	100	100	Investment will support earlier identification and intervention working with key partners and agencies. Bid for investment identified there was a 6-8 month lead in period needed to codesign interventions. This has been delayed due to COVID which has a knock on impact on forecast spend this year. If the programme could be commissioned over four years the full £1.0m allocation could be spent. Discussions have been held about the potential to mainstream this budget in future years.
Anti-Social Behaviour team	540	540	Additional funding for the ASBAT team to address the increasing number of cases of antisocial behaviour across the city which have increased by 34% during lockdown compared to the same period last year.
Spring Challenge Fund	250	0	Due to lockdown the Spring challenge did not take place, the programme is currently being reviewed following this delay to potentially provide alternative arrangements. A request will be made to carry forward the funds to support the initiative in 2021/22.
Total Neighbourhoods Investment	890	640	
Corporate Core Investment			
Our Transformation Investment £1m over 3 years	333	193	Funding for additional capacity of three FTE at 50% along with external support for system implementation etc. The remaining £140k has been released in year towards the savings for 2020/21.
Total Corporate Core Investment	333	193	
Growth and Development Investment			
Deliver Carbon Reduction Plan	1,000	400	This is to fund a dedicated team to deliver the commitments within the Carbon Reduction Plan, recruitment of three officers is anticipated by October. This funding is to be profiled over three years to support work to identify and deliver large scale remote renewable energy projects. This includes procuring a Solar PV partner, deliver a Zero Carbon whole building retrofit pilot and develop an accelerated boiler replacement programme. Progress towards the carbon reduction plan this year to date includes - 20% completion of LED lighting for the Town Hall Extension, Solar panels installed Wythenshawe Forum roof, charging stations and electric vehicles on site at Hooper St Depot and Hydrozero pilot in two libraries
Housing Investment Reserve - support implementation of Local Delivery Vehicle	100	100	The £100k initial investment was to provide additional capacity to allow work to establish the viability of a Manchester bespoke scheme, identify indicative land and any title or grant issues, and develop a report leading to full approval of a model by Summer 2020.
Total Growth and Development Investment	1,100	500	
Total Investment	2,323	1,333	

Original Budgeted Savings

2020/21 Approved Savings - Of the £7.463m original planned savings, £1.958m are rated as red, which were to be delivered by Homelessness, Corporate Core, Neighbourhoods and Growth and Development. The capacity to deliver savings has been greatly reduced with the impact of COVID-19.

All red rated savings are included as overspends in the Directorate's Period 7 position. Amber savings remain as being achievable but with risk attached.

	Savings Target 2020/21			
	Green	Amber	Red	Total
	£000	£000	£000	£000
Children's Services	0	0	0	0
Adults Social Care	0	0	0	0
Homelessness	0	0	1,000	1,000
Corporate Core	2,803	146	500	3,449
Neighbourhoods Directorate	1,941	75	308	2,324
Growth and Development	200	340	150	690
Total Budget Savings	4,944	561	1,958	7,463

Red High Risk savings of £1.958m include:

Homelessness - £1.000m

- A reduction in the cost to the council of temporary accommodation through transfer to registered providers is not being achieved due to senior staff in Homelessness focusing on the COVID 19 response. Work is ongoing to implement a pilot with a registered provider. Procurement and Legal are reviewing revised timescales.

Corporate Core - £0.500m

- £0.500m from Manchester Central 2020/21 rental income / profit share due to reduced events as a result of COVID-19

Neighbourhoods Directorate - £308k

- £21k income from Pest Control due to restricted service offer
- £20k Car park income from pay and display at Heaton Park due to closure
- £30k Other income from Heaton Park due to park closure
- £46k Libraries and galleries income generation due to closures
- £86k from revised operating model at Piccadilly Market
- £105k Highways increase income generation through fees and charges across compliance

Growth and Development - £150k

- £150k Investment Estate additional income target delayed due to the additional lead time for developers and the impact of Covid-19.

Amber Risk savings of £0.561m include:

Corporate Core - £146k

- £96k from annual leave purchase scheme.
- £50k Capital programmes increased income at risk due to slippage

Neighbourhoods Directorate - £75k

- £40k Galleries exhibition tax relief.
- £35k Highways: Increase permit/license fees (skips, hoardings, scaffold, etc.) by 3.5%.

Growth and Development - £340k

- £340k Reduced investment income relating to Project Quantum that will need to allow additional lead time for developers due to Covid-19.

COVID-19 Grant Allocations

Grant	Total Amount £000	Directorate	Spend to Date £000	Plans
COVID-19 Emergency Funding for Local Government - (tranches 1 to 4)	65,171	All	65,171	To partly offset COVID-19 related additional costs and income losses as reported in monthly returns to MHCLG.
Care Home Infection Control Fund Round 1 (£600m nationally)	3,342	Adults Social Care	3,184	All providers which have met the grant conditions and signed the grant agreements have been paid. The funding ended 30th September.
Care Home Infection Control Round 2	3,084	Adults Social Care	1,716	There is a commitment for 80% proportion of the funding for care homes is to be paid. Plans for the remaining 20% allocation are yet to be confirmed.
Test and trace service (£300m nationally)	4,837	Population Health	19	The funding is to ensure that appropriate systems are in place for outbreak management and prevention of COVID-19.
Next Step Accommodation Grant, cold weather provision and landlord incentive funding	2,000	Homelessness	900	£1.6m of funding linked to accommodation provision from July to March with £2.6m associated costs (£300k per month). £400k of provision relates to expenditure to be incurred November to March.
Emergency Support for Rough Sleepers (£3.2m nationally)	68	Homelessness	68	To provide emergency support for rough sleepers to self-isolate during the coronavirus outbreak
Council Tax Hardship Fund (£500m nationally)	7,458	Corporate Core	6,402	The majority of this is the £150 hardship fund payable to a working age claimant in receipt of council tax support. It is anticipated that the number of claims November onwards will fully utilise this grant. Other funding is for food poverty, carers and WPS
Reopening High Streets Safely Fund (£50m nationally)	489	Strategic Development	5	Communication, public information and Business facing awareness raising activities to ensure reopening of local economies to be managed successfully and safely.
Local Welfare Assistance Fund (£63m nationally)	957	Strategic Development	957	To assist those struggling to afford food and other essentials due to the financial impact of COVID-19.
Local Authority Business Rates Grant Administration (New Burden)	225	Corporate Core	225	To support the administrative costs of the additional Business Rates grants
Contain Outbreak Management Fund	4,423	Neighbourhoods and Population Health	nil - recently announced	Led by Public Health working collaboratively with other teams in MCC fund activities such as Test and Trace, VCSE, Comms and the 4Es of Compliance and Enforcement.

COVID-19 Grant Allocations

Grant	Total Amount £000	Directorate	Spend to Date £000	Plans
Test and Trace Support Payments (Self Isolation Scheme)	680	Corporate Core	535	Further allocation to assist individuals who have been formally notified to self-isolate and meet eligibility criteria set out by the government
Local Authority Compliance and Enforcement Grant	453	Neighbourhoods	35	Manchester's share of the national allocation to support additional compliance and enforcement activities. Grant not received to date.
Clinically Extremely Vulnerable individuals advised to shield	286	Strategic Development	Announced October 2020	To provide support to clinically extremely vulnerable individuals who are required to shield under local restrictions. To be delivered through the Manchester Community Hub
Cultural Recovery	390	Neighbourhoods	Announced October 2020	To support the culture sector. Grant to be received on 30 Dec and 28 April
Winter Grant Scheme (£170m nationally)	2,581	Children's Services	Announced November 2020	To support the hardest hit families and individuals for the cost of food and bills to the end of March 2021.

COVID-19 Grant Allocations – Business Support (Corporate Core)

Grant	Total Amount £000	Spend to Date £000	Plans
<u>Support for Businesses</u>			
Expanded Retail Discount 2020/21 (excludes 1% for Fire Authorities)	138,477	138,477	To provide 100% business rates relief to retail, hospitality and leisure properties in 2020/21
Small Business Grant Fund and Retail, Hospitality and Leisure Grant Fund (£12.3bn nationally)	121,032	106,070	To provide business support grants to small, retail, hospitality and leisure businesses across the city, ranging from £10k to £25k depending on size of property.
Local Authority Discretionary Grants Fund		5,418	To provide discretionary business support grants to businesses who do not necessarily have a business rates liability. Grants range from £5k to £25k.
Local Restriction Support Grant (open)	7,665	Announced October 2020	To provide support to Manchester businesses that remained open but were impacted during Tier 2 and Tier 3 local restrictions (5 August to 4 November). Includes 5% discretionary element. No further funding will be provided.
Local Restriction Support Grant (closed)	TBC (c£0.502m)	Announced October 2020	To provide support to Manchester businesses that closed during the Tier 3 restriction period (23 October to 4 November). Further funding will be provided if grants exceed allocation.
Local Restriction Support Grant (sector)	TBC (c£21k)	Announced October 2020	To provide support to Manchester businesses have been that closed since March, namely nightclubs and adult entertainment venues (1 November to 4 November). Further funding will be provided if grants exceed allocation.
Local Restriction Support Grant (closed addendum) - National Lockdown	11,187	Announced October 2020	To provide support to Manchester businesses forced to close in the second national lockdown period (5 November to 2 December). Further funding will be provided if grants exceed allocation.
Additional Regional Grant (£60m allocated to Greater Manchester)	11,698	Announced October 2020	This will be allocated to GMCA and passported to individual authorities based on a per-capita allocations, this is for all regions going into Tier 3 restrictions. Funding can be applied in 2020/21 and 2021/22.

