

Appendix 1:
Executive Summary
Integrated Monitoring Report
Period 9 – End of December 2020

Financial Impact of COVID-19

The position:

The anticipated 2020/21 financial cost of COVID-19 to the Council is currently £164m. Of this £23.2m relates to additional expenditure and £140.8m 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 £41.5m - included in the forecast at £13.8m a year. From 2021/22. The Spending Review announced a 75% support income scheme for these losses.

This results in an estimated COVID-19 budget impact of £58m in 2020/21 (pre grant allocations) and £144m 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 £18.2m.

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 round 2 claim is £3.4m and the 2020/21 total is estimated at £10.2m.

The recent funding announcement and other changes have provided additional resources totalling £35.2m 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
COVID-19 Budget impact of Additional Costs and Net income losses (includes mandatory smoothing of CF deficit)	57,960
COVID-19 Emergency Funding (Confirmed)	(64,782)
COVID-19 Sales, fees and charges support (estimate)	(10,200)
Savings, mitigations and other changes	(18,205)
Budget shortfall after expected funding/ mitigations	(35,227)
Use of reserves to part fund loss of income impacting future years	35,227
Total - Potential Budget Gap	0

Note the COVID-19 position is based on the round 9 return to MHCLG, which was submitted 29 January 2021

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 2022/23.

Impact of COVID-19 from 2021/22

The 2021/22 budget impact of COVID is forecast at £144m from anticipated continuing income losses of £118.8m (council tax, business rates, dividend) as well as additional costs of £25.5m - 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 dividend 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 £108.8m which includes the airport dividend of £62m (after using £8.7m in reserve) Collection Fund shortfalls £46.8m and sales fees and charges income of £10m.

The forecast £25.5m additional costs in 2021/22 are due to:

- £6.8m 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, there is a concern that this will lead to an increase in referrals into Children's Services.
- £1.2m anticipated pressures relating to Leisure services
- £131k in Coroners due to a backlog of inquests and £113k estimated increased costs of the May elections

Period 9 - High Level Headlines 2020/21

The net variations below total **£39.755m** which reflects the COVID-19 budget impact of £57.960m partly offset by in year savings, mitigations and other changes of £18.205m but before COVID-19 main funding.

Corporate Budgets £9.271m overspend. COVID related income loss is forecast as £15.134m from dividend losses. Partly offset by £1.674m contingency and budgets to be allocated no longer required, increased Public Health grant allocation of £1.018m, £0.537m income from historic rents, £387k fortuitous rental income, £394k additional grant income, £0.515m reduced historic pension costs and £1.343m savings against budgets to be allocated.

Children's Services £1.355m underspend. COVID related expenditure and income loss is forecast to be £1.303m, this is offset by underspends of £2.658m in the following areas: an underspend due to increasing effective commissioning activity, 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, short breaks and contribution to multi-agency child placements.

Adult Social Care £6.465m overspend. COVID related expenditure is forecast to be £9.850m, this is offset by underspends totalling £3.385m in the following areas: Provider Services of £136k (nb there are a number of significant variations which offset and are detailed on the ASC financial headlines slide) ; Hospital Teams, Front door and TEC of £145k; Integrated Neighbourhood Teams of £1.529m mainly from Homecare; Complex Services £45k overspend; Population Health of £106k; Commissioning £0.910m due to a delay in opening new extra care schemes and new sheltered housing schemes ; Back office of £440k; MHCC underspend of £155k due to recruitment delay; and £9k underspend in MCC Outside of pool.

Homelessness £6.383m overspend. COVID related pressures of £4.953m, increased by a further £1.430m due to the net impact of savings, mitigations and other changes. This is due to an increase in Dispersed Accommodation placements, Bed and Breakfast (B&B) numbers being higher than in previous years, and bad debt provision review; this is partly offset by staffing underspends.

Corporate Core £4.418m overspend. Due to £5.969m COVID related pressures which are partly offset by in year savings, and mitigations of £1.551m. This is made up of an underspends in Chief Executives £1.106m mainly due to savings on employees' and running costs, savings in Elections because of the cancelled elections offset by historic catering costs to Manchester Central and reduced take up of the annual leave purchase scheme; and Corporate Services £445k mainly due to employee savings, additional capital programmes fee income and higher than forecast savings from the upfront payment of employer contributions.

Neighbourhoods Directorate £11.608m overspend. COVID related pressures of £15.224m, made up of £4.731m increased expenditure and £10.493m loss of income. This is offset by in year savings and mitigations of £3.616m 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 £0.605m higher than forecast income from highways capital works, and £488k in bereavement services.

Growth and Development £2.965m overspend. COVID pressures of £5.527m, made up of £1.000m increased expenditure and £4.527m loss of income. This is offset by in year savings and mitigations of £2.562m through a combination of staff savings and additional income across the service.

Period 9 monitoring	Gross position Including COVID impact				
	Original Approved Budget	Revised Budget	Forecast Outturn	Total Forecast Variance	Movement from last Exec
	£000	£000	£000	£000	£000
Total Available Resources	(666,125)	(861,047)	(848,249)	12,798	(1,103)
Total Corporate Budgets	126,761	258,395	254,868	(3,527)	(1,695)
Children's Services	130,320	134,769	133,414	(1,355)	562
Adult Social Care	221,253	234,448	240,913	6,465	(256)
Homelessness	15,285	17,604	23,987	6,383	1,216
Corporate Core	69,958	95,717	100,135	4,418	2,594
Neighbourhoods Directorate	93,802	108,624	120,232	11,608	2,933
Growth and Development	8,746	11,490	14,455	2,965	(842)
Total Directorate Budgets	539,364	602,652	633,136	30,484	6,207
Total Use of Resources	666,125	861,047	888,004	26,957	4,512
Total forecast over / (under) spend	0	0	39,755	39,755	3,409
COVID 19 Government grant income (tranche 1 to 4) - Confirmed				(64,782)	0
COVID-19 Sales, Fees and Charges grant Income - Forecast				(10,200)	(3,800)
Reprofile the use of reserves to fund income losses in future years				35,227	391
Net forecast over / (under) spend				0	0

Memo: Breakdown of variance			
COVID related Expenditure*	COVID related income reduction*	Savings, mitigations and other changes	Total Forecast Variance
£000	£000	£000	£000
0	15,134	(2,336)	12,798
0	0	(3,527)	(3,527)
674	629	(2,658)	(1,355)
9,850	0	(3,385)	6,465
4,919	34	1,430	6,383
2,061	3,908	(1,551)	4,418
4,731	10,493	(3,616)	11,608
1,000	4,527	(2,562)	2,965
23,235	19,591	(12,342)	30,484
23,235	19,591	(15,869)	26,957
23,235	34,725	(18,205)	39,755
(64,782)			(64,782)
(10,200)			(10,200)
35,227			35,227
18,205		(18,205)	0

* COVID-19 pressures as per round 9 return to MHCLG submitted on 29 Jan 2021

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 had a knock on impact on forecast spend this year. The budget has been mainstreamed for 2021/22 at £230k.
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. The budget is to be mainstreamed in future years at £495k.
Spring Challenge Fund	250	0	Due to lockdown the Spring challenge did not take place, the programme is currently being reviewed.
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	100	This is to fund a dedicated team to deliver the commitments within the Carbon Reduction Plan, recruitment of three officers is anticipated by Q3. 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	200	
Total Investment	2,323	1,033	

Original Budgeted Savings

2020/21 Approved Savings - Of the £7.463m original planned savings, £1.498m are rated as red, which were to be delivered by Homelessness, 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 9 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	3,303	146	0	3,449
Neighbourhoods Directorate	1,941	35	348	2,324
Growth and Development	200	340	150	690
Total Budget Savings	5,444	521	1,498	7,463

Red High Risk savings of £1.998m 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.

