

## **Manchester City Council Report for Resolution**

**Report to:** Neighbourhoods and Environment Scrutiny Committee – 10  
February 2021  
Executive – 17 February 2021

**Subject:** Homelessness Directorate Budget and Savings Options 2021/22

**Report of:** Director of Homelessness

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### **Summary**

As a result of the COVID pandemic there has been additional demand for services and impact on the Council's income (as set out in the January reports to Executive and scrutiny committees) the Council is facing a significant budget gap for 2021/22 onwards. Funding announcements in the Government's spending review on 25 November and provisional local government finance settlement on 17 December suggest the Council will not be facing the worst-case scenario for 21/22, which was a shortfall of around £100m. The government settlement assumes eligible Councils will increase Council Tax by 3%, for the Adult Social Care precept. After accounting for additional Adult Social Care funding through both additional precepts and grant the revised savings proposals from all Directorates total £41m. The report of the Deputy Chief Executive and City Treasurer, to Resources and Governance Scrutiny Committee 12 January provided an update on the finance settlement.

This report provides the high-level budget context and priorities for Homelessness across 2021/22 and is an update to the report presented to Neighbourhoods and Environment Scrutiny 13 January 2021, which has been used for the development of savings proposals 2021/22 and investment requirements to fund population driven and other budget pressures.

### **Recommendations**

1. The Neighbourhoods and Environment Scrutiny Committee is asked to consider and make recommendations to the Executive on the budget proposals which are within the remit of this Committee.
  2. Executive are asked to consider the officer cuts and savings proposals, taking into account the feedback from this scrutiny committee.
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**Wards Affected:** All

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

Encouraging commissioned and inhouse services to reduce CO2 emissions and reduce their use of plastics will contribute to a low carbon city. Introducing climate change conversations with homeless people will support them in adopting a low carbon lifestyle.

Our Manchester Strategy outcomes	Summary of how this report aligns to the OMS
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	Helping people to stay in their accommodation through prevention work will help them to thrive. Reducing the number of people who are homeless or placing them in appropriate accommodation with help to access employment and learning opportunities will contribute to Manchester becoming a thriving and sustainable city.
A highly skilled city: world class and home grown talent sustaining the city's economic success	Having public, private and voluntary sector organisations working together to help people who have personal insight into homelessness into volunteering and employment will contribute to the objective of having a highly skilled city. Employment breaks the cycle of generational benefit dependency and will encourage children to access school and employment in later life
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	Supporting people who are homeless to access employment and accommodation will unlock their potential to help them become independent citizens who contribute to our city. Working with the Homelessness Partnership to ensure that the views of people with personal insight into homelessness influence ways of working.
A liveable and low carbon city: a destination of choice to live, visit, work	Encouraging commissioned and inhouse services to reduce CO2 emissions and reduce their use of plastics will contribute to a low carbon city. Introducing climate change conversations with homeless people will support them in adopting a low carbon lifestyle.
A connected city: world class infrastructure and connectivity to drive growth	Promoting inclusive growth for the benefit all Manchester citizens

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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.

Provisional Local Government Finance Settlement 2021/22 – Executive 20 January 2021

Homelessness Directorate Budget and Savings Options 2021/22 – Neighbourhoods and Environment Committee 13 January 2021 and Executive 20 January 2021

Homelessness Budget Report 2020/21 – Neighbourhoods and Environment Scrutiny Committee 5 February 2020 and Executive 12 February 2020

## **1.0 Introduction**

- 1.1 The report outlines the financial position and sets out proposals for savings against Homelessness aligned to the remit of the Neighbourhoods and Environment Scrutiny Committee to help achieve a balanced budget in 2021/22. As set out above this report sets out a one year budget for 2021/22, however the longer term implications have been considered and these are considered in the Council's medium term financial planning.
- 1.2 The report has been updated to reflect the Comprehensive Spending Review and Financial Settlement for the City Council which have resulted in a reduction in the Homelessness savings target of £0.5m. The City Council's current indicative Medium-Term Financial Plan (MTFP) modelling still includes a £2.335m savings target but provides for the additional resources linked to the ongoing impact of Covid-19 £6.823m as well as increased need of £1.391m, a net increase of £5.879m. Where possible service reductions have been avoided by utilising the investment linked to the Covid-19 response to mainstream services and to create a journey through the service to ensure no one returns to the streets as a result of reduced bed spaces. This includes the protection of Housing Related Support budgets as well as retaining properties currently used to support A Bed Every Night (ABEN), protecting sites whilst retaining value for money and delivering improved outcomes for residents.
- 1.3 In addition, it is proposed to reduce existing discretionary housing payments budget by £1m, this budget sits outside of the Homelessness remit. This has reduced from the previous £1.5m proposed and a detailed report was taken to the December's Resources and Governance Scrutiny meeting outlining the demand for this funding. The Government currently provide £2.538m grant support for discretionary housing payments, and it is proposed that City Council mainstream resource of £1m rather than the original £1.5m, that supplements the Government funding is withdrawn from 2021/22. Although there will still be a significant reduction on the available support to residents at a time when the demand for this support will potentially be increasing, it is anticipated that some of the impact will be mitigated because there have been temporary increases to the Local Housing Allowance Rates, that increases the level of benefit entitlement towards tenants rents, and the £20 increase in universal credit has also led to a reduction in the call on the DHP budgets and that the reduced level of the cut should enable demand to be met.