Budgets to be allocated from Corporately held Inflation, unbudgeted external grant funding and virements

Budget to be allocated	2020/21	Description
	£000	
Street Lighting	99	The PFI contract has generated savings in electricity costs and maintenance costs of the streetlights, However the increased budget is to fund the annual inflation increase on the PFI Unitary payments.
Unbudgeted external grant funding	2020/21	Description
	£000	
Wellbeing for education return grant (Dept for Education)	65	The funding is to provide training and support on specific mental health areas, several of which are available within the HS service. The proposal directly supports the Thrive rollout and the mental health support for children in Manchester. The progress of the work will be reported to the Inclusion strategy steering group and the Children's Board and the Manchester Safeguarding Partnership.
Safer Streets Funding (Home Office via GMCA)	360	The criteria of the grant identified key interventions that will impact on the acquisitive crime in the area and included: target hardening improvements to individual properties, such as fencing, doors and windows; environmental improvements in the local area, such as cutting back bushes/trees, tidying pieces of land improved defensible space and alleyway improvements; CCTV.
Virements	2020/21	Description
	£000	
Corporate Core to Collection Fund (resources)	1,000	Support to Council Tax Support Scheme claimants (£150 council tax discount per claimant) is exceeding previous estimates. This is mainly due to an increased number of recipients due to the current circumstances. The £1m will be used to replenish the Collection Fund deficit created as a result of these discounts.
Adult Social Care change of budget use	375	Impower savings delivery partnership, funded from within the service's underspend position.

Corporate Budgets £12.069m overspend

	Gross position including COVID impact				Memo: breakdown of variance	
	Annual Budget	Projected Outturn	Projected Variance from Budget	Movement from last reported to Exec	Covid related pressures	Savings, mitigations and other changes
	£000	£000	£000	£000	£000	£000
Resources Available						
Retained Business Rates	(309,692)	(310,710)	(1,018)	0	0	(1,018)
Council Tax	(174,465)	(174,465)	0	0	0	0
Other Specific Grants	(108,937)	(109,261)	(324)	(398)	0	(324)
Business Rates Grants	(168,333)	(168,333)	0	0	0	0
Dividends	(62,890)	(47,080)	15,810	0	15,810	0
Use of Reserves	(22,581)	(22,581)	0	0	0	0
Fortuitous Income	0	(567)	(567)	(567)	0	(567)
Total Corporate Resources	(846,898)	(832,997)	13,901	(965)	15,810	(1,909)
Planned Use of Resources						
Other Corporate Items	203,251	203,251	0	0	0	0
Contingency	860	860	0	0	0	0
Budgets to be Allocated	3,883	2,540	(1,343)	0	0	(1,343)
Levies	41,277	41,282	5	(9)	0	5
Historic Pension Costs	9,580	9,086	(494)	(255)	0	(494)
Total Corporate Budgets	258,851	257,019	(1,832)	(264)	0	(1,832)
Total	(588,047)	(575,978)	12,069	(1,229)	15,810	(3,741)

COVID related Pressures (£15.810m):

- £15.810m of dividend income from Manchester Airport Group and National Car Parks, and Piccadilly Triangle's rental income share is unlikely to be received due to the impact of COVID 19. (Note a significant element of the Airport Dividend is used a year in arrears so the reserve use is still reflected)

Savings, mitigations and other changes (£3.7471m)

- There is an increase of £1.018m on the Retained Business Rates budget due to the late announcement of Public Health allocation for 2020/21 which increased the Council's Baseline Funding Level and reduced the Tariff payment due to Government.
- Council Tax is forecast to budget as changes in the level of collection impact on the following years.
- The movement on Other Specific Grants of £398k is due to overachievement on New Burdens funding relating to Housing Benefit and Universal Credit, partly offset by a lower than budgeted allocations for Council Tax Subsidy Grant of £7k and Care Act Grant of £67k following allocation confirmation from Government
- Rental income from Manchester Central relating to 2019/20 has been confirmed as £30k more than estimated. Fortuitous income of £0.537m has also been received relating to historic rents recovered from an agent managing properties on behalf of the council.
- Business Rates Grants reflect £138.477m Section 31 grant to reimburse the council for loss of Business Rates income due to Extended Retail Relief. This will be held in a reserve to offset the associated collection fund deficit in 2021/22.
- Budgets to be Allocated have a surplus of £1.343m made up of £309k Pension Contribution rate reducing by 0.2% more than expected, £204k from utility savings, and £0.900m release of funds held for investment. £100k of the £1m set aside will be spent in 2020/21 on an initiative to revise the Domestic Violence approach. These underspends are partly offset by the apprenticeship levy which is expected to be £70k higher than budgeted.
- The overspend of £5k on levies is due to the Flood Levy and the Port Health Levy being £14k higher than expected, offset by the Probation Loan payment which was £9k less than expected.
- Historic pension costs are currently forecast to underspend by £494k

Movement since last reported to Executive - £1.229m improvement

This is due to £398k overachievement of New Burdens funding, fortuitous income of £30k from Manchester Central's rental income relating to 2019/20 and £0.537m relating to historic rents, £9k on lower levies than budgets and £255k underspend on Historic pension costs due to fewer recipients.

Children's and Education Services - £1.917m underspend

Children's and Education Services	Gross position including COVID impact					Memo: Breakdown of variance	
	Annual Budget	Net actual spend to date	Projected Outturn	Projected Variance from Budget	Movement from last reported to Exec	COVID related impact	Savings, mitigations and other changes
	£000	£000	£000	£000	£000	£000	£000
LAC Placements	47,631	19,659	47,052	(579)	(1,656)	0	(579)
Permanence and Leaving Care	20,918	8,624	19,198	(1,720)	(824)	0	(1,720)
Children Safeguarding Service Areas	44,112	26,059	43,556	(556)	96	566	(1,122)
Children's Safeguarding	112,661	54,343	109,806	(2,855)	(2,384)	566	(3,421)
Education Services	6,702	3,835	7,497	795	(223)	487	308
Home to School Transport	9,907	746	10,030	123	12	0	123
Targeted Youth Support Service	807	0	807	0	0	0	0
Education	17,416	4,581	18,334	918	(211)	487	431
Children's Strategic Management and Business Support	4,651	3,070	4,671	20	20	0	20
Total Children's and Education Services	134,728	61,994	132,811	(1,917)	(2,575)	1,053	(2,970)

Children's and Education Services: Period 7 (1 of 2)

Outputs and Cost-Drivers	Desired Performance	Period	Performance	Are we better than...?					
				Target		Last Period		Last Year	
Number of Looked after children (snapshot at month end)	Low	Oct-20	1,385	n/a		-3		4	
Number of External Fostering Placements (snapshot at month end)	Low	Oct-20	410	n/a		-12		-21	
Number of Internal Fostering Placements (snapshot at month end)	High	Oct-20	319	n/a		3		30	
Number of External Residential Placements (snapshot at month end)	Low	Oct-20	92	n/a		-5		-12	
Number of Internal Residential Placements (snapshot at month end)	Low	Oct-20	3	n/a		0		-6	
Number of Special Guardianship Orders (projected year end)	High	Oct-20	57	70		-5		-12	
Number of active Special Guardianship Order Allowances	Low	Oct-20	593	n/a		1		71	
Number of Adoptions (projected year end)	High	Oct-20	24	60		6		-5	
Number of active Adoption Allowances	Low	Oct-20	131	n/a		4		-34	
Number of active Child Arrangement Order / Residence Order Allowances	Low	Oct-20	44	n/a		-3		-17	
Number of Referrals per month (total per month)	Low	Oct-20	822	919		202		154	
% of Re-Referrals (year to date)	Low	Apr 20 - Oct 20	19.6%	22.1%		-0.3%pts		-6.5%pts	
Number of Children in Need (snapshot at month end - now includes care leavers)	Low	Oct-20	5,255	4,878		233		-174	
Number of Child Protection Plans (snapshot at month end)	Low	Oct-20	655	728		-39		-78	
% of children starting a CPP for a 2nd or subsequent time (year to date)	Low	Apr 20 - Oct 20	24.3%	22.0%		-0.7%pts		-1.7%pts	
% of children ceasing a Child Protection Plan, subject to that plan for 2+ years (YTD)	Low	Oct-20	5.9%	4.0%		1.2%pts		2.4%pts	
Number of Education, Health and Care Plans	n/a	Oct-20	5,253	n/a		-32		722	