Neighbourhoods Directorate - £348k

- £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
- £40k Galleries exhibition tax relief.
- £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 £0.521m include:

Corporate Core - £146k

- £96k from annual leave purchase scheme, may increase later in the year
- £50k Capital programmes increased income at risk due to slippage

Neighbourhoods Directorate- £35k

- £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	2,282	There is a commitment for 80% proportion of the funding for care homes is to be paid. Plans for the remaining 20% allocation are being reviewed.
Test and trace service (£300m nationally)	4,837	Population Health	121	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	1,681	£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	6,732	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	Corporate Core	337	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	Growth and Development	TBC	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 additional Business Rates Administration
Contain Outbreak Management Fund (pre 2nd Dec)	4,423	Neighbourhoods and Population Health	Nil	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.
Contain Outbreak Management Fund (Post 2nd Dec)	5,749	Neighbourhoods	Nil	The fund will be increased so that it can provide monthly payments to LA's facing higher restrictions until the end of the financial year

COVID-19 Grant Allocations

Grant	Total Amount £000	Directorate	Spend to Date £000	Plans
Test and Trace Support Payments (Self Isolation Scheme)	1,509	Corporate Core	821	Allocation to assist individuals who have been formally notified to self-isolate; individuals who are on low income can apply, two allocations £0.680m and £379k.
Local Authority Compliance and Enforcement Grant	453	Neighbourhoods	240	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 phase 1	286	Growth and Development	Nil	To provide support to clinically extremely vulnerable individuals who are required to shield under national restrictions (5 Nov to 2 Dec). To be delivered through the Manchester Community Hub
Cultural Recovery	882	Neighbourhoods	611	To support the culture sector. Second and third tranches of grant to be received on 30 Dec and 28 April
Winter Grant Scheme (£170m nationally)	2,581	Children's Service's	1,680	To support the hardest hit families and individuals for the cost of food and bills to the end of March 2021.
Sale, fees and charges grant (claim 1 of £3.7m confirmed to date)	10,200	Corporate Budgets	7,040	A support package for losses from Sales, fees and charges. Claims 1 and 2 total £7.040m, claim 3 estimated at £3.160m
Council Tax hardship and Business Rates relief admin grant (New Burdens)	70	Corporate Core	70	To support the additional Council Tax and Business Rates Administration
Support increased testing in care homes	842	Adult Social Care	640	This is ringfenced for lateral flow device testing in Adult Social Care. 80% of funding is protected for care homes and drug / alcohol residential services to be distributed in February. Remaining allocation of 20% is under review.
Community champions fund	621	Neighbourhoods	Nil	To work with community-based organisations to protect those at risk from COVID 19.
Workforce Capacity Fund	1,333	Adult Social Care	Nil	Funding is to supplement and strengthen ASC staff capacity to ensure safe and continuous care is achieved, internally and externally.
Local Authority Discretionary Fund Grant (New Burdens)	101	Corporate Core	Nil	To support additional administration of Local Authority Discretionary Fund Grants to businesses
Clinically Extremely Vulnerable individuals advised to shield phase 2	266	Growth and Development	Nil	To provide support to clinically extremely vulnerable individuals who are required to shield under national restrictions (5 - 31 Jan). To be delivered through the Manchester Community Hub. Further funding is expected for February at the same rate, where shielding guidance remains in place.
Holiday activities and food	385	Neighbourhoods	Nil	To make free places at holiday clubs available for children, who receive benefit related free school meals, in the Easter, summer and Christmas school holidays in 2021

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

Grant	Total Amount £000	Spend to Date £000	Plans
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	106,095	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	7,248	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)	502	271	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)	86	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	5,687	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.
Local Restriction Support Grant (open version 2 - post 2 Dec)	199	46	To provide support to Manchester businesses that remained open but were impacted during Tier 3 local restrictions (post 2 December).
Local Restriction Support Grant (closed version 2 - post 2 Dec)	4,791	2,512	To provide support to Manchester businesses that closed during the Tier 3 restriction period (post 2 December). Further funding will be provided if grants exceed allocation.
LRSR Closed Addendum Tier 4		928	To support businesses mandated to closed from entering Tier 4 restrictions on 31 Dec

Business support grant allocations to 31 January 2021

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

Grant	Total Amount £000	Spend to Date £000	Plans
Christmas Support Grant	250	203	To provide £1,000 support grant to wet led public houses, bars and clubs.
LRSB Closed Add Jan	16,780	7,634	To provide support to Manchester businesses that closed during lockdown 5 Jan to mid Feb (when lockdown is lifted)
Closed Bus Lockdown Pay	33,552	16,305	Lockdown 3 grant up of £4,000, £6,000 or £9,000 one off payment (depending on RV /size of property)
Additional Restriction Grant (£60m allocated to Greater Manchester)	16,609	1,021	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.

Business support grant allocations to 31 January 2021

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

Budget to be allocated	2020/21	Description
	£000	
Education - Short breaks	15	10% uplift due to increase in National Living Wage and the implications of Pension auto enrolment on the befriending service which supports many children and young people who may be on the edge of care.
Neighbourhood Directorate – waste and street cleaning	441	Inflationary increase on the waste and street cleaning contract, mainly relating to pay award increases
Virements	2020/21	Description
	£000	
City Centre Regeneration to Policy, Partnership and Resource	489	Movement of High Street Recovery grant from City Centre Regeneration to Policy, Partnership and Resource
Facilities Management to several directorates	276	Reallocation of security cost increase
Policy, Partnership and Resource to City Centre Regeneration	387	Transfer the infrastructure of staff from planning and policy to City Centre Regeneration
Education Attendance (within Children's Services non pay to pay budget transfer)	190	The Early Help Hub and Prosecutions activity with One Education has now ended and these services have been brought in house. This has resulted in 5 staff being TUPE to the Council. The £190k virement transfers non pay budget to pay budget to align the budget requirements.
Unbudgeted external grant funding	2020/21	Description
	£000	
MHCLG Rough Sleeping and alcohol treatment	854	MHCLG grant funding is available for Taskforce Priority areas which have the highest numbers of people sleeping rough who have been moved into emergency accommodation during the pandemic. The funding aims to meet the needs of people experiencing rough sleeping or at imminent risk of rough sleeping and who require support from the substance misuse community treatment service.
DEFRA port health transition fund	34	The spend will improve performance and capacity for the airport team to deal with additional work created by EU exit