## **2.0 Background and Context**

- 2.1 Homelessness has been at the forefront of the Council response to Covid-19 and effectively delivered the government's 'Everyone In' programme since its inception, providing accommodation for people sleeping rough in the city. Working with colleagues from the Greater Manchester Combined Authority (GMCA), voluntary sector, internal partners and other local authorities across Greater Manchester, 12 separate venues were secured, mainly within Manchester itself, representing 372 bed spaces, with 277 people who were sleeping rough and who are currently accommodated have been placed by Manchester City Council. This is a significant achievement but has come at

considerable cost with an indicative additional cost in 2020/21 of £7m. Ongoing funding of £7m has been allocated to maintain this provision beyond March 2021 (£6.277m general fund and £0.723m increase in Homelessness Prevention Grant), however as noted in the January Scrutiny report, if costs could be managed for less this will provide mitigation for the level of cuts which need to be made and this is the revised approach which has been taken. The reported Homelessness overspend in Period 9 2020/21 was £6.383m, linked to Covid-19 response.

- 2.2 In the longer-term, greater unknowns include the potential homelessness related economic impact of Covid 19 on individual households, such as unemployment, debt, arrears and home/tenancy loss. There are real risks of increasing homelessness through residents who lose tenancies and/or are no longer able to access affordable housing, so there is a real risk around any potential reductions to preventative or support services as activity levels and increased need could increase exponentially. Presentations in 2019/20 were 9,840, 21% higher than in the previous year. Despite Covid-19 restrictions, presentations from April to December 2020 (Quarter 3) are 6,766 and are expected to increase significantly once the impact of expected increases in unemployment and subsequent evictions are experienced across the City.
- 2.3 The Homelessness budget report for 2020/21 identified the greatest risk to the priorities of the service and the budget strategy is the continuing rise in need and the uncertainty of short-term funding and temporary staffing capacity. These risks have increased due to the impact of Covid-19. A key focus is on cost avoidance through preventing Homelessness and benefits maximisation, any reductions to preventative services will result in increased costs in future years.
- 2.4 Over the last three rounds of budget setting, Homelessness have received a net investment of £9.2m to protect front line services and to invest in preventative measures. However, continually escalating demand is placing critical and constant pressure on the system which is building cumulatively. This is due to the continually growing imbalance between need and the availability of affordable solutions to meet this. This will be exacerbated by the impact of Covid-19, particularly in terms of pent-up demand for homelessness services due to mental health, domestic abuse and the insecurity and unhealthiness of overcrowding and shared accommodation. Therefore, the key solution for Manchester City Council is to take a broader system-wide focus and re-design the system in the city for people in housing need and at risk of homelessness.
- 2.5 The vision for the Homelessness Directorate mirrors the Homelessness Charter vision and the Homelessness Strategy for the City (2018-23) developed with Manchester Homelessness Partnership. The Partnership consists of people with personal insight into homelessness, and organisations working to reduce homelessness and has agreed the following three key priorities:

- Homelessness a rare occurrence: increasing prevention and earlier intervention at a neighbourhood level.
- Homelessness as brief as possible: improving temporary and supported accommodation to be a positive experience.
- Experience of homelessness to be a one-off occurrence: increasing access to settled homes.