Note: Fostering and Residential placement figures reported here may differ from figures reported by Finance due to different data collection systems and calculation methodologies

Children's and Education Services: Period 7 (2 of 2)

Performance Analysis

- The number of LAC has decreased slightly compared to last month but remains slightly higher than at this point last year. A contributing factor to the increase in LAC numbers compared to last year remains the increase in Unaccompanied Asylum Seeking Children since the end of March 2019. We now have 103 UASC, an increase of 21 (26%), and Manchester's percentage of UASC continues to be greater than the national and other comparator benchmarks
- External Fostering placements have decreased this month and there has been a slight increase in Internal Fostering placements. External fostering numbers are now lower than at this point last year and Internal Fostering numbers have increased
- The number of children placed in External Residential placements has decreased and remains lower than last year. Internal Residential placements have decreased compared to last year
- The number of Special Guardianship Orders projected to have been granted by year end has decreased this month and remains lower than target and last year at this time. Projected adoptions are significantly lower than target and also lower than last year. This can be at least partly explained by a decrease in court capacity during lockdown
- The number of active SGO Allowances has increased by one compared to last month and remains significantly higher than last year. Active financial assistance for adoptions has increased slightly from last month but is lower than at this point last year and active Child Arrangement Orders/Residence Orders have also decreased
- The number of referrals has increased significantly this month and compared to this point last year but remains below target. Re-Referrals have decreased, are below target and have reduced significantly compared to last year
- The number of Children in Need has increased this month as referrals have increased but remains lower than at this point last year
- The number of Child Protection Plans has decreased again this month and is significantly lower than last year
- The percentage of repeat Child Protection Plans has also decreased. This measure remains above target but is lower than at this point last year
- The percentage of Child Protection Plans ending where the child was on a Plan for more than two years has increased again this month and remains above target and last year's figure. This is due to recent increased management oversight of the case progression of children who have been on Plans for over two years. This increased scrutiny has had the positive effect of reducing the number of these children from 25 at the end of August to 10 at the end of October (and 7 at time of writing in November) but inevitably has a negative effect on this KPI.
- The number of active Education, Health and Care Plans has decreased slightly this month

Children's and Education Services Financial Headlines (1 of 2)

Children's Services revenue budget totals £134.728m

- The overall forecast position as at Period 7 is an underspend of £1.917m, this is made up of;
- Covid-19 pressures through increased costs and reduced income - £1.053m;
- Partly offset by savings, mitigations and other changes of net £2.970m underspend.

Budget now includes £2.581m funding allocation for Government's COVID Winter Grant Scheme to support the hardest hit families and individuals for the cost of food and bills to the end of March 2021.

COVID related Pressures and Shortfalls in Income £1.053m:

This includes COVID-19 pressures of £0.518m and shortfalls in income of £0.535m relating primarily to additional spend for Short Breaks during lockdown, PPE equipment and support for schools Care. The service has reviewed its 'front door' arrangement to strengthen the response to identify children in need of help/protection and the multi-agency response. The impact is being closely monitored. Currently there is an underlying underspend in safeguarding but due to Covid-19 and lockdown measures demand for services has been suppressed, it is expected that there will be a sharp increase in referrals later this term. Demand for Children's Services may increase as there are multiple factors influencing demand and activity for Children's Services, such as deprivation, domestic abuse, substance misuse and adult mental health, which have been heightened due to the pandemic. Home to School transport is incurring additional costs due to high level of passenger assistant's absence due to need to self-isolate, the financial impact of this yet to be quantified and is not yet included.

Savings, mitigations and other changes (£2.970m)

Manchester's Children and Education Services continues on a 'journey to excellence' to increase the effectiveness of services and outcomes for children and young people. The current position indicates that implementation of the strategy has started to lead to efficiencies and service underspends.

This includes the following:

An underspend of £2.970m on Children's Services and Education due to increasingly effective commissioning activity with improved processes through liquid logic/control and work with providers. There are also in-year savings through delaying restructures, vacancies, renegotiation of partner contribution, additional grant and efficiencies. Alongside the savings there are a number of existing pressures relating to legal charges, leaving care allowances, short breaks, and supervised contact totalling; details as follows :

Other non COVID-19 related pressures - £0.601m:

- Education Services - overspend £408k mainly due to additional demand for Short Breaks and Home to Schools Transport pressures
- Legal Services - £109k overspend based on activity and use of external legal services due to staff turnover of the Council's in-house legal support.
- Youth Justice - Remand pressures of £84k

Children's and Education Services Financial Headlines (2 of 2)

Savings/underspends and other mitigations - (£3.571m):

- No Recourse to Public Funds - £0.798m based on current levels of activity, a large part of this underspend has been offered up as an efficiency saving.
- Unaccompanied Asylum Seeking Children (UASC) - £0.951m Home Office grant has increased per child, particularly for those over 18, the Council can now seek to ensure that sufficient support is provided to UASC as long-term support is not currently covered by the grant.
- Our Children Care, Permanence placements and Leaving Care Service - underspend of £0.701m based on current placements and support provided to date.
- Children's Localities, Permanence, Families First Fostering and Adoption Service underspends £1.108m
- Other underspends totalling £13k.

The Dedicated Schools Grant (DSG) is projecting in-year overspend of **£1.44m**. The overspend is due to the high needs block, which supports children with special education needs and special school places. DSG received additional high needs funding (after recoupment) in 2020/21 of £11.71m, of which £9.88m was allocated to meet demands in work is on-going in reviewing the areas of pressure within high needs. As at period 7 the cumulative DSG deficit is **£4.52m**.

Movement since last reported to Executive - £2.575m improvement

The movements are due to:

- Lower than expected increase in children placements. Strategic planning and improved practice is helping to prevent and manage the increase in referrals and admissions and reduced discharges for looked after children resulting in a £1.786m reduction in costs compared to the last reported position. External Residential placements are 14 placements lower than planned. Whilst fostering placements are 14 higher than budgeted for, due to a reduction in use of comparatively expensive external fostering and an increase in less costly in-house placements has also contributed to reduction in projected fostering spend.
- Reduction in Leaving Care placement costs and spend on supporting children placed with parents, reduction of £0.799m. Leaving Care Supported Accommodation placements are 15 below budgeted placements of 93 and have reduced since the last report to the Executive. The Strategic Lead for Leaving care continues to focus on moving aged 18 or above to independence after their 18 birthday, where appropriate. There has been a reduction in the projected cost of children placed with parents, special guardianship orders, child arrangement orders and adoption allowances.
- Early Years projected spend has increased by £70k mainly due to loss of children centres rental income and change in staffing.
- Education Services including short breaks spend is £80k lower than previously projected. This is mainly due to a reduction in projected cost of short breaks.
- Core and Business Support is £20k higher than previously expected mainly due to small changes in staff related costs.

Adult Social Care and Population Health - £6.721m overspend

Adult Social Care and Population Health	Gross position including COVID impact				
	Annual Budget	Net actual spend to date	Projected Outturn	Projected Variance from Budget	Movement from last Exec
	£000	£000	£000	£000	£000
Provider Services	27,787	14,917	27,594	(193)	45
Hospital Teams, Front door and TEC	2,491	495	2,666	175	(118)
Integrated Neighbourhood teams	39,856	16,691	47,066	7,210	(17)
Complex Services (LD, MH, Transition)	88,336	44,173	89,051	715	(399)
Population Health	36,730	18,699	37,156	426	66
Commissioning (MLCO)	4,277	1,599	3,472	(806)	(465)
Budget growth and back office	3,884	(3,400)	3,174	(710)	353
Total ASC Pooled Budget	203,361	93,174	210,179	6,818	(534)
MHCC	24,030	11,450	23,917	(113)	338
MCC – ASC outside of Pool	4,856	3,226	4,872	18	43
Total ASC and Population Health	232,247	107,850	238,968	6,721	(153)

Memo: Breakdown of variance	
COVID related impact	Savings, mitigations and other changes
£000	£000
502	(695)
251	(76)
7,939	(729)
568	147
528	(102)
0	(806)
55	(765)
9,843	(3,025)
40	(154)
0	18
9,883	(3,162)

Adult Social Care: Period 7

Outputs and Cost-Drivers	Desired Performance	Period	Performance	Are we better than...?					
				Target	Last Period	Last Year			
No of MOAT per 100,000 of the 18+ population	Low	Oct-20	11.8	Under Review		n/a		N/A	
Total number of people in Residential Care (65+) at the end of the month	Low	Oct-20	758	TBC		-5		-37	
Total number of people in Nursing Care (65+) at the end of the month	Low	Oct-20	367	TBC		14		-10	
Weekly Homecare hours (snapshot at end of month)	Low	Jun-19	26,826	TBC		51		-121	
% of Adults receiving a Long term service awaiting a review (Annual Review backlog as a % of people receiving long term services)	Low	Jul-19	34.60%	TBC		-0.9%pts		2.2%pts	
% people receiving a reduction in care following a review	High	Jun-18	8.89%	TBC		3.6%pts		3.1%pts	
% people leaving Reablement with no ongoing care commitments	High	Oct-20	57.80%	54.00%		-3%pts		16.7%pts	
% of safeguarding enquiries which resulted in the desired outcome identified by the individual being achieved	High	Oct-20	80.00%	TBC		10%pts		5%pts	
The number of carers receiving carers-specific services (per 10,000 popn)	High	Mar-20	29.5	TBC		n/a		-13	

Performance Analysis

Delayed Transfers of Care (DTC), Medically Optimised Able to Transfer (MOAT) people - due to COVID-19 national reporting on DTCs ceased on 19 March 2020. Since this time the Control Room has continued monitoring delays locally and October saw the first full month where figures on patients who were medically optimized and able to be transferred were available. Now that these are available we will be able to report month-on-month trends again in the next two months. Day-to-day monitoring of MOATs has shown variation, but the position as at 17 November shows a small decrease - 55 compared to the figure of 58 reported in P6. The figure for P5 was 51, so the level of variation month-on-month is fairly stable.