Corporate Budgets £9.271m overspend

	Gross position including COVID impact				Memo: breakdown of variance	
	Annual Budget	Projected Outturn	Projected Variance from Budget	Movement from 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	(123,086)	(123,480)	(394)	(70)	0	(394)
Business Rates Grants	(168,333)	(168,333)	0	0	0	0
Dividends	(62,890)	(47,756)	15,134	(676)	15,134	0
Use of Reserves	(22,581)	(22,581)	0	0	0	0
Fortuitous Income	0	(924)	(924)	(357)	0	(924)
Total Corporate Resources	(861,047)	(848,249)	12,798	(1,103)	15,134	(2,336)
Planned Use of Resources						
Other Corporate Items	203,251	203,251	0	0	0	0
Contingency	860	300	(560)	(560)	0	(560)
Budgets to be Allocated	3,427	970	(2,457)	(1,114)	0	(2,457)
Levies	41,277	41,282	5	0	0	5
Historic Pension Costs	9,580	9,065	(515)	(20)	0	(515)
Total Corporate Budgets	258,395	254,868	(3,527)	(1,695)	0	(3,527)
Total	(602,652)	(593,381)	9,271	(2,798)	15,134	(5,863)

Movement since last reported to Executive - £2.798m reduced pressure. This is due to £1.674m contingency and budgets to be allocated no longer required and released to support the position, an improvement in dividends due to receipt of £0.500m rental income and £176k Piccadilly triangle, £357k in fortuitous income due to additional rental income, £70k further New Burdens Funding and £20k historic Pension Costs.

COVID related Pressures (£15.134m):

- £15.810m of dividend income from Manchester Airport Group and National Car Parks is unlikely to be received due to the impact of COVID 19. This has improved since last report due to the receipt of £0.500m rental income and £176k received from Piccadilly Triangle. (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 (£5.863m)

- 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 over-achievement on Other Specific Grants is due to £70k further New Burdens funding relating to Council Tax Hardship admin and Business Rates Relief admin, resulting in a total overachievement of £468k on New Burdens funding. Offset by lower than budgeted allocations for Council Tax Subsidy Grant of £7k and Care Act Grant of £67k following allocation confirmation from Government.
- Fortuitous income includes historic rents recovered from an agent managing properties on behalf of the council of £0.537m. Rental income relating to 2019/20 has been confirmed as £30k more than estimated and additional rental income relating to 2020/21 is now expected to be £357k more than budget.
- 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.
- £0.560m of the Contingency budget is no longer required and released to support the revenue budget.
- Budgets to be Allocated have a surplus of £2.457m made up of £1.114m budget no longer required and released to support the position, £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 approach to Domestic Violence.
- 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 lower than expected.
- Historic pension costs are currently forecast to underspend by £0.515m; £282k is due to reduced recipients and £233k reduction is due to revised Additional Allowance payments from Tameside MBC, based on actuals to November, reducing the monthly costs for the remainder of the year by £58k per month.

Children's and Education Services - £1.355m 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	47,736	27,905	48,158	421	1,000		421
Permanence and Leaving Care	18,345	10,899	16,045	(2,300)	(580)		(2,300)
Children Safeguarding Service Areas	44,019	33,430	42,898	(1,121)	(565)	336	(1,457)
Children's Safeguarding	110,100	72,234	107,101	(3,000)	(146)	336	(3,335)
Education Services	9,319	5,576	10,778	1,459	664	967	492
Home to School Transport	9,907	1,071	9,938	31	(92)		31
Targeted Youth Support Service	807	0	807	0	0	0	0
Education	20,034	6,647	21,523	1,489	572	967	522
Children's Strategic Management and Business Support	4,635	4,079	4,792	156	136	0	156
Total Children's and Education Services	134,769	82,960	133,414	(1,355)	562	1,303	(2,658)

Children's and Education Services: Period 9 (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	Dec-20	1,395	n/a		17		-15	
Number of External Fostering Placements (snapshot at month end)	Low	Dec-20	404	n/a		-7		-49	
Number of Internal Fostering Placements (snapshot at month end)	High	Dec-20	310	n/a		4		19	
Number of External Residential Placements (snapshot at month end)	Low	Dec-20	89	n/a		-3		-16	
Number of Internal Residential Placements (snapshot at month end)	Low	Dec-20	3	n/a		0		-6	
Number of Special Guardianship Orders (projected year end)	High	Dec-20	55	70		2		-9	
Number of active Special Guardianship Order Allowances	Low	Dec-20	592	n/a		2		16	
Number of Adoptions (projected year end)	High	Dec-20	24	60		-3		-16	
Number of active Adoption Allowances	Low	Dec-20	132	n/a		-1		-41	
Number of active Child Arrangement Order / Residence Order Allowances	Low	Dec-20	45	n/a		0		-15	
Number of Referrals per month (total per month)	Low	Dec-20	676	919		10		138	
% of Re-Referrals (year to date)	Low	Apr 20 - Dec 20	19.7%	22.1%		0.6%pts		-4.9%pts	
Number of Children in Need (snapshot at month end - now includes care leavers)	Low	Dec-20	5,252	4,878		36		50	
Number of Child Protection Plans (snapshot at month end)	Low	Dec-20	609	728		-28		-108	
% of children starting a CPP for a 2nd or subsequent time (year to date)	Low	Apr 20 - Dec 20	22.0%	22.0%		-1.4%pts		-2.7%pts	
% of children ceasing a Child Protection Plan, subject to that plan for 2+ years (YTD)	Low	Dec-20	5.4%	4.0%		-0.6%pts		1.9%pts	
Number of Education, Health and Care Plans	Low	Dec-20	5,230	n/a		-20	n/a	628	

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 9 (2 of 2)

Performance Analysis

- The number of Looked After Children (LAC) has increased compared to last month but is lower than at this point last year
- External Fostering placements have decreased this month and there has been an increase in Internal Fostering placements. External fostering numbers remain lower than at this point last year and Internal Fostering numbers have increased, improving the ratio of External to Internal fostering placements
- The number of children placed in External Residential placements has decreased and remains lower than last year. Internal Residential placements have stayed the same as last month and remain lower than last year
- The number of Special Guardianship Orders (SGO) projected to have been granted by year end has increased slightly this month but remains lower than target and last year at this time. Projected adoptions are significantly lower than target and lower than last year. This can be at least partly explained by a decrease in court capacity during lockdown and subsequent significant delays in the court process. This is also a regional and national issue.
- The number of active SGO Allowances has increased slightly compared to last month but remains significantly higher than last year. Active financial assistance for adoptions has decreased slightly from last month but is significantly lower than at this point last year and active Child Arrangement Orders/Residence Orders have remained the same compared to last month and lower than last year
- The number of referrals this month has continued at levels more in keeping with the rest of the year following a significant increase in October. Numbers are higher than at this point last year but remain below target.
- Re-Referrals have decreased slightly, however are also below target and have reduced significantly compared to last year
- The number of Children in Need (CIN) has increased slightly this month. The number of CIN is now slightly higher than at this point last year
- The number of Child Protection Plans has decreased again this month and is significantly lower than last year and the target
- The percentage of repeat Child Protection Plans has also decreased. This measure is now at the target and 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 decreased this month but after previous increases remains above target and last year's figure.
- 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 £134.769m

- The overall forecast position as at Period 9 is an underspend of £1.355m, this is made up of;
- Covid-19 pressures through increased costs and reduced income - £1.303m;
- Partly offset by savings, mitigations and other changes of net £2.658m underspend.
- Key movements since last month relate to reduction in Supported Accommodation placements and favourable movement in Social Work due to vacancies.
- Outturn position reflects part year effect of early achievement of the 2021/22 savings.