2.6 Since August 2019, the Directorate has adopted 4 key aims to focus on and to provide a clear, strategic direction. These are embedded into service plans, will continue to be in the future, and will form the core of the activities for the service in 2021/22. The 4 key aims adopted are:

- Reduce rough sleeping
- Reduce the use of temporary accommodation
- Reduce the cost of temporary accommodation
- Increase prevention

2.7 The 2020/21 business plan and budget recognised the continuing challenge of availability of affordable housing in the city. Welfare Reforms such as the freezing of Local Housing Allowance, the 'bedroom tax', the benefit cap, application of the shared room rate to single households under 35 and a stricter sanctions regime have all contributed to the increase in demand and also the ability of the Directorate to prevent and relieve homelessness. In addition, recent case law relating to the purpose of benefits payments will also make the prevention of homelessness and the rehousing of homeless households in receipt of benefits potentially more difficult.

2.8 The private rented sector has grown significantly in the last decade and rents have increased three times faster than wages nationally. This tenure is increasingly unaffordable for families on low incomes, particularly to households in receipt of Local Housing Allowance. The loss of a private rented tenancy has recently become the prime reason for people who are accepted as statutorily homeless. Work is ongoing with Private Rented Sector landlords to investigate the extent of arrears and provide support to landlords and their tenants to prevent loss of tenancy.

### **3.0 Budget Strategy**

3.1 The overall approach to budget strategy has been to align with the 4 key strategic aims of the service as detailed in 2.6, above and to utilise the investment to maintain frontline delivery in support of these aims, keeping service reductions to a minimum. The budget strategy for Homelessness has been to contain the cost of rising need for temporary accommodation within available resources whilst also prioritising resources towards service developments that will achieve the service's priority to prevent and reduce the incidence of homelessness. This has been supported by significant additional investment from the Council, maximising draw down of Housing Benefit income that the Council can claim and seeking opportunities for accessing external funding.

- 3.2 The greatest risk for the priorities of the service and the budget strategy is the continuing rise in need which is likely to be exacerbated by the impact of Covid-19 and the uncertainty of short-term funding. Primarily, key services designed to deliver homelessness prevention and rapid rehousing, underpinned by time-limited funding are the ones presenting most risk as these have the greatest impact on reducing the use of temporary accommodation and in enabling more housing solutions to reduce the length of people's stay. The 2020/21 budget process allocated £1m of funding to support the key teams at significant risk, the Section 21 team and the Private Rented Sector Team where 33 staff are employed to improve outcomes for people and supporting service priorities.
- 3.3 The number of people and families in temporary accommodation has continued to rise from 1,663 in March 2020 to 1,913 in December 2020. This is following a significant increase over the last few years where numbers in temporary accommodation are now ten times what they were five years ago. Unsupported temporary accommodation (Bed and Breakfast) usage during December averaged 239 households in this form of accommodation - 213 single people and 26 families per night.
- 3.4 Successful management of pressures and risks must be addressed in the context of continually increasing demand and footfall, with over 9,840 households approaching the service in 2019/20. Presentations for April to December 2020 (Quarter 3) are 6,766, with numbers expected to increase in the latter half of the year. Funding for increased need of £0.979m was applied to support the budget position this year as part of the budget setting process for 2020/21 based on estimated growth in demand and assuming increases continued along a trend of 5 properties per week, with a further budget increase of £1.391m allocated for 2021/22 as well as an additional £0.546m linked to the Covid-19 investment of £6.823m, an increase in funding of £1.937m for Dispersed Accommodation provision.
- 3.5 The Service Transformation Programme will form the core of the approach to tackling and reducing homelessness over the next three years. It will be the framework in which reductions in temporary accommodation and rough sleeping will be achieved through a radical reorganisation of the Homelessness Service and its activities. The programme will focus on five key areas; the strategic vision, redesigning the journey through the system, prevention, accommodation and communication and development.
- 3.6 Several individual projects make up the programme as a whole, addressing each part of the system and redesigning it. Examples of bespoke projects include improving prevention and move-on through more cost-effective enhanced incentives for private landlords to increase the level of property available in order to rehouse households, at lesser cost than expensive and unsuitable temporary accommodation and bed-and-breakfast. The service will work with Early Help, Education Services and Integrated Neighbourhood Teams providing a multiagency/multi-modal prevention response to those households identified as being at risk of homelessness before they hit crisis point and critically before they need to present as homeless.

## 4.0 Revenue Strategy

4.1 The current Directorate budget for 2020/21 is summarised in the table below, with a net budget of £15.521m for Homelessness. The Homelessness Commissioning budget in 2020/21 is currently part of the Manchester Health and Care Commissioning Pool but is managed by the Director of Homelessness, with a net and gross budget of £6.095m. As part of the 2021/22 budget setting process it is anticipated that this budget will formally transfer to Homelessness.