Total Older People in Residential and Nursing Care - Total numbers aged 65+ recorded as being in either residential or nursing care at the end of the month have shown a small increase overall in the last period. Those reported as being in residential care showed a small fall of 5 (from 763 to 758) which was off-set by an increase of 4% in those in nursing care (353 in P6 to 367 in P7). Nursing home levels are now back to those reported before the pandemic with the year-to-date average of 2019/20 being 363. These figures include everyone recorded as being in receipt of either of these services, including those who were discharged from hospital into a home as a result of COVID, within Liquid Logic. New admissions on discharge from hospital continue to be paid for by Manchester Health and Care Commissioning (MHCC) for 6 weeks so the impact of these will not yet be hitting the ASC budget

Outcomes following Reablement - Outcomes following Reablement have fallen slightly this month. Those leaving with no care reduced from 60.8% to 57.8% and those leaving with reduced care fell marginally from 16.5% to 15.7%. These levels continue to be considerably improved on performance levels during 2019/20 and those leaving with no care packages continues to remain above target.

Outcomes following Safeguarding - Following on-going improvements to the Safeguarding workflow on Liquid Logic we can report that the proportion of our clients for whom we have achieved their desired outcome at 80% is above target and an improvement on the position of 70% reported for last month. This is the highest level reported since April 2019 and is a positive indication that we are supporting our most vulnerable to achieve the outcomes they want.

Adult Social Care and Population Health Financial Headlines (1 of 2)

The Adult Social Care budget totals £232.247m of which £227.391m is part of the Manchester Health and Care Commissioning (MHCC) Pooled Budget for 2020/21.

The overall forecast position as at Period 7 is an overspend of £6.721m, this is made up of;

- COVID-19 pressures through increased costs - £9.883m;
- Partly offset by savings, mitigations and other changes of net £3.162m underspend.

The budget includes grant allocations of £3.342m for Infection Control Fund, £3.084m for Infection Control Round 2 and £4.837 m for Track and Trace, provided by Government.

COVID related Pressures (£9.883m)

In line with the national picture across councils, the Adult Social Care (ASC) financial position for 2020/21 continues to carry significant financial risk arising from the impact of COVID-19. The pressures created across the care sector are challenging and the recent increases in confirmed cases will provide further challenges in the coming months. The assumptions in the reported position are significant and as such are likely to fluctuate as the year progresses.

The Council has received Covid-19 funding to support pressures across its services. The ASC projected costs eligible for funding total £9.883m with a further £9.149m set against Health Covid-19 funding. In addition, there is £6.426m for Infection Control spend and £4.837m for Test and Trace program. These figures are reviewed regularly as more information and costs are finalized for each monthly return to Government.

Savings, mitigations and other changes (£3.162m)

The position at Period 7 is a reported forecast underspend of £3.162m, of which there is an underspend of £3.180m on the Pool and an overspend of £18k relates to services outside of the scope of the Pool.

The Directorate has identified £2.600m of non-recurrent savings which are included in the forecast. The non-recurrent savings relate primarily to realistic assumptions on the recruitment to vacant posts, a revised implementation for the social worker career pathway scheme, revised assumptions on the opening of the new extra care facilities and an expected uncommitted balance on the national living wage (NLW) and inflation budget.

Close scrutiny of each budget line is on-going and individual packages of care are being reviewed to ensure they are the most appropriate they can be to meet the needs of the clients.

Care pressures in the Internal Learning Disability Supported accommodation budget (£1.8m) are proposed to be funded in part from the use of ASC reserves, to allow for transition of clients to new build accommodation (£0.595m), resulting in a reported pressure of £1.225m.

Adult Social Care and Population Health Financial Headlines (2 of 2)

The savings, mitigations and other changes (£3.162m) are due to:

- MLCO Provider Services - underspend of £0.695m due to underspends on day centres of £343k, reablement of £1.077m, specialist short team intervention £279k, short breaks of £307k, and other underspends totalling £10k. This is offset by an overspend on in-house supported accommodation of £1.225m, (this is a gross pressure of £1.820m offset by £0.595m for new build accommodation from reserves) and Equipment and Adaptions of £95k.
- MLCO Hospital Teams, Front Door and TEC - £76k underspend, predominantly due to the timing of recruitment.
- MLCO Integrated Neighbourhood Teams - £0.729m underspend due to underspends on homecare of £0.731m (including expected £0.716m costs to be recharged to Health), carers of £102k, and other care net underspends of £289k; offset by overspends on the Residential & Nursing budgets of £110k, and integrated neighbourhood teams of £283k.
- MLCO Complex services (Learning and Disability, Mental Health, Transition) £147k overspend due to overspend on cash personal budgets of £163k, mental health supported accommodation of £100k, Learning and Disability care packages of £7k and Emergency Duty service of £42k; offset by underspends on Learning and Disability social worker staffing budgets totalling £32k, Mental Health Care packages of £99k and other minor underspends £34k.
- MLCO Population Health – £102k underspend due to delay in renegotiations on the sexual health contracts.
- MLCO Commissioning - £0.806m underspend due to a delay in the opening of the new extra care schemes.
- MLCO Budget growth and back office - £0.765m underspend due to slippage on the investment programme of £345k, slippage against the National Living Wage and inflation budget of £0.550m, both of which will be utilised to support the Directorate overall position; winter pressures of £75k and £169k on staffing across business support, offset by a commitment to costs to support the Impower savings delivery partnership of £375k
- MHCC - £154k underspend due to underspends on staffing
- MCC – £18k overspend relates in the main to the use of external best interest assessors.

Movement since last reported to Executive - £153k improvement

The movement arises from a reduction in the forecast COVID-19 costs of £24k to £9.883m, primarily following review of forecast costs for residential care. In addition, the mitigating forecast budget underspend has increased by £129k, to £3.162m.

The main factors are a decrease in the forecast overspend for Learning Disabilities of (£379k), offset by increased forecast costs on the Internal Learning Disability Supported Accommodation budget (£373k), an increased underspend on Extra Care due to delays in the new schemes (£464k), a commitment to costs relating to the Impower savings delivery partnership of £375k and other minor variations of £34k.

Homelessness – £5.167m overspend

Homelessness	Gross position including COVID impact				
	Annual Budget	Net actual spend to date	Projected Outturn	Projected Variance from Budget	Movement from last reported to Exec
	£000	£000	£000	£000	£000
Singles Accommodation	1,748	1,544	1,707	(41)	93
Bed & Breakfast's (Room only)	4,063	2,966	5,006	398	45
Families Specialist Accommodation	314	228	288	(26)	(17)
Accommodation Total	6,670	4,738	7,001	331	121
Floating Support Service/HMT	1,477	797	1,510	33	(28)
Dispersed and TAMF	2,166	473	4,049	1,883	337
Dispersed Accommodation Total	3,643	1,452	5,559	1,916	309
Homeless Management	685	398	660	(25)	7
Homeless Assessment and Caseworkers	2,320	1,313	1,984	(336)	(93)
Homelessness PRS and Move On	798	454	770	(28)	4
Rough Sleepers Outreach	403	193	382	(21)	8
Tenancy Compliance	207	96	164	(43)	(17)
Homelessness Support Total	4,413	2,454	3,960	(453)	(91)
Commissioned Services	1,210	583	1,210	0	0
Commissioned Services Total	1,210	583	1,210	0	0
COVID-19 Response Rough Sleepers	1,668	3,442	5,041	3,373	0
COVID-19 Response Total	1,668	3,442	5,041	3,373	0
Total	17,604	12,669	22,771	5,167	339

Memo: Breakdown of variance	
COVID related impact	Savings, mitigations and other changes
£000	£000
0	(41)
0	398
0	(26)
0	331
34	(1)
1,546	337
1,580	336
0	(25)
0	(336)
0	(28)
0	(21)
0	(43)
0	(453)
0	0
0	0
3,373	0
3,373	0
4,953	214

Homelessness: Period 7

Outputs and Cost-Drivers	Desired Performance	Period	Performance	Are we better than...?					
				Target		Last Period		Last Year	
Number placed in Bed and Breakfast Accommodation: Single person	Low	Oct-20	219	TBC		-8		58	
Number placed in Bed and Breakfast Accommodation: Families	Low	Oct-20	31	TBC		0		-50	
Number of dispersed accommodation placements: Single person	Low	Oct-20	220	TBC		26		70	
Number of dispersed accommodation placements: Families	Low	Oct-20	1,626	TBC		-15		179	

Performance Analysis

Work is ongoing with RPs to give backdates to homeless households. Offers are being made to encourage people to rightsize properties and make larger properties available. A bid has been successful from MHCLG for capital funding for 1 bedroom affordable flats, which there is a lack of in the city compared to demand. Work is being undertaken to help people access the PRS in affordable locations, many of which are outside of Manchester, and schemes such as a landlords insurance are being used. A bid for £2 million of short term funding from MHCLG has been successful. Incentives for PRS landlords are included.