COVID related Pressures and Shortfalls in Income (£1.303m):

This includes COVID-19 pressures of £0.674m and shortfalls in income of £0.629m 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, the early help hubs are seeing an increase in requests for a targeted offer of intervention and requests for support which appear to be driven by hardship, intrafamilial relationships and incidents of domestic abuse. The Social Work Teams are now receiving requests for social work intervention that compare to 'pre-COVID' levels. 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 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 is yet to be quantified and is not yet included.

Savings, mitigations and other changes (£2.658m)

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 £4.584m 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, short breaks and placements totalling £1.926m which after taking this into account is a net saving totalling £2.658m - detailed on next slide. A number of the underspends are early achievement of the proposed 2021/22 savings.

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

Savings/underspends and other mitigations - (£2.658m) made up of:

Other non COVID-19 related pressures (£1.926m pressures):

- Education Services overspend of £0.522m mainly due to additional demand for Short Breaks;
- Legal Services £204k overspend based on activity and use of external legal services due to staff turnover of the Council's in house legal support;
- Strategic Management overspend of £200k as a result of a M People placements; and
- £1m increased contribution to multi-agency children's placements.

Offset by savings/underspends and other mitigations (£4.584m savings):

- No Recourse to Public Funds - £0.799m 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) - £1.050m 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 £0.956m based on current placements and support provided to date;
- Children's Localities, Permanence, Fostering and Adoption Service underspends £1.779m.

The Dedicated Schools Grant (DSG) is projecting an in-year overspend by £393k, 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 £11.719m, of which £9.884m was to meet demands, work is on-going in reviewing the areas of pressure within high needs. As at period 9 the cumulative DSG deficit is £3.476m.

Movement since last reported to Executive - £0.562k increased pressure

- Reduction in Leaving Care placement costs by £0.580m, - Leaving Care Supported Accommodation placements are 20 below budgeted placements of 93 and have reduced since the last report to the Executive and Unaccompanied Asylum Seeking Grant income is now higher than previously anticipated.
- Reduction in Children Safeguarding areas costs by £0.565m - movement reflects disestablishment of Families First saving and vacancies in Localities.
- Increased contribution to multi-agency child placements of £1m.
- Increase in Education Services pressure by £0.572m mainly as result of the pressures within. The increase in the overspend from the previous period is due to an increase in Quality Assurance and Short Breaks, offset by reduced overspend on transport.
- Core and Strategic Management increase in pressure of £136k mainly due to 3 unfunded posts.

Adult Social Care and Population Health - £6.465m 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 reported to Exec
	£000	£000	£000	£000	£000
Provider Services	27,787	19,994	28,153	366	559
Hospital Teams, Front door and TEC	2,491	697	2,597	106	(69)
Integrated Neighbourhood teams	40,146	22,846	46,523	6,377	(833)
Complex Services (LD, MH, Transition)	88,374	59,870	88,987	613	(102)
Population Health	41,567	24,423	41,989	422	(4)
Commissioning MLCO	4,277	2,303	3,367	(910)	(104)
Budget growth and back office	5,630	(4,141)	5,245	(385)	325
Total ASC Pooled Budget	210,272	125,992	216,861	6,589	(228)
MHCC	19,320	14,102	19,205	(115)	(2)
MCC – ASC outside of Pool	4,856	3,025	4,847	(9)	(27)
Total ASC and Population Health	234,448	143,090	240,913	6,465	(256)

Memo: Breakdown of variance	
COVID related impact	Savings, mitigations and other changes
£000	£000
502	(136)
251	(145)
7,906	(1,529)
568	45
528	(106)
0	(910)
55	(440)
9,810	(3,220)
40	(155)
0	(9)
9,850	(3,385)

Adult Social Care: Period 9

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	Nov-20	12.3	Under Review		0.5		N/A	
Total number of people in Residential Care (65+) at the end of the month	Low	Dec-20	746	TBC		4		-48	
Total number of people in Nursing Care (65+) at the end of the month	Low	Dec-20	374	TBC		6		2	
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 leaving Reablement with no ongoing care commitments	High	Dec-20	62.60%	54.00%		6.6%pts		10.8%pts	
% of safeguarding enquiries which resulted in the desired outcome identified by the individual being achieved	High	Dec-20	67.90%	TBC		1.9%pts		-8.1%pts	
The number of carers receiving carers-specific services (per 10,000 popn)	High	Mar-20	29.5	TBC		n/a		-13	

Performance Analysis

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 decrease overall in the last period. Those reported as being in residential care showed a small increase of 14 (from 742 to 746), with an increase of 6 people in nursing care (368 in Period 8, to 374 in Period 9). 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 further care (Core reablement) increased from 56.0% to 62.6% and those leaving with reduced care fell from 10.9% to 4.9%. This presents a mixed picture compared to previous months. "No further care" levels continue to be improved on performance levels during 2019/20 (average 52.3%), and the 20/21 average of 56.0%, above target (54.0%).

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 67.9%, is below the 2019/20 average of 71.10% and the 20/21 average of 72.21%, and slightly better than the position of 66% reported for last month.

Adult Social Care and Population Health Financial Headlines (1 of 3)

The Adult Social Care budget totals £234,448m of which £229,592m is part of the Manchester Health and Care Commissioning (MHCC) Pooled Budget for 2020/21. This is an increase of £2.175m from last month and reflects £0.842m for central government allocation for rapid testing across care homes, and £1.333m for COVID workforce capacity funds.

The overall forecast position as at Period 9 is an overspend of £6.465m, this is made up of;

- COVID-19 pressures through increased costs - £9.850m;
- Partly offset by savings, mitigations and other changes of net £3.385m underspend.

The budget includes grant allocations of £3.342m for Infection Control Fund, £3.084m for Infection Control Round 2 and £4.837m for Track and Trace, and now £0.842m for rapid testing and £1.333m for COVID workforce capacity funds, provided by the government.