**Table 1: 2020/21 Base Budget**

Service Area	2020/21 Gross Budget	2020/21 Net Budget	202/21 Budgeted Posts (FTE)
	£'000	£'000	
Homelessness	40,007	15,521	270
Homelessness Commissioning*	6,095	6,095	6
<b>Total</b>	<b>46,102</b>	<b>21,616</b>	<b>276</b>

\*Homelessness Commissioning budgets are part of the Manchester Health and Care Commissioning pool in 2020/21 but are managed by the Director of Homelessness

4.2 The 2020/21 Homelessness budget is supported by significant non-recurrent one-off funding. Funding announcements for 2021/22 are detailed below.

- The Homelessness Prevention Grant replaces the Flexible Homelessness Support Grant and New Burdens Homelessness Reduction Grant in 2021/22, Manchester's allocation is £3.285m, an increase of £0.723m from last year.
- 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 includes the provision of a Rapid Rehousing Pathway programme for 4 Navigators and 1 Team Leader. These are attached to the Council's Outreach Team and the Navigators develop relationships and help people who sleep rough to access appropriate local services, get off the streets and into settled accommodation. For budget purposes it is assumed that this funding will continue at similar levels to this financial year for the above schemes with a co-produced bid likely to be submitted to MHCLG in the coming months. However, the bid will also request support to continue the Protect programme which was funded by MHCLG. Protect Programme funding of £450k was allocated to support the ongoing efforts to provide accommodation for rough sleepers during the pandemic (December 2020 to March 2021), this is targeted additional funding awarded to ten areas in England with high numbers of rough sleepers. The additional funding is to be utilised for both accommodation and specialist support in the form of specialist mental health and substance misuse support.
- The proposed allocation of funding for the continuation of A Bed Every Night (ABEN) from Greater Manchester Combined Authority (GMCA) is £1.763m.

- 4.3 Dispersed temporary accommodation placements have increased by 303 since March 2020 to 1,913 in December 2020. The number of homelessness presentations in Manchester remains high despite the pandemic. Presentations from April to December are 6,766. Funding for increased need of £1.937m has been applied to support the budget position based on estimated growth in demand since the start of the year. Funding of £6.277m has been allocated to maintain the provision created as a result of the Governments Everyone In strategy to ensure that those provided with accommodation do not return to the streets beyond March 2021, however as noted in the January Scrutiny report, if costs could be managed for less this will provide mitigation for the level of cuts which need to be made and this is the revised approach which has been taken.
- 4.4 Resources of up to £1.620m held within the Homelessness reserve will be set aside to underwrite the potential pressures in Homelessness.

### Savings Options and Proposals

- 4.5 The approach to savings will be based on the proposed Service Transformation Programme which gives a strategic direction and framework to services, based on a focus of outcomes and partnerships. Following the receipt of the Provisional Settlement, the Council is likely to require cuts in the region of £50m, the Homelessness proposals deliver £2.335m in 2021/22, detailed in Table 2 below. These proposed reductions will allow the Council to plan effectively to deliver a balanced budget in 2021/22. The Homelessness Service have utilised the investment money linked to Covid-19 to create a journey through the service for individuals and protecting front line services such as properties used at present for ABEN and Housing Related Support with a key focus on move on delivered through greater direct control over the commissioning of these services and embedding them within a move-on pathway to make the most efficient use of the beds available.

**Table 2: Savings Proposals**

Service Area	Description of Saving	Type Of Saving	Rag Impact	2021/2 2	2022/2 3	2023/2 4	2024/2 5	Total	FTE's
				£'000	£'000	£'000	£'000	£'000	
Singles Accommodation	New Provision Rough Sleepers, utilising established schemes and ensuring there is move on available through the system	Efficiency	Amber	1,400	0	0	0	1,400	0
Homelessness Commissioning	Realign service provision to support move on from single rough sleeper provision	Efficiency	Amber	621	0	0	0	621	0

	funded via investment								
Homelessness Commissioning	Budget reductions in Homelessness Commissioned services with minimal impact on service delivery	Service Reduction	Red	66	0	0	0	66	0
Homelessness Management	As part of 2020/21 funding was assigned for 3 FTE grade 10 posts to lead on the service redesign, this work will now be undertaken within existing resources	Service Reduction	Amber	89	0	0	0	89	3
Homelessness Management	Management reductions for G10 and above	Service Reduction	Amber	108	0	0	0	108	2
Families Specialist Accommodation	Full service redesign linked to VS/VR offer	Service Reduction	Amber	51	0	0	0	51	2
<b>Total</b>				<b>2,335</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,335</b>	<b>7</b>