The service is continuing to focus upon accommodating people who sleep rough to mitigate the public health risk, and ensure people do not return to the streets. Service changes due to COVID-19, such as remote working, will feed into service transformation going forward as it has proven to be successful. The numbers of single people moving into dispersed accommodation has increased. Officers have been working hard throughout the pandemic to move more singles and families out of temporary and into permanent accommodation. Households presenting will continue to increase over the next few months as the economic outcome of the pandemic is fully realised. It is anticipated the number of people sleeping rough will also increase, although significant work and investment is ongoing to keep people from the streets.

The homeless service is returning to business as usual, even during the second lockdown. It is anticipated that there will be a significant demand for services once the pandemic is over, and the service is preparing for a large increase in numbers. This is due to the continuation of welfare reform, the high level of rental income that the PRS demands, but most significantly, the number of people that will be economically affected by the outcome of COVID-19, through losing employment, being unable to pay their rent, the reduction in support services that would have otherwise helped them being reduced or stopped due to essential cuts in services. The freeze on evictions is enabling people to ignore their rental arrears, which will cause its own issues as we try to mediate between tenants and landlords, but comms work is progressing to encourage people to access debt advice.

Homelessness Financial Headlines (1 of 3)

The Homelessness budget for 2020/21 is £17.604m

The overall forecast position as at Period 7 is an overspend of £5.167m, this is made up of;

- COVID-19 pressures through increased costs and income shortfalls - £4.953m;
- Increased by savings, mitigations and other changes of net £214k overspend.

COVID related Pressures (£4.953m overspend):

COVID-19 response to Government's Everyone In, providing accommodation for 280 people sleeping rough in the City. Indicative annual cost of £5.075m, £457k staffing related expenditure up to 31 July 2020 (this does not reflect the cost of staff who have been redeployed, whose costs are covered by budgets linked to substantive roles), £4.584m accommodation, food and security to provide accommodation for those who would otherwise be sleeping rough linked to the Government's Everyone In and the exit strategy. In addition to the increased expenditure, there is a forecast lost income of £34k linked to Legal Services provided to Registered Providers.

Next Steps Accommodation funding has now been allocated of £2.068m, of which £1.668m has been assigned to accommodation costs already committed with a further £100k to be utilised for additional cold weather provision and £300k for incentives to move people on into Private Rented Sector.

Dispersed temporary accommodation placements have increased by 183 since March 2020 to 1,846 in October in 2020 (an increase of 11 since last month). £546k of costs have been assigned as Covid-19 costs. At budget setting 20/21 £1.5m of reserves were allocated to cover the impact of increased demand, at this stage this has not been allocated. The Flexible Housing Support grant (£2.1m) is being fully applied to meet the cost.

Savings of £1.000m unachieved, have been reported to MHCLG as part of COVID-19 return, with delays in procurement as a result of Senior Management involvement in COVID-19 response. Work is ongoing with Legal and Procurement to revise timelines.

Homelessness Financial Headlines (2 of 3)

Savings, mitigations and other changes (£214k overspend):

Mainstream funded services, Continued increase in numbers in dispersed has increased the expected Housing Benefit Subsidy loss by £337k partly offset by an underspend of £178k linked to staffing underspends where recruitment has been delayed as a result of Covid-19, and a balance of £55k overspend which is offsetting pressure on Bed and Breakfast.

The position reported reflects the allocation of £0.979m investment due to increased need for Dispersed Accommodation, £1m of funding to enable a permanent staffing structure to be implemented and £373k of funding to offset the loss of GMCA income at the Longford Centre as per the Council's 2020/21 budget process.

Additional one-off funding in 2020/21

Rough Sleeper Initiative funding of £0.724m funds a number of different initiatives and services that work together as an RSI Partnership, with the objectives of preventing people from rough sleeping and finding accommodation for people already rough sleeping. This funding included the provision of Rapid Rehousing Pathway programme of £215k for 4 Navigators and 1 Team Leader. These are attached to the Council's Outreach Team and the Navigators will develop relationships and help people who sleep rough to access appropriate local services, get off the streets and into settled accommodation

The new burdens funding of £461k is being utilised to provide capacity to reduce demand. Additional capacity is needed for:

- Housing Solutions Officers to increase prevention work and reduce flow into the system
 - Private Rented Sector (PRS) team to develop a PRS offer for homeless people
 - Investment to reduce floating support caseloads to allow meaningful work in moving people on and ensuring people are appropriately safeguarded
-
- Funding of £1.6m has been awarded by the Greater Manchester Combined Authority (GMCA) to fund 142 beds spaces in Phase 3 of A Bed Every Night programme which has been extended to cover the period July 2020 to March 2021, indicative costs are £2.5m. Revenue and Benefits are currently reviewing the proposals at each of the properties to confirm the level of Housing Benefit which can be claimed, current conversations indicate that funding of £300k will be provided, therefore the shortfall in funding is approximately £0.600m which has been included in COVID-19 costs.

Homelessness Financial Headlines (3 of 3)

Movement since last reported to Executive - £339k increased pressure

This is mainly due to dispersed temporary accommodation placements increasing from 172 since March 2020 to 1,626 in October 2020. Continued increase in numbers in dispersed has increased the expected Housing Benefit Subsidy loss by £337k. At budget setting 2020/21 £1.5m of reserves were allocated to cover the impact of increased demand, at this stage this has not been allocated. The Flexible Housing Support grant (£2.1m) is being fully applied to meet the cost.

Homelessness Period 7 Activity

Table 1. Presentations at Front Door	2016/17	2017/18	2018/19	2019/20	2020/21
Quarter 1	1,329	1,644	1,692	2,388	2,070
Quarter 2	1,400	1,626	2,174	2,525	2,541
Quarter 3	1,331	1,453	1,978	2,393	
Quarter 4	1,619	1,545	2,303	2,534	
Total	5,679	6,268	8,147	9,840	4,521

Total number of B&B cases booked in and out in the month		Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	June-20	Jul-20	Aug-20	Sept-20	Oct-20	Total
Families	Booked In	83	90	100	71	81	39	51	82	115	68	102	82	964
	Booked Out	76	81	84	91	102	97	69	63	92	89	99	94	1,047
	Change	7	9	16	(20)	(21)	(58)	(18)	19	23	(21)	3	(14)	(73)

Single Person	Booked In	109	99	104	101	133	118	126	169	166	165	160	135	1,585
	Booked Out	106	89	121	86	121	107	117	141	174	165	174	137	1,538
	Change	3	10	(17)	15	12	11	9	28	(8)	0	(14)	(2)	47

B&B average placements in month	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	June-20	Jul-20	Aug-20	Sept-20	Oct-20
Single person	166	167	169	176	179	191	211	231	233	228	227	219
Families	102	105	112	113	101	50	20	20	41	45	31	31
Total	268	272	281	289	280	241	231	251	274	273	258	250

Dispersed Accommodation placements at the end of the month	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	June-20	Jul-20	Aug-20	Sept-20	Oct-20
Families	1,455	1,472	1,489	1,498	1,505	1,573	1,614	1,611	1,618	1,629	1,641	1,626
Singles	155	156	159	157	158	161	174	184	188	191	194	220
Total	1,610	1,628	1,648	1,655	1,663	1,734	1,788	1,795	1,808	1,820	1,835	1,846

Corporate Core – £1.824m overspend (1 of 2)