COVID related Pressures (£9.850m)

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 £9.850m with a further £8.409m set against Health COVID-19 funding. In addition, there is £6.426m for Infection Control spend and £4.837m for Test and Trace program, £0.842m for rapid testing and £1.333m for COVID Workforce capacity funds. These figures are reviewed regularly as more information and costs are finalized for each monthly return to Government.

Savings, mitigations and other changes (£3.385m)

The position at Period 9 is a reported forecast underspend of £3.385m, of which there is an underspend of £3.376m on the Pool and an underspend of £9k 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.

Adult Social Care and Population Health Financial Headlines (2 of 3)

The savings, mitigations and other changes (£3.385m) are due to:

- MLCO Provider Services underspend of £136k due to underspends on day centres of £342k, reablement of £1.318m, specialist short team intervention £295k, short breaks of £286k, and other overspends totalling £8k. This is offset by an overspend on in-house supported accommodation of £1.833m (previously partially offset by £400k from reserves, now covered by overall Directorate underspend) and Equipment and Adaptions of £264k.
- MLCO Hospital Teams, Front Door and TEC - £145k underspend, predominantly due to the timing of recruitment.
- MLCO Integrated Neighbourhood Teams - £1.529m underspend due to underspends on homecare of £1.129m (including expected £0.716m costs to be recharged to Health), carers of £67k, and other care net underspends of £0.547m; offset by overspends on the Residential & Nursing budgets of £21k, and integrated neighbourhood teams of £193k.
- MLCO Complex services (Learning and Disability, Mental Health, Transition) £45k overspend due to overspend on cash personal budgets of £160k, mental health supported accommodation of £147k and Emergency Duty service of £45k; offset by underspends on Learning and Disability social worker staffing budgets totalling £94k, the learning disability care packages due to reduced costs and leavers of £128k, Mental Health Care packages of £54k and other minor underspends £31k.
- MLCO Population Health – £106k underspend due to delay in renegotiations on the sexual health contracts.
- MLCO Commissioning - £0.910m underspend due to a delay in the opening of the new extra care schemes and new sheltered housing schemes.
- MLCO Budget growth and back office - £439k due to slippage against the National Living Wage and inflation budget of £0.550m which will be utilised to support the Directorate overall position; slippage against winter pressures of £75k, £188k on staffing across business support, and other minor underspends totalling £1k, offset by a commitment to costs to support the Impower savings delivery partnership of £375k.
- MHCC - £155k underspend due to underspends on staffing
- MCC – £9k underspend relates in the main to the use of a revised timeline regarding the use of external best interest assessors and slippage against staff recruitment.

2021/22 Budget Strategy

- The 2021/22 budget strategy includes non-recurrent financial support from the Population Health forecast position (£1.5m) and the Residential Nursing position (£2.5m). On Population Health this reflects the focus of the service being on COVID-19 resulting in the workforce being reassigned to specific related work programmes. New investments for 2020 have also not progressed on the timeline envisaged. On residential and nursing, the underspend arises because costs of discharges from hospital are being funded by health as per government funding arrangements. The forecast has been adjusted for these areas to enable funding to be earmarked for 2021/22 per the draft ASC budget strategy.

Adult Social Care and Population Health Financial Headlines (3 of 3)

Movement since last reported to Executive - £256k improvement

The movement arises from a reduction in the forecast COVID-19 costs of £33k to £9.850m, primarily following review of forecast costs in Integrated Neighbourhood Teams. In addition, the mitigating forecast budget underspend has increased by £223k, to £3.385m.

The main factors are an increase in overspends in Provider services of £0.559m and in Budget Growth and Back Office of £325k, due to a revised position regarding a draw down from council reserves, offset by underspends in Integrated Neighbourhood teams of £0.833m, which is primarily due to reduced client numbers; Complex Services of £102k due to reduced care costs, Commissioning of £104k, Hospital Teams, front door and TEC of £69k and other minor variations of £33k.

Homelessness – £6.383m 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	1,844	1,812	1,809	(35)	6
B&B's (Room only)	4,213	3,629	4,506	293	(105)
Families Specialist Accommodation	314	288	306	(8)	18
Accommodation Total	6,371	5,729	6,621	250	(81)
Floating Support Service/HMT	1,476	1,238	1,533	57	24
Dispersed & TAMF	2,166	2,301	4,149	1,983	100
Dispersed Accommodation Total	3,642	3,539	5,682	2,040	124
Homeless Management	685	526	711	1,026	1,051
Homeless Assessment & Caseworkers	2,320	1,698	2,062	(258)	78
Homelessness PRS & Move On	1,098	714	1,066	(32)	(4)
Rough Sleepers Outreach	403	529	408	5	26
Tenancy Compliance	207	135	186	(21)	22
Homelessness Support Total	4,713	3,602	4,433	720	1,173
Commissioned Services	1,510	1,278	1,510	0	0
Commissioned Services Total	1,510	1,278	1,510	0	0
Covid-19 Response Rough Sleepers	1,368	4,066	4,741	3,373	0
Covid-19 Response Total	1,368	4,066	4,741	3,373	0
Total	17,604	18,214	22,987	6,383	1,216

Memo: Breakdown of variance	
COVID related impact	Savings, mitigations and other changes
£000	£000
0	(35)
0	293
0	(8)
0	250
34	23
1,546	437
1,580	460
0	1,026
0	(258)
0	(32)
0	5
0	(21)
0	720
0	0
0	0
3,373	0
3,373	0
4,953	1,430

Homelessness: Period 9

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	Dec-20	213	TBC		-10		46	
Number placed in Bed and Breakfast Accommodation: Families	Low	Dec-20	26	TBC		1		-79	
Number of dispersed accommodation placements: Single person	Low	Dec-20	210	TBC		0		54	
Number of dispersed accommodation placements: Families	Low	Dec-20	1,703	TBC		12		231	

Performance Analysis

Work is ongoing with Registered Providers (RP) 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 ongoing to help people access the Private Rental Sector (PRS) in affordable locations, many of which are outside of Manchester, and schemes such as a landlords insurance are being used. A bid for £2m 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. A bid from MHCLG for 'protect' funding has been successful and will support the most entrenched. A bid for drug and alcohol support of circa £800k was also successful. A cold weather funding bid was also successful for supporting people when the temperature drops below zero. People who sleep rough have been in hotel accommodation due to cold weather since 24 Dec. This will continue during lockdown and to help with the COVID vaccination rollout. Remote working continues as it has proven to be successful. Positively, the number of families in B&B in Dec were 79 fewer than the same point last year. However, there were 46 more single people in such accommodation than there were at the same point last year. The number of families in dispersed accommodation in Dec was 231 greater than in Dec last year. This is to be expected with high numbers still presenting, but with a tougher housing market to move people into. The number of single people placed in such accommodation in Dec was 54 greater than Dec last year. Officers have been working hard throughout the pandemic to move more single people 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 was returning to business as usual, but the recent lockdown has meant a return to full home working where possible. It is anticipated 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 2)

The Homelessness budget for 2020/21 is £17.604m

The overall forecast position as at Period 9 is an overspend of £6.383m, this is made up of;

- COVID-19 pressures through increased costs and income shortfalls - £4.953m;
- Savings, mitigations and other changes of net £1.430m overspend.