#### Covid-19 response and Everyone In.

- 4.6 Initial indications were that the annual cost of provision for providing accommodation for those previously sleeping rough in response to Covid-19 and Everyone In is £7m. However, the Directorate are working with partners to confirm the expected provision beyond March 2021 which recognises the longer term needs of those who were sleeping rough and recognises the longer-term accommodation needs. Positive discussions are ongoing with MHCLG to bid for funding to maximise recouping of MCC costs, work will also continue to maximise housing benefit claimed to support the new schemes in the long run, thereby providing better value provision as a legacy. Therefore, current plans are to ensure that provision can be maintained at £1.4m below the original estimate of £7m as rough sleepers are moved out of temporary hotel accommodation and into more permanent accommodation ensuring residents do not return to the streets. If these costs can be managed for less than that will provide some mitigation for the level of cuts required. It is essential that this investment is utilised to fund move on schemes as well as Hotels to ensure that there is a journey through the system allowing individuals to move through the system and ultimately be housed in Housing Related Support or the Private Rented Sector.
- 4.7 Manchester City Council and Registered Providers (RP's) in Manchester have bid for funding from MHCLG to bring additional properties on line by 31st

March 2021. To date bids have been approved to bring on board an additional 80 bed spaces. These bids aim to supply additional properties for use and are supported along with maximising Housing benefit and grant funding. The creation of these properties would create the vacancies in housing related support, to move the people from the 'Everyone In' hotels, ensuring appropriate support. This proposal is dependent upon keeping Housing Related Support accommodation open though, as otherwise there will be no accommodation to move people into.

- 4.8 We know that there are a number of people still sleeping rough, and that we will see an increase in people sleeping rough due to the economic impact of Covid-19 and the lifting of the eviction embargo. We want to ensure that there is a rapid offer of accommodation and support available so that their time spent on the streets is minimised, thus reducing cost pressures.
- 4.9 As referenced in 4.2, £1.763m funding from GMCA will be provided to deliver A Bed Every Night in 2021/22. The proposal is to reduce the ABEN provision in Manchester by approximately 39 beds, these beds costing £706k will be funded instead via the mainstream investment, as a result this should not be seen as a 'loss' of ABEN provision to the overall programme, but an outcome of continued integration into local systems to meet the specific makeup of local demand. This allows the retention of the schemes with the greatest value for money and deliver good outcomes. Additional benefit is delivered through greater direct control over the commissioning of these services and embedding them within a move-on pathway to make the most efficient use of the beds available.

#### Externally Commissioned Homelessness Services

- 4.10 Review of the Housing Related Support Budgets c£6m, work is ongoing to identify value for money achieved and the outcomes delivered for each of the schemes to ensure each contract is delivering against the objectives. With indicative savings proposal of £0.621m.
- 4.11 Discussions with housing providers at present are centred around maintaining current service delivery as far as possible with improved outcomes. It is proposed to utilise £0.621m investment funding linked to the Rough Sleepers Covid-19 response referenced in 4.6 to repurpose the Housing Related Support Complex Pathway provision as move on from Hotel accommodation, retaining the services which deliver the greatest value for money for Homelessness. Funding via the investment avoids the need to close some schemes which would have impacted significantly on service delivery and therefore protects accommodation schemes, resettlement and other support services.
- 4.12 The proposed approach will avoid the need to reduce funding to Housing Providers and the number of units currently available for move-on, these services provide essential support to some of our city's most vulnerable residents, including young people and people sleeping rough. Housing Related Support (HRS) services support the key objectives in the city's

homelessness strategy; they work to ensure that a person's experience of homelessness is as brief as possible by supporting them to develop the skills to move on to independent living, and they help to make homelessness a one off, and not a repeated experience by providing resettlement support to allow people to maintain their settled homes on an ongoing basis.

- 4.13 A review of the Homelessness Commissioned budgets have identified £66k of budget reductions which can be implemented without impacting on the number of bed spaces available and minimal impact on service delivery.