Corporate Core	Gross position including COVID impact				
Chief Executives	Annual Budget	Net actual spend to date	Projected Outturn	Projected Variance from Budget	Movement from last reported to Exec
	£000	£000	£000	£000	£000
Coroners and Registrars	2,348	1,140	3,092	744	(32)
Elections	1,079	2,198	979	(100)	0
Legal Services	7,129	5,273	7,123	(6)	(109)
Communications	3,371	1,879	3,606	235	(35)
Executive	987	424	887	(100)	(36)
Legal, Comms, Democratic and Statutory Sub Total	14,914	10,914	15,687	773	(212)
Corporate Items	545	(101)	1,015	470	160
Chief Executives Total	15,459	10,813	16,702	1,243	(52)

Memo variance of breakdown	
Covid related impact	Savings, mitigations and other changes
£000	£000
776	(32)
0	(100)
356	(362)
349	(114)
	(100)
1,481	(708)
280	190
1,761	(518)

Corporate Core - £1.824m overspend (2 of 2)

Corporate Core	Gross position including COVID impact				
Corporate Services	Annual Budget	Net actual spend to date	Projected Outturn	Projected Variance from Budget	Movement from last reported to Exec
	£000	£000	£000	£000	£000
Policy, Performance and Reform	15,590	8,603	14,908	(682)	(68)
Procurement and Commissioning	1,414	760	1,247	(167)	(18)
Revenue and Benefits	26,591	9,724	28,084	1,493	1,250
Discretionary Housing Payments and Welfare Provision	2,600	1,515	2,600	0	0
Financial Management	5,532	3,910	4,947	(585)	(90)
ICT	13,746	10,992	14,901	1,155	98
Human Resources/ Organisational Development (HR/OD).	4,119	2,647	3,953	(166)	0
Audit, Risk and Resilience	1,483	888	1,406	(77)	0
Shared Service Centre	1,132	716	797	(335)	(160)
Capital Programmes	(31)	667	556	587	(413)
CS Corporate Items (non business plan)	226	297	6	(220)	30
Customer Services	4,217	2,442	3,818	(399)	(48)
Commercial Governance	259	182	236	(23)	0
Decriminalised Parking Enforcement	(649)	7,326	(649)	0	0
Bus Lane	(334)	6,416	(334)	0	0
Corporate Services Total	75,895	57,085	76,476	581	581
Total Corporate Core	91,354	67,898	93,178	1,824	529

Memo variance of breakdown	
Covid related impact	Savings, mitigations and other changes
£000	£000
0	(682)
0	(167)
1,572	(79)
0	0
0	(585)
1,307	(152)
0	(166)
0	(77)
0	(335)
737	(150)
0	(220)
0	(399)
0	(23)
0	0
0	0
3,616	(3,035)
5,377	(3,553)

Corporate Core: Period 7

	Desired Performance	Period	Performance	Are we better than...?					
				Target		Last Period		Last Year	
Availability of 11 critical ICT Services and Applications (year to date)	High	Oct-20	99.5%	98.5%		-0.1%pts		0.2%pts	
Average Number of ICT Major Incidents in a month (year to date)	Low	Apr 20 - Oct 20	5.43	n/a		0.10		-1.71	
% of transactions delivered face to face (year to date)	Low	Apr 20 - Oct 20	0.0%	n/a		0%pts		-3.7%pts	
% of transactions delivered by telephone (year to date)	Low	Apr 20 - Oct 20	32.1%	n/a		2.5%pts		-16.2%pts	
% of transactions delivered online (year to date)	High	Apr 20 - Oct 20	68.0%	n/a		-2.5%pts		19.9%pts	
% of annual due Council Tax collected (year to date)	High	Apr 20 - Oct 20	55.6%	94%	n/a	8.2%pts	n/a	-1.3%pts	
% of annual due Business Rates collected (year to date)	High	Apr 20 - Oct 20	48.7%	97%	n/a	7.5%pts	n/a	-14%pts	
% invoices paid within 10 days (average monthly result YTD)	High	Apr 20 - Oct 20	61.1%	65%		0.6%pts		1.4%pts	
% invoices paid within 30 days (average monthly result YTD)	High	Apr 20 - Oct 20	83.4%	90%		0.1%pts		-6.3%pts	
% of pursuable miscellaneous debt over 1 year old (excluding C'tax and B'rates)	Low	Oct-20	3.0%	5%		-10.8%pts		-8.1%pts	
BR Grants: Small Business Grant (% allocated)	High	30-Sep	95.8% (£64,770,000)	£67,610,000	n/a	0.19%	n/a	n/a	n/a
BR Grants: Retail, Hospitality & Leisure Grant (% allocated)	High	30-Sep	95.3% (£41,300,000)	£43,210,000	n/a	0.28%	n/a	n/a	n/a
BR Grants: Local Authority Discretionary Grant (% allocated)	High	30-Sep	99.8% (£5,417,500)	£5,432,000	n/a	-0.09%	n/a	n/a	n/a

Corporate Core: Period 7

Performance Analysis

- The % of business rates grants allocation was finalised on 30 September. Overall 95.9% of businesses identified as in scope were allocated grant.
- The proportion of transactions undertaken online and via phone were just over 48% prior to COVID (with face-to-face transactions representing circa 3% of transactions). However, 85% of transactions up to the end of June were online and 15% were via phone (due to the closure of non-critical contact centre phone lines from March as a result of the pandemic). The reopening of these non-critical phone lines (e.g. Council Tax, business rates and neighbourhoods switchboard) from July has seen the year to date figures gradually move back towards pre-pandemic levels each month, with online transactions standing at 68% and phone transactions at 32% at the end of October.
- The percentage of Council Tax due for 2020/21 which had been collected at the end of October (55.62%) was just over 1% below that collected at the same point last year (56.95%), and at £121.7m, it was over £1.7m more than that collected at the same point last year. COVID-19 and the lockdown has impacted on people's ability to pay.
- Total collectible Business Rates has reduced from £378.5 million (1st April) to £237.2m (1st Nov) because of the expanded Retail Relief which is fully funded by Central Government. The percentage of business rates due for 2020/21 which had been collected at the end of October was 48.7%, which was 14% lower than the 62.7% collected at the same point last year and at £117m was just under £120m less than that collected last year. This decrease was exacerbated by the need to suspend direct debit payments while grants and retail relief were administered. These restarted from 21 May 2020 with repayment plans reprofiled over the ten or eleven months.
- The % of pursuable miscellaneous debt over a year old fell from 13.84% at the end of September to 9.86% at the end of October. Formal recovery of such debt only resumed in late July. The amount of collectable debt +1yr old is now just over £3.48m, almost £2.01m more than the figure from April 2018. Circa 75% of the increase since April 2018 is attributed to the ASC business area with the majority of this belonging to the NHS. The Council is prioritising chasing NHS invoices and other large ASC invoices to reduce the collectable debt figure and progress is being made in resolving outstanding disputes which are preventing payment. With the NHS currently prioritising paying COVID-19 related invoices it is more challenging to chase older invoices.
- The percentage of invoices paid within 10 and 30 days both remain below target.

Corporate Core Financial Headlines (1 of 3)

Corporate Core revenue budget totals £91.354m

The overall forecast position as at Period 7 is an overspend of £1.824m, this is made up of:

- COVID-19 pressures through increased costs and reduced income - £5.377m;
- Partly offset by in year savings, mitigations and other changes of net £3.553m.

The Council Tax Hardship fund of £1.3m, has been reviewed and a budget virement has been requested to transfer £1m to support the Council Tax Support Scheme (CTSS) £150 scheme due to the increased number of CTSS claimants.

The test and trace isolation support payments are currently projecting to exceed the initial grant allocation and officers are preparing a submission to Government requesting the required additional Funding to meet the demands in Manchester.

The overall Corporate Core budget includes the £11.698m Additional Restriction Grant allocated to the Council to support businesses across the city.

It is forecast that all the other additional grants will be fully utilised in year.

The Core budget is net of £3.449m savings that were approved as part of the 2020/21 budget setting process

The Corporate Core is forecasting an overall overspend of £1.824m at Period 7 an increase of £0.529m since the P5 report to Executive. The overall overspend is made up of £5.377m COVID pressures through increased costs and lost income. This is offset by in year savings and mitigations of £3.553m which are mainly due to staff savings because of vacant posts.

Corporate Core Financial Headlines (2 of 3)

COVID related Pressures (£5.377m)

These are due to:

- £2.005m increased expenditure largely relating to ICT costs of mobilising staff to work more flexibly, additional licensing costs, and additional costs within Coroners for cemetery and mortuary services.
- £3.372m shortfalls in income due to reduced capital programme fee income of £0.737m due to the slow down of capital schemes, reduced income in registrars of £281k, legal services fee income of £325k, Communications of £249k, Revenue and Benefits reduced income £1.5m due to a reduction in the number of council tax enforcement notices being issued, and lower than forecast take up of the annual leave purchase scheme of £280k.

Savings, mitigations and other changes (£3.553m)

These are made up of Chief Executives £0.518m and Corporate Services of £3.035m and further detail is provided below.