The Period 9 position is an overspend of £6.383m. This is an increase of £1.000m from Period 8 and an increase of £1.216m from Period 7, this is a result of finessing the future provision of accommodation and support linked to ongoing provision for those supported as part of COVID-19 response; and a review of the bad debt provision.

COVID related Pressures (£6.621m expenditure linked to COVID-19 less £1.668m funding from MHCLG for costs incurred leaving a net £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 (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 Governments 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. **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 291 since March 2020 to 1,901 in December 2020. **£0.546m** of costs have been assigned as COVID-19 costs. Continued increase in numbers in dispersed has increased the expected Housing Benefit Subsidy loss by **£437k**. 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.

Savings of **£1m** 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.

Savings, mitigations and other changes (£1.430m overspend):

Mainstream funded services, overspend of £1.430m linked to the continued increase in Dispersed Accommodation placements as well as Bed and Breakfast (B&B) numbers being higher than previous years, and review of bad debt provision on housing rental income resulting in an increase of £1.000m; these are partly offset by staffing underspends. 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.

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.

Homelessness Overview of Period 9 (Continued)

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 off £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 GMCA to fund 142 beds spaces in Phase 3 of A Bed Every Night 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.

Movement since last reported to Executive - £1.216m increased pressure

Homelessness overspend has increased by £1.216m since the last report to Executive. This is following a review of the bad debt provision which has now been increased by £1m within Homeless Management to capture the impact of the Universal Credit roll out which resulted in a shortfall in housing costs met by benefits. A £100k increase in overspend on Dispersed and TAMF and other minor variations of £116k

Homelessness Period 9 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	2,245
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		Jan-20	Feb-20	Mar-20	Apr-20	May-20	June-20	Jul-20	Aug-20	Sept-20	Oct-20	Nov-20	Dec-20	Total
Families	Booked In	100	71	81	39	51	82	115	68	102	82	84	74	949
	Booked Out	84	91	102	97	69	63	92	89	99	94	92	53	1,025
	Change	16	(20)	(21)	(58)	(18)	19	23	(21)	3	(14)	(8)	21	(76)

Single Person	Booked In	104	101	133	118	126	169	166	165	160	135	127	125	1,629
	Booked Out	121	86	121	107	117	141	174	165	174	137	131	116	1,590
	Change	(17)	15	12	11	9	28	(8)	0	(14)	(2)	(4)	9	39

B&B average placements in month	Jan-20	Feb-20	Mar-20	Apr-20	May-20	June-20	Jul-20	Aug-20	Sept-20	Oct-20	Nov-20	Dec-20
Single person	169	176	179	191	211	231	233	228	227	219	223	213
Families	112	113	101	50	20	20	41	45	31	31	25	26
Total	281	289	280	241	231	251	274	273	258	250	248	239

Dispersed Accommodation placements at the end of the month	Jan-20	Feb-20	Mar-20	Apr-20	May-20	June-20	Jul-20	Aug-20	Sept-20	Oct-20	Nov-20	Dec-20
Families	1,489	1,498	1,505	1,573	1,614	1,611	1,618	1,629	1,641	1,626	1,691	1,703
Singles	159	157	158	161	174	184	188	191	194	220	210	210
Total	1,648	1,655	1,663	1,734	1,788	1,795	1,808	1,820	1,835	1,846	1,901	1,913

Corporate Core – £4.418m overspend (1 of 2)

Corporate Core	Gross position including COVID impact					Memo variance of breakdown	
Chief Executives	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
Coroners and Registrars	2,348	1,583	3,054	706	(38)	827	(121)
Elections	1,079	2,328	902	(177)	(77)	0	(177)
Legal Services	7,129	7,469	6,945	(184)	(178)	401	(585)
Communications	3,371	2,575	3,583	212	(23)	423	(211)
Executive	987	544	785	(202)	(102)	0	(202)
Legal, Comms, Democratic and Statutory Sub Total	14,914	14,499	15,269	355	(418)	1,651	(1,296)
Corporate Items	545	88	989	444	(26)	254	190
Chief Executives Total	15,459	14,587	16,258	799	(444)	1,905	(1,106)

Corporate Core - £4.418m overspend (2 of 2)

Corporate Core	Gross position including COVID impact					Memo variance of breakdown	
Corporate Services	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
Policy, Performance and Reform total	15,692	11,371	15,746	54	736	0	54
Procurement & Commissioning	1,414	984	1,237	(177)	(10)	0	(177)
Revenue and Benefits	30,852	11,138	32,313	1,461	(32)	1,967	(506)
Discretionary Housing Payments and Welfare Provision	2,600	2,240	2,600	0	0	0	0
Financial Management	5,532	3,648	4,947	(585)	0	0	(585)
ICT	13,746	13,084	17,434	3,688	2,533	1,307	2,381
Human Resources/ Organisational Development (HR/OD).	4,119	3,446	3,953	(166)	0	53	(219)
Audit, Risk and Resilience	1,483	1,178	1,384	(99)	(22)	0	(99)
Shared Service Centre	1,132	1,120	797	(335)	0	0	(335)
Capital Programmes	(31)	961	388	419	(168)	737	(318)
CS Corporate Items (non business plan)	226	264	36	(190)	30	0	(190)
Customer Services	4,217	3,123	3,803	(414)	(15)	0	(414)
Commercial Governance	259	234	222	(37)	(14)	0	(37)
Decriminalised Parking Enforcement	(649)	5,666	(649)	0	0	0	0
Bus Lane	(334)	5,080	(334)	0	0	0	0
Corporate Services Total	80,258	63,537	83,877	3,619	3,038	4,064	(445)
Total Corporate Core	95,717	141,661	100,135	4,418	2,594	5,969	(1,551)