#### Homelessness Management

- 4.14 A full service redesign was already planned in Homelessness as the Directorate aims to focus on prevention and improving the flow of residents through temporary accommodation, this redesign will take place within Homelessness which will include a review of the management structure, including the Directorate Management Team. The management structure at Grade 10 and above is 9 FTE supported by a budget of £639k. As part of 2020/21 budget setting, funding was assigned for 3 FTE grade 10 posts to lead on the service redesign, this work will now be undertaken within existing resources. These posts were proposed as 18-month posts so reduction in posts would deliver £89k of savings in 2021/22.
- 4.15 33 FTE additional management posts support the service between grades 7-9, with a budget of £1.383m. The redesign aims to reduce management levels and replace them with a more consistent structure. At this stage it is not known what level of savings can be delivered to maintain appropriate management to staffing ratios across the service, but it is anticipated that there will be minimal reduction in FTE across all grades, with an expected reduction of 4 FTE with a saving of £159k subject to staff consultation.
- 4.16 As part of the redesign the provisional assumption is a more coherent split into three defined service portfolio areas: Accommodation, Access and Assessment (including Housing Solutions and Rough Sleeping) and Commissioning, Strategy and Policy. Each portfolio will contain re-aligned services in a more efficient arrangement and with a more coherent and consistent management structure beneath. This includes the proposed removal of tiers of management from within the structure.
- 4.17 The Programme will deliver a more joined-up system based around locality-based prevention. The current legislative-based process does not serve people well in terms of delivering outcomes and so the aim is to deliver a more person-centred service based on needs, with more people taken out of the formal statutory process altogether.
- 4.18 The proposed 2021/22 budget for the Homelessness and Homelessness Commissioned Services is a net budget of £27.495m as reflected in table 3 below:

**Table 3: Proposed Budget 2021/22**

Service Area	Approved MTFP			
	2020/21 Net Budget	Approved savings	Investment and other changes	2021/22 Net Budget
	£'000	£'000	£'000	£'000
Singles Accommodation	1,676	(1,400)	5,656	<b>5,932</b>
B&B's	3,974		0	<b>3,974</b>
Families Specialist Accommodation	299	(51)	0	<b>248</b>
Dispersed Temporary Accommodation	3,586	0	1,937	<b>5,523</b>
Homelessness Management	757	(197)	0	<b>560</b>
Homelessness Assessment & Caseworkers	2,629	0	173	<b>2,802</b>
Homelessness PRS & Move on	792	0	0	<b>792</b>
Rough Sleeper Outreach	397	0	0	<b>397</b>
Tenancy Compliance	201	0	0	<b>201</b>
Commissioned Services	1,210	(687)	6,543	<b>7,066</b>
<b>Total</b>	<b>15,521</b>	<b>(2,335)</b>	<b>14,309</b>	<b>27,495</b>

## 5.0 Capital Strategy

- 5.1 The approved Homelessness capital programme is detailed in the Council's Capital Strategy report, which is included in the suite of budget reports submitted to the Executive and Council. The Capital Strategy also includes details on potential future capital investment which has been identified, and which is expected to be brought forward in the medium term.
- 5.2 The revenue implications of any approved capital projects have been incorporated into the revenue budget. Before any of the potential investment priorities are approved, the revenue implications of the investment will be reviewed and agreed as part of the approval process.

## 6.0 Workforce Impact

- 6.1 The framework for how the Council supports its workforce is set out in the People Strategy. The development of the service workforce and the *Our Ways of Working* approach has been supported through a programme of activity that

includes building rapport, Our Manchester context, introduction to strengths, and the Our Manchester behaviours.

- 6.2 Key elements of improved and increased service delivery within Homelessness have been reliant on time limited funding and therefore temporary posts. Previous proposals to put in place funding to enable a permanent staffing structure implemented in April 2020.
- 6.3 Working to move the service from a 'developing' to 'maturing' Our Manchester approach across all areas will be extremely challenging in regard to the capacity of the service and managers in light of the level of savings facing the service. The increased demand likely to be placed upon Homelessness Services as recession deepens, set against the need to deliver savings and the resultant reduced service offer as a result of budget reductions within the sector, both in-house and within Commissioned Homelessness Services, will undoubtedly impact upon the workforce's ability to further develop their approach and behaviours to delivering services; supporting citizens to develop personal resilience and break the cycle of poverty and homelessness.
- 6.4 Current savings proposals for Homelessness which would contribute to the £50m 'least worst' option for the Council would result in an FTE reduction of 7 FTE.