The Chief Executives £0.518m underspend is due to the following:

- Elections underspend of £100k due to cancelled 20/21 election year;
- Legal £362k, Coroners and Registrars £32k, Communications £114k and Executive office underspend of £100k due to savings on employee budgets and running costs.
- Offset by £190k additional costs for prior years catering costs.

The Corporate Services forecast underspend of £3.035m is due to:

- Employee savings and running costs of £2.635m in Policy and Performance and Reform, Procurement, Financial Management, HR/OD, Audit, Shared Service Centre, Customer Services and Commercial Governance Team;
- Corporate items £250k underspend due to higher than forecast pensions savings from upfront funding of contributions.
- Capital Programmes £150k additional income

Corporate Core Financial Headlines (3 of 3)

Movement since last reported to Executive - £0.529m increased pressure

This is made up of £52k improvement in Chief Executives, offset by £0.581m increased pressure in Corporate Services. Further details of these variances is set out below :

Chief Executives position has improved by £58k since the last reported position mainly due to staff savings in Coroners, Legal Services, and Executive, offset by reduced forecast income from the purchase of annual leave.

The Corporates Services increased pressure of £0.581m is made up of a projected £1.250m reduction in income from court summons in relation to council tax and business rates bills in arrears. This is due to a combination of reduced numbers being subject to enforcement activity because of support provided due to COVID and the closure of the Courts during lockdown. There is £98k of ICT costs of mobilising staff to work more flexibly and £30k increase in bad debt provision. This is reduced by £384k employee and running cost savings in Performance Research and Intelligence, Procurement and Commissioning, Financial Management, Shared Service Centre and Customer Services. There is a reduction in the overspend on Capital of £413k since the last report due to a more accurate forecast in the Covid income pressure.

Neighbourhoods Directorate - £8.675m overspend

Neighbourhoods Directorate	Gross position including COVID impact				
	Annual Budget	Net actual spend to date	Projected Outturn	Projected Variance from Budget	Movement from last reported to Exec
	£000	£000	£000	£000	£000
Neighbourhood Management and Directorate Support	1,160	611	1,234	74	18
Operations and Commissioning	48,790	34,264	53,350	4,560	666
Parks, Leisure, Events and Youth	7,573	6,608	11,843	4,270	(238)
Compliance and Community Safety	15,830	5,290	15,412	(418)	(226)
Libraries, Galleries and Culture	9,706	5,111	9,511	(195)	(240)
Neighbourhood Area Teams	2,700	1,340	2,624	(76)	(8)
Other Neighbourhood Services (including COVID pressures)	352	140	352	0	0
Neighbourhood Services Total	86,111	53,364	94,326	8,215	(28)
Highways	14,731	4,013	15,191	460	262
Neighbourhoods Directorate Total	100,842	57,377	109,517	8,675	234

Memo: Breakdown of variance	
Covid related impact	Savings, mitigations and other changes
£000	£000
0	74
5,138	(578)
4,492	(222)
434	(852)
248	(443)
0	(76)
0	0
10,312	(2,097)
931	(471)
11,243	(2,568)

Neighbourhoods: Period 7

Outputs and Cost-Drivers	Desired Performance	Period	Performance	Are we better than...?					
				Target	Last Period		Last Year		
Neighbourhoods									
Total levy refuse tonnage	Low	Oct-20	6,445	6,115		-311		268	
Total levy recycling tonnage	High	Oct-20	4,850	5,078		n/a	n/a	-220	
Citywide recycling rate (provisional)	High	Q1 20/21	38.0%	n/a		n/a	n/a	-5.7%pts	
Total number of waste related requests for service resolved in the quarter	High	Q2 20/21	1,588	n/a		168	n/a	186	n/a
% of waste related requests for service resolved informally (remainder were formal resolutions)	n/a	Q2 20/21	85%	n/a		-5%pts	n/a	9.1%pts	n/a
Number of burials (in the month)	n/a	Oct-20	151	Projection: 123	n/a	13	n/a	7	n/a
Number of cremations (in the month)	n/a	Oct-20	81	Projection: 85	n/a	-36	n/a	-22	n/a
Connected City									
Road network beyond mid-life grading (A, B, C, U roads - excluding footways)	Low	2020	17.7%	23.0%		n/a		-2.3%pts	

Performance Analysis

The refuse collected in October was 330 tonnes higher than the 6,115 tonnes target, this is due to residents spending more time at home due to the pandemic. Although the overall position is 311 tonnes lower than position in September.

Recycling tonnages are 228 tonnes below the target for October. In October 2020, more commingled recycling was collected than the target but less pulpable (paper and card) and organic was recycled compared to the target.

In the last 12 months there has been a significant increase in large volumes of waste being tipped, waste described as significant loads increased by 38% (+4,054). The only waste size to see a decline in reports were single black bags (-7%). Work is progressing to mitigate some of the waste issues including increasing communications and engagement in community languages.

Neighbourhoods Directorate Finance Headlines (1 of 3)

Neighbourhoods Directorate revenue budget totals £100.842m

The overall forecast position as at Period 7 is an overspend of £8.675m, this is made up of:

- COVID-19 pressures through increased costs and reduced income - £11.243m;
- Offset by identified in year mitigations of net - £2.568m underspend.

COVID related Pressures (£11.243m)

This is made up of a combination of increased expenditure £4.236m and forecast reductions in income of £7.007m. Further details are provided below:

£4.236m increased COVID-19 costs are made up as follows:

- Leisure services £3.380m support to leisure operator to fund the ongoing costs of maintaining City Council assets during closure.
- £111k in Parks and Events for additional signage and markings to promote social distancing.
- Highways Services - £0.583m increased costs of introducing social distancing measures in and around the City Centre.
- £13k sanitisers and shields within Libraries.
- £146k additional security, staffing and equipment costs within Bereavement Services.
- £3k minor costs within Fleet Services.

£7.007m reduced income is made up as follows:

- Reduced income of £4.989m in Operations and Commissioning Services, due to the £1.761m loss on the Christmas Offer income including Christmas Markets, £2.210m reduced income for Wholesale, Retail, City Centre and Commercial Markets as a result of required closure, Catering £0.898m due to a combination of reduced numbers during lockdown, and reduced take up of the catering offer following the return of schools, Pest Control £104k and £16k in Fleet Services due to reduced demand during lockdown.
- Libraries & Galleries £235k due to reduced sales income and funding contribution because of closure and reduced footfall.
- Leisure, Parks and Events - £1.001m due to reduced income because of closure, this includes £0.664m because of the cancelled Parklife concert and loss of car parking income at Heaton Park and £291k in Leisure mostly due to loss of Swimming Income and £46k in Events.
- Highways reduced income from off street parking and sales of fees and permits £348k.
- £434k reduced income from penalty notices and licences in Community Safety and Enforcement.

The above figures assume use of GMCA reserves to mitigate the overspend on the Waste Levy due to increased tonnages as a result of COVID-19.

Neighbourhoods Directorate Finance Headlines (2 of 3)

Savings, mitigations and other changes (£2.568m)

The Directorate has identified in year savings and mitigations of £2.568m and a further breakdown is provided below:

Operations and Commissioning £0.578m underspend due to;

- The underspend relates to the decision to request drawdown of the catering reserves to mitigate the projected lost income for Manchester Fayre £0.605m together with staffing savings due to revised recruitment profiles and ad hoc savings on running costs offset by the change in the funding of essential building and maintenance work at New Smithfield Market.

Compliance and Community Safety £0.852m savings due to;

- employee savings due to revised recruitment assumptions with some vacant posts now anticipated to be filled in January 2021 and beyond.

Libraries, Galleries and Culture £443k saving mostly due to;

- £308k saving on employee costs in Libraries due to ongoing vacancies and;
- saving on running costs in Libraries, including £100k reduced spend on the Libraries book fund.

Parks, Leisure, Youth and Events £222k savings due to;

- £200k employee savings due to revised recruitment assumptions and other minor savings on running costs.

Neighbourhood Teams £76k savings due to;

- Staff savings because of vacant posts

Highways - £471k savings due to;

- Higher than forecast income from highways capital works that have been undertaken during the lockdown period.

Offset by the Management and Directorate Support £74k overspend due to;

- Minor supplies and services variations

Neighbourhoods Directorate Finance Headlines (3 of 3)

Movement since last reported to Executive - £234k increased pressure

The main change is the effect of the second lockdown on Markets and the impact of a reduction in the uptake of school meals on Manchester Fayre since the start of the new school year. This has been offset by savings on planned recruitment within Compliance and Community Safety, increase forecasted income from parking and pool time within Leisure Services and the receipt of the Cultural Recovery Fund Grant for Galleries.