Corporate Core: Period 9

	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	Dec-20	99.4%	98.5%		0%pts		0.1%pts	
Average Number of ICT Major Incidents in a month (year to date)	Low	Apr 20 - Dec 20	6.00	n/a		0.00		-0.88	
% of transactions delivered face to face (year to date)	Low	Apr 20 - Dec 20	0.0%	n/a		0%pts		-3.7%pts	
% of transactions delivered by telephone (year to date)	Low	Apr 20 - Dec 20	34.4%	n/a		0.6%pts		-14.4%pts	
% of transactions delivered online (year to date)	High	Apr 20 - Dec 20	65.6%	n/a		-0.6%pts		18.2%pts	
% of annual due Council Tax collected (year to date)	High	Apr 20 - Dec 20	72.1%	94%	n/a	8.1%pts	n/a	-1.5%pts	
% of annual due Business Rates collected (year to date)	High	Apr 20 - Dec 20	64.4%	97%	n/a	7.2%pts	n/a	-13.5%pts	
% invoices paid within 10 days (average monthly result YTD)	High	Apr 20 - Dec 20	63.2%	65%		-0.6%pts		4.2%pts	
% invoices paid within 30 days (average monthly result YTD)	High	Apr 20 - Dec 20	83.8%	90%		-0.7%pts		-5.6%pts	
% of pursuable miscellaneous debt over 1 year old (excluding C'tax and B'rates)	Low	Nov-20	10.0%	5%		-2.7%pts		1.5%pts	
BR Grants: Small Business Grant (monthly % figure of target allocation allocated)	High	16-Dec	95.81% (£64,780,000)	£67,610,000	n/a	0.01%	n/a	n/a	n/a
BR Grants: Retail, Hospitality & Leisure Grant (monthly % figure of target allocation allocated)	High	16-Dec	95.64% (£41,315,000)	£43,195,000	n/a	0.03%	n/a	n/a	n/a
BR Grants: Local Authority Discretionary Grant (monthly % figure of target allocation allocated)	High	16-Dec	99.73% (£5,417,500)	£5,432,000	n/a	0.00%	n/a	n/a	n/a
Local Restriction Support Grant	High	31 Jan	£24,616,134	n/a	n/a	n/a	n/a	n/a	n/a
Additional Restriction Grant	High	31 Jan	£1,021,445	n/a	n/a	n/a	n/a	n/a	n/a
Closed Business Lockdown Payment	High	31 Jan	£16,305,000						

Corporate Core: Period 9

Performance Analysis

- The % of small business and retail, hospitality and leisure business support grants allocation was finalised on 30 September. Overall, £111.5m was allocated to 9,471 businesses - 95.94% of businesses identified as in scope.
- Following local and national restrictions further business support grant has been allocated through the Local Restriction Support Grant, Additional Restriction Grant and Closed Business Lockdown Payment schemes. To 31 Jan £41.9m of support has been allocated to businesses under these schemes.
- The proportion of transactions undertaken online and via phone were typically just over 48% each before the service responded to the impacts of the pandemic (with face-to-face transactions representing circa 3% of transactions). However, 85% of transactions in the financial year 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. C'tax, b'rates, n'hoods, switchboard) from July has seen the financial year to date figures gradually move back towards pre-pandemic levels each month. Online transactions stood at 66% and phone transactions at 34% at the end of December (the same as November).
- The percentage of Council Tax due for 2020/21 which had been collected at the end of December (72.07%) was 2% points below that collected at the same point last year, and at nearly £156m, it was nearly £2.4m more than that collected at the same point last year, entirely due to the annual increase. COVID-19 and the lockdown has impacted on people's ability to pay.
- The percentage of business rates due for 2020/21 which had been collected at the end of Nov (64.41%) was 13.8% points lower than that collected at the same point last year and at over £153m, was nearly £142m less than that collected at the same point last year (£295m) with the Governments Expanded Retail Discount accounting for most of the reduction. 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 ten or eleven months.
- At the end of December, the 'total amount of pursuable miscellaneous debt which was over a year old' (£3.58m), as a percentage of the 'total amount of all pursuable debt' (£52m) was 6.88%. This was a drop of over 3% from the end of November when the 'total amount of pursuable miscellaneous debt which was over a year old' (£3.60m), as a percentage of the 'total amount of all pursuable debt' (£36m) was 10%. The drop in the % result was mainly due to debt being raised during December 2020 which was not paid to the Council before the end of the month, rather than a reduction in the amount of pursuable miscellaneous debt which was over a year old.
- Formal recovery of such debt only resumed in late July 2020. The amount of collectable debt +1yr old is now just over £3.6m, almost £2.1m more than the figure from April 2018. Circa 57% 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 stalled start to the recovery is also a challenge.
- The percentage of invoices paid within 10 and 30 days remain slightly below targets.

Corporate Core Financial Headlines (1 of 3)

Corporate Core revenue budget totals £95.717m

The overall forecast position as at Period 9 is an overspend of £4.418m, this is made up of:

- COVID-19 pressures through increased costs and reduced income - £5.969m;
- Partly offset by savings, mitigations and other changes of net £1.551m underspend.

The Council Tax Hardship fund of £300k is to support Carers and Welfare Provision and the budget also includes self isolation grant of £379k.

The test and trace support payments are currently projecting to exceed the grant allocation and officers are considering requesting additional Funding from the Department of Health and Social Care.

The budget and position reflects £11.698m Additional Restriction Grant (ARG) allocated to the Council to support businesses across the city during the Very High local COVID alert level (Tier 3). An additional top up ARG allocation of £4.911m received in January following the third national lockdown announcement is also included in the budget.

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 £4.418m at Period 9 an increase of £2.594m since the last executive report. The overall overspend is made up of £5.969m COVID pressures through increased costs and lost income. This is offset by in year mitigations of net £1.551m underspend mainly due to employee savings following revised recruitment assumptions and running costs.

Corporate Core Financial Headlines (2 of 3)

COVID related Pressures (£5.969m)

These are due to:

- £2.061m increased expenditure largely relating to ICT costs of mobilising staff to work more flexibly and additional licensing costs, £498k relating to Coroners for cemetery and mortuary services and £12k in Legal Services for equipment and installation to allow semi virtual meetings to be held.
- £3.908m shortfall 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 £329k, legal services of £370k, Communications of £323k, Revenue and Benefits reduced income £1.895m due to a number of council tax enforcement notices being waived, lower than forecast take up of the annual leave purchase scheme of £254k.

Savings, mitigations and other changes (£1.551)

These are made up of Chief Executives £1.106m and Corporate Services of £445k and further detail is provided below.

The Chief Executives £1.106m underspend is due to the following:

- Elections underspend of £177k due to cancelled 2020/21 election;
- Legal £0.585m, Coroners and Registrars £121k, Communications £211k and Executive office underspend of £202k due to savings on employee budgets, running costs and civil ceremonies.
- Reduced by £190k in Corporate items for Manchester Central historic catering costs.

The Corporate Services forecast underspend of £445k is due to:

- Employee savings and running costs of £2.310m 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 pensions savings from upfront funding of contributions (3 years).
- Capital Programmes £318k additional income
- Offset by £2.433m ICT related costs charged to revenue budget in year to avoid eroding the ICT capital fund.

Corporate Core Financial Headlines (3 of 3)

Movement since last reported to Executive - £2.594m increased pressure

This is made up of £444k improvement in Chief Executives, and a £3.038m increased pressure on Corporate Services. Further detail of these variances are set out below.

The Chief Executives position has improved by £444k, mostly due to Legal services £178k due to additional commercial income, Executive £102k on employees savings and running costs as there will be no civil ceremonies for the remainder of the financial year and Elections £77k due to 20/21 cancelled election. The remaining underspend of £86k is employee savings and running costs in Communications, Coroners and Registrars.

The corporate services increased pressure of £3.038m is made up of £2.433m ICT related costs charged to revenue budget in year to avoid eroding the ICT capital fund, £0.710m contribution to reform initiatives and £100k increased pressure in ICT for de-commissioning costs of the data centre; offset by £168k increased underspends in Capital Programmes due to acceleration of a major leisure programme and other smaller variances of £37k.