## **7.0 Quality, Diversity and Inclusion**

- 7.1 The Homelessness Service works with some of Manchester's most diverse communities. The significant increase in the numbers of households who are homeless in Manchester in recent years has had an impact on our communities, residents and customers. The roll-out of Universal Credit and the Homelessness Reduction Act have made this even more challenging. Despite this, the Homelessness Service is committed to supporting the council's equality objectives and continues to make progress in a number of areas. As stated above, the service continues to develop a co-production approach with the aim of engaging with, and understanding, the people using services and developing strong links with statutory and voluntary sector partners. This includes working with partners to share knowledge and understand the impact of big changes within the city on different communities. The service will work closely with partners to help people who are homeless into volunteering and subsequently employment. Alongside this, the service will continue to promote the diversity of Manchester residents, making use of communication channels and partners to celebrate Manchester's diverse communities.
- 7.2 The Homelessness Service is committed to understanding and addressing the effects and impacts of its activities for the diverse range of people using the service. To achieve this, we are committed to undertaking equality analysis of our new or altered functions, to ensure they are accessible and inclusive and do not cause adverse equality impacts. The service will use the Council's Equality Impact Assessment framework to do this.

7.3 We will continue to ensure that the Council meets its obligations under the Public Sector Equality Duty, building on our successes at fostering good relations between Manchester's communities of identity and maintaining fair and equal access to Council functions. Through ongoing customer monitoring, satisfaction and engagement approaches, we will strengthen and utilise our growing evidence bases at both Corporate and Directorate levels to identify the differential experiences of individual identity groups in Manchester accessing Council services, and proactively respond to make these as fair and equitable as possible.

## **8.0 Risk Management**

8.1 The Directorate will seek to manage all expenditure within the approved budget available and performance against budgets will be monitored and reported to members on a regular basis, this will include a risk register with any mitigations identified.

## **9.0 Legal**

9.1 There are no legal implications arising from this report.

## **10.0 Consultation**

10.1 A public consultation is currently underway asking residents for their views on the Council's 2021/22 budget savings options. The consultation opened on 20 January 2021 and runs for a period of four weeks, closing on 21 February 2021. In addition to promotion via the Council's website, social media channels and e-bulletins, a consultation toolkit has been shared with community partners, voluntary and community sector partners, Councillors and key stakeholders to ensure that the consultation is promoted widely within our communities.

The consultation can be found at [www.manchester.gov.uk/budget](http://www.manchester.gov.uk/budget). The results will be shared at the Budget Resource & Governance Scrutiny Committee on 1 March 2021.

## **11.0 Our Corporate Plan and Council Business Plan**

11.1 Our Corporate Plan describes the Council's contribution over the next 2-3 years to delivering the [Our Manchester Strategy 2015-2025](#). These priorities have been refreshed for 2021-22 to align with the reset of the Our Manchester Strategy and to further strengthen the council and city-wide focus on the importance of Equality, Diversity and Inclusion. The plan also reflects the priorities for the council's internal transformation including new work on the Future Shape of the Council that will support the delivery of future budget savings and managing pressures.

11.2 Our Corporate Plan themes and revised priorities are set out in the table 4 below:

Theme	Priority
<p><b>1. Zero carbon Manchester</b>  <i>Lead delivery of the target for Manchester to become a zero carbon city by 2038 at the latest, with the city's future emissions limited to 15 million tonnes of carbon dioxide</i></p>	<ul style="list-style-type: none"> <li>• Support the citywide Climate Change Framework 2020-25 including the Council's roles in reducing citywide CO<sub>2</sub> emissions and improving air quality</li> <li>• Deliver activities to reduce the Council's own direct CO<sub>2</sub> emissions by at least 50% by 2025, as set out in the Manchester Climate Change Action Plan 2020-25</li> </ul>
<p><b>2. Growth that benefits everyone</b>  <i>Boost the city's productivity and create a more inclusive economy that all residents participate in and benefit from, and contributing to reductions in family poverty, as set out in the Our Manchester Industrial Strategy</i></p>	<ul style="list-style-type: none"> <li>• Deliver the Economic Recovery Plan, supporting the delivery of key growth schemes and the protection and creation of good-quality jobs for residents, enhancing skills, and effective pathways into those jobs. Includes support to Manchester's businesses and residents affected by challenges to the international, national and local economy.</li> <li>• Facilitate economic growth and recovery in different sectors of the economy, which supports the creation of a more inclusive economy.</li> <li>• Support residents in order to mitigate the impact of poverty and take actions to reduce the number of people experiencing poverty, in particular given the effects of COVID-19. Including young people, older people, BAME groups and people with disabilities</li> </ul>
<p><b>3. Young people</b>  <i>From day one, support Manchester's children to be safe, happy, healthy and successful, fulfilling their potential, and making sure they attend a school graded 'good' or better</i></p>	<ul style="list-style-type: none"> <li>• All children to have access to a high-quality education, which is provided in an inclusive way. Children's school attendance to be achieved and sustained at or better than historic levels.</li> <li>• Support more Manchester children to have the best possible start in life and be ready for school and adulthood. This includes ensuring that the voice of children and young people is heard, and that they have access to youth, play, leisure, and cultural opportunities.</li> <li>• Reduce number of children needing a statutory service.</li> </ul>
<p><b>4. Healthy, cared-for people</b>  <i>Work with partners to enable people to be healthy and well. Support those who need it most, working with them to improve their lives</i></p>	<ul style="list-style-type: none"> <li>• Take actions to improve population health outcomes and tackle health inequalities across the city.</li> <li>• Support the next phase of health and social care integration in the city, including plans to supercharge Manchester Local Care Organisation.</li> <li>• Enable delivery through the MLCO of the Adult Social Care transformation programme – 'Better Outcomes, Better Lives' – focused on taking a</li> </ul>