Growth and Development - £3.807m overspend

Growth and Development	Gross position including COVID impact					Memo: Breakdown of variance	
	Annual Budget	Net actual spend to date	Projected Outturn	Projected Variance from Budget	Movement from last reported to Exec	Covid related impact	Savings, mitigations and other changes
	£000	£000	£000	£000	£000	£000	£000
Operational Property	8,194	5,988	8,261	67	(121)	6	61
Facilities Management	9,963	4,882	9,960	(3)	(63)	216	(219)
Property Rationalisation	0	1,138	0	0	0	0	0
Investment Estate	(11,938)	(8,808)	(10,459)	1,479	(510)	2,772	(1,293)
MCDA	0	947	0	0	(750)	820	(820)
Growth and Development	164	(205)	111	(53)	0	0	(53)
City Centre Regeneration	1,016	450	1,091	75	4	1	74
Housing and Residential Growth	1,445	564	1,041	(404)	(8)	0	(404)
Planning, Building Control and Licensing	(588)	(632)	203	725	(74)	1,128	(403)
Work and Skills	1,773	930	1,616	(157)	0	0	(157)
The Community Hub	1,243	1,360	3,304	2,061	0	2,061	0
MAES	0	67	17	17	0	17	0
Our Town Hall Project	0	1,240	0	0	0	0	0
Total Growth & Development	11,272	7,922	15,145	3,807	(1,522)	7,021	(3,214)

Growth and Development : Period 7

Outputs and Cost-Drivers	Desired Performance	Period	Performance	Are we better than...?		
				Target	Last Period	Last Year
Number of Planning Applications with fees of £10k - £50k	High	Oct-20	0	n/a	-4	-2
Number of Planning Applications with fees of £50k +	High	Oct-20	2	n/a	1	-1
Planning Fee Income	High	Oct-20	£372,794	£210,555	£80,704	-£39,508
Net annual Business Rate charges payable (quarterly snapshot)	High	01-Oct-20	£240.52m	n/a	-£3.76m	-£132.73m
No. of properties for which business rates are payable (quarterly snapshot)	High	01-Oct-20	27,063	n/a	33	45
No. of year end new homes built (excluding small developments)	High	Q2 20/21	3,869	n/a	n/a	942
% of properties empty long-term	Low	2019/20	0.53%	n/a	n/a	0.01%points

Performance Analysis

Planning Fee income in October was £373k, an increase of £80k from the previous month and exceeding the target. Given the unprecedented economic climate, the expectation is that planning fee income may fluctuate could reduce over the final quarter of the year due to the impacts of the Economic downturn.

The Business Rate charges payable dropped in October, partly due to Extended Retail Relief being applied which will be funded by Government. There has been a small increase in the number of properties for which business rates are liable.

Growth and Development Financial Headlines (1 of 2)

Growth and Development revenue budget totals £11.272m

The overall forecast position as at Period 7 is an overspend of £3.807m, this is made up of:

- COVID-19 pressures through increased costs and reduced income - £7.021m;
- Offset by identified in year savings and mitigations of £3.214m.

The net £11.272m budget includes Government grant allocations for Reopening High Streets Safely Fund of £489k and Local Welfare Assistance Fund of £0.957m and reflects pay award.

As at Period 7, the Directorate is forecasting an overspend of £3.807m. The current overspend includes impact of COVID-19 of £7.021m, which is made up increased expenditure of £2.297m and shortfalls in income of £4.724m. This is offset by savings of £3.214m through staffing and additional income across the service as set out in this report.

The overall Directorate position is due to the following:

Overspends of £4.424m in:

- Operational Property - £67k mainly due a combination of increased utility costs across the estate, and security costs at Wythenshawe Hall, partially offset by staff savings due to vacant positions.
- Investment Estate - £1.479m, mainly as a result of anticipated COVID-19 income pressures, which are partially offset by staffing savings (£381k) and higher than forecast income from development sites (£136k).
- City Centre Regeneration - £75k, due to higher than budgeted salary costs.
- Planning, Building Control and Licensing - £0.725m due to a net income reduction of £225k in Building Control, £64k in Landcharges, £346k shortfall in licensing, £302k from taxi MOT/testing, and £35k legal costs. These are partially offset by staff savings of £247k in planning due to vacant posts.
- Community Hub - £2.061m – payments to food banks and provision of food support to vulnerable residents.
- Manchester Adults Education Service (MAES) - £17k of Covid-19 related expenditure.

Growth and Development Financial Headlines (2 of 2)

Offset by underspends of £0.617m:

- Facilities Management - £3k, additional costs of ensuring offices are COVID secure, offset by savings on staffing costs due to vacant positions.
- Growth and Development - £53k underspends on staff costs due to vacancies.
- Housing and Residential Growth - £404k due to staff vacancies, reduced general running costs and increased rental income on the Ben Street scheme.
- Work and Skills - £157k due to staffing savings (£57k) and reduced project costs (£100k).

Movement since last reported to Executive - £1.522m improvement

This is due to the following:-

- Manchester Creative and Digital assets overspend being reduced by £0.750m as a result of Council agreeing to defer the spend to save recharge for one year to offset the loss of income due to COVID,
- the Investment Estate position has improved by £464k due to the anticipated loss of income due to COVID not being as high as initially forecast, this is retained under monthly review.
- A reduction in the forecast overspend in Planning, Building Control and land charges of £110k due to the planning fee income continuing to hold up, despite the pandemic,
- £115k improvement in Facilities management mainly due to increased staffing savings and reduced security costs and
- £83k other minor variations

Housing Revenue Account

	Annual Budget	Net Actual Spend	Projected Outturn	Projected Variance from Budget	Movement from last reported to Exec
	£000	£000	£000	£000	£000
Housing Rents	(60,881)	(25,623)	(61,027)	(146)	(80)
Heating Income	(600)	(255)	(623)	(23)	(23)
PFI Credit	(23,374)	(11,687)	(23,374)	0	0
Other Income	(1,281)	(670)	(919)	362	(39)
Funding from General/MRR Reserves	(18,632)	0	(18,632)	0	0
Total Income	(104,768)	(38,235)	(104,575)	193	(142)
					0
Northwards R&M and Management Fee	20,694	12,137	21,097	403	306
PFI Contractor Payments	36,296	16,221	35,631	(665)	(199)
Communal Heating	584	226	607	23	23
Supervision and Management	5,213	1,790	5,433	220	(21)
Contribution to Bad Debts	613	(51)	854	241	(306)
Depreciation	17,378	0	17,378	0	0
Other Expenditure	1,370	452	1,393	23	0
RCCO	19,841	0	(1,898)	(21,739)	(2,735)
Interest Payable and similar charges	2,779	0	2,779	0	0
Total Expenditure	104,768	30,775	83,274	(21,494)	(2,932)
					0
Total HRA	0	(7,460)	(21,301)	(21,301)	(3,074)

Movement in General/MRR Reserves	Opening Balance	Budgeted Adjustment	Forecast Closing Balance	Additional Adjustment	Revised Forecast Closing Balance
	76,012	(18,632)	57,380	21,301	78,681

Housing Revenue Account Financial Headlines

The Housing Revenue Account (HRA) is forecasting lower than forecast expenditure of £21.301m at Period 7. This is due to:

Underspends of £22.573m:

- Reduced contribution towards capital expenditure of £21.739m, this is due to reduced capital expenditure, partially due to the impact of COVID and a combination of increased time to undertake works because of changes to working practices, and reduced works because of reduced accessibility to tenants' properties.
- Reduced PFI Payments £0.665m:
 - £0.614m reduction on Brunswick PFI due to the delays in completion for the extra care scheme – this is expected to be complete in quarter 4.
 - £119k saving due to lower than forecast inflationary increase on the unitary charge.
 - £68k increased in Communal Heating costs due to new contract.
- Additional Rental income of £146k mainly due to a reduced number of right to buy sales because of COVID, partially offset by a reduction because of the delay in the Brunswick Extra Care Scheme.
- Additional income of £23k on Communal Heating schemes due a higher number of customers than originally forecast.

Offset by overspends of £1.272m:

- Northwards Management Fee - £403k higher than forecast largely due to increased costs of the agreed pay awards, additional costs in respect of supplier relief payments due to support provided during COVID and costs of support to tenants as part of the planned demolition of Riverdale Estate.
- Other income £362k lower than forecast due to a refund of prior year overpayments of VAT Shelter monies made by a partner RSL, reduced non-dwelling rent income for vacant shops in Brunswick and a refund of 2019/20 Service Charge following reconciliation.
- Bad debt provision increase £241k, to reflect the expected increase in rent arrears due to Covid-19. The provision has been increased from the initial 1% to 1.5%.
- Supervision & Management - increase £220k. This is due to higher than forecast salary costs and estimated costs of £200k relating to work associated with the ongoing ALMO review, offset by a reduction in the requirement for valuations, plans and energy performance certificates due to the reduced number of right to Buys.
- Increased gas costs of £23k due to higher than forecast demand in Communal Heating scheme.
- An increase of £23k relating to other miscellaneous costs.

Any surplus/deficit in year must be transferred to/from the HRA reserve. At Period 7 it is forecast that an additional £2.669m will be transferred to reserves at year end and this would leave a forecast balance of £78.681m in the HRA General Reserve at year end.