	<p>strengths-based approach, supporting independence, building on the ASC improvement programme and embedding this into the MLCO Operating Model.</p> <ul style="list-style-type: none"> <li>• Reduce the number of people becoming homeless and enable better housing and better outcomes for those who are homeless</li> </ul>
<p><b>5. Housing</b> <i>Ensure delivery of the right mix of good-quality housing so that Mancunians have a good choice of quality homes</i></p>	<ul style="list-style-type: none"> <li>• Support delivery of significant new housing in the city, including through an effective recovery from COVID-19.</li> </ul>
	<ul style="list-style-type: none"> <li>• Ensure inclusive access to housing by the provision of enough safe, secure and affordable homes for those on low and average incomes. This includes strategically joining up provision, and the improved service to residents enabled by direct control of Council owned housing in the north of the city.</li> </ul>
<p><b>6. Neighbourhoods</b> <i>Work with our city's communities to create and maintain clean and vibrant neighbourhoods that Mancunians can be proud of</i></p>	<ul style="list-style-type: none"> <li>• Enable all our diverse neighbourhoods to be clean, safe and vibrant.</li> </ul>
	<ul style="list-style-type: none"> <li>• Embed neighbourhood working across the whole Council and our partners, and deliver services closer to residents.</li> </ul>
<p><b>7. Connections</b> <i>Connect Manchester people and places through good-quality roads, sustainable transport and better digital networks</i></p>	<ul style="list-style-type: none"> <li>• Improve public transport and highways, and make them more sustainable, whilst increasing walking and cycling.</li> </ul>
	<ul style="list-style-type: none"> <li>• Facilitate the development of the city's digital infrastructure, to enable delivery of transformed public services and a more economically inclusive and resilient city.</li> </ul>
<p><b>8. Equality</b> <i>Deliver on our equality, diversity, and inclusion commitments to support Manchester's vision to be a progressive and equitable city.</i></p>	<ul style="list-style-type: none"> <li>• Work together with Manchester's citizens and our partners to understand our diverse communities, improve life chances, and celebrate diversity.</li> </ul>
	<ul style="list-style-type: none"> <li>• As an employer, ensure a fair and inclusive working environment which recognises, values and responds to the dynamics and opportunities of a diverse workforce.</li> </ul>
<p><b>9. Well-managed council</b> <i>Support our people to be the best and make the most of our resources</i></p>	<ul style="list-style-type: none"> <li>• Delivery of the Future Shape of the Council change programmes, along with budget reductions and savings.</li> </ul>
	<ul style="list-style-type: none"> <li>• Effectively manage our resources, via budget management and planning, support to managers and performance management.</li> </ul>
	<ul style="list-style-type: none"> <li>• Carry out the work required to transform our Corporate Core.</li> </ul>

11.3 Our Council Business Plan 2021/22 describes in more detail the action we are taking to deliver our corporate plan this year. It is supported by our wider strategic framework including Our People Strategy and Our ICT Strategy. These budget proposals are also aligned to our Business Plan to ensure the priorities will be achieved.

## **12.0 Conclusion**

12.1 The budget strategy provides information on the work that has been undertaken and is ongoing within the directorate to both ensure that we are able to meet the existing budget pressures, whilst also contributing savings towards the wider council budgets.

12.2 The proposed revenue budget for 2021/22 is a one year budget which is aligned to both the Governments one year budget settlement and the Council one year budget proposals.

12.3 The budget proposals in this report reflect the initial feedback from the January round of scrutiny meetings and following February scrutiny meetings updated final budget proposals will be submitted to Executive on February 17th for approval.

## **13.0 Recommendations**

13.1 The recommendations appear at the front of this report.