Neighbourhoods Directorate - £11.608m overspend

Neighbourhoods Directorate	Financial Outturn Summary Report 2020/21 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	524	1,160	0	(74)
Operations and Commissioning	51,520	45,149	56,408	4,888	328
Parks, Leisure, Events and Youth	7,964	7,812	12,147	4,183	(87)
Compliance and Community Safety	19,989	7,436	19,307	(682)	(264)
Libraries, Galleries and Culture	10,198	6,768	9,812	(386)	(191)
Neighbourhood Area Teams	2,700	1,741	2,532	(3)	73
Other Neighbourhood Services (including Covid pressures)	352	266	827	310	310
SUB TOTAL	93,883	69,696	102,193	8,310	95
Highways	14,741	5,557	18,039	3,298	2,838
SUMMARY TOTAL	108,624	75,253	120,232	11,608	2,933

Memo breakdown of variance	
COVID related impact	Savings, mitigations and other changes
£000	£000
0	0
6,024	(1,136)
4,575	(392)
506	(1,188)
216	(602)
0	(3)
0	310
11,321	(3,011)
3,903	(605)
15,224	(3,616)

Neighbourhoods: Period 9

Outputs and Cost-Drivers	Desired Performance	Period	Performance	Are we better than...?					
				Target		Last Period		Last Year	
Neighbourhoods									
Total levy refuse tonnage (provisional)	Low	Dec-20	6,510	5,772		-267		543	
Total levy recycling tonnage (provisional)	High	Dec-20	5,582	4,200		n/a	n/a	1118	
Citywide recycling rate (provisional)	High	Q2 20/21	40.2%	n/a		n/a	n/a	-2.8%pts	
Total number of waste related requests for service resolved in the quarter	High	Q3 20/21	1,165	n/a		-423	n/a	-141	n/a
% of waste related requests for service resolved informally (remainder were formal resolutions)	n/a	Q3 20/21	87%	n/a		1.7%pts	n/a	12.5%pts	n/a
Flytipping reports completed by BIFFA (12 month rolling)*	Low	Jan 20- Dec 20	26,244	n/a		409		4680	
Number of burials (in the month)	n/a	Dec-20	187	Projection: 122	n/a	30	n/a	82	n/a
Number of cremations (in the month)	n/a	Dec-20	123	Projection: 89	n/a	18	n/a	35	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	

* This data includes some reports for compliance and side waste, please note further analysis of this data is undertaken prior to the submission to WasteDataFlow.

Performance Analysis

In December, more refuse was collected than forecast (target 5,772) due to residents spending more time at home due to tier 3 and 4 restrictions. The amount of refuse collected above the forecast decreased in December (738 tonnages above the target) compared to November (1,220 tonnages above the target). Recycling tonnages are 1,382 tonnes above the target for December. In December 2020, more commingled, pulpable and organic recycling was collected than the target.

In addition to waste related requests for service, the Neighbourhood Compliance Teams proactively investigated 465 flytipping, commercial and domestic waste incidents (13% decrease from last period). The Neighbourhood Project Team also proactively investigated 808 jobs and served 815 notices in relation to flytipping during this period. This is a 17% and 0.4% decrease respectively.

In the 12 months to December 2020, reports of fly tipping dealt with by Biffa were 22% higher than the previous year. After an initial decline in requests at the start of the year fly tipping has been consistently higher in 2020. As COVID restrictions relaxed after the first lockdown reports continued to increase, peaking in August 2020 at 2,800 requests for service completed by Biffa. This was 65% (+1,102) higher than the same month last year. From this point requests have been declining and returning to similar levels seen in 2019. However, reports in the month of December remain 26% higher than the same month in 2019.

Neighbourhoods Directorate Finance Headlines (1 of 3)

Neighbourhoods Directorate revenue budget totals £108.624m

The overall forecast position as at Period 9 is an overspend of £11.608m, this is made up of:

- COVID-19 pressures through increased costs and reduced income - £15.224m;
- Offset by identified in year mitigations of net - £3.616m underspend.

COVID related Pressures (£15.224m)

This is made up of a combination of increased expenditure £4.731m and forecast reductions in income of £10.493m. Further details are provided below:

£4.731m increased COVID-19 costs are made up as follows:

- Leisure services £3.322m support to leisure operator to fund the ongoing costs of maintaining City Council assets during closure.
- £86k in Parks and £35k in Events for additional signage, markings and cabin costs.
- Highways Services - £0.640m increased costs of introducing social distancing measures.
- £13k sanitisers and shields within Libraries.
- £494k within Waste Services for additional collection costs and the increased cost of bins.
- £138k additional security, staffing and equipment costs within Bereavement Services.
- £3k minor costs within Fleet Services.

£10.493m reduced income is made up as follows:

- Reduced income of £5.389m in Operations and Commissioning Services, due to the £1.761m loss on the Christmas Offer income including Christmas Markets, £2.869m reduced income for Wholesale, Retail, City Centre and Commercial Markets as a result of required closure, £0.744m reduced income in Other Business Units (Catering £0.692m, Pest Control £52k) and £15k in Fleet Services.
- Libraries & Galleries £203k due to reduced sales income and funding contribution because of closure and reduced footfall.
- Leisure, Parks and Events - £1.132m due to reduced income because of closure, this includes £0.514m because of the cancelled Parklife concert and loss of car parking income and also £0.572m Leisure mostly due to loss of Swimming Income and £46k in Events.
- Highways reduced income from car parking £2.982m and sales of fees and permits £281k.
- £0.506m 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 (£3.616m)

The Directorate has identified in year savings of £4.091m that have been offset against the COVID-19 cost pressures as part of undertaking this work it has been assumed that most vacant posts will not be filled through external recruitment before April 2021 at the earliest. The breakdown of the identified in year savings are provided below.

Operations and Commissioning £1.136m 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 across the Markets estate offset by the change in the funding of essential building and maintenance work at New Smithfield Market resulting in an adverse variance of £103k on Markets. Fleet Services have increased net fleet hire income of £49k, Bereavement Services are forecasting a net increase in income of £488k, Pest Control have savings of £52k mainly on staffing and a £45k employee saving within Grounds Maintenance.
- Compliance and Community Safety £1.188m savings due to;
- Mostly relates to employee savings due to revised recruitment assumptions with some vacant posts now anticipated to be filled in the new financial year.

Libraries, Galleries and Culture £0.602m saving mostly due to;

- £494k Saving on employee costs in Libraries;
- £8k saving on running costs in Libraries and £100k Saving on the Libraries book fund.

Parks, Leisure, Youth and Events £392k savings due to;

- £392k employee savings due to revised recruitment assumptions and savings on running costs due to postponement of Events.

Neighbourhood Teams £3k savings due to;

- £168k Staff savings offset by
- £165k costs associated with Walmer Street sink hole and demolition. The Council will seek to recover these costs from insurance providers, but this is likely to be timely and uncertain.

Other Neighbourhoods Services £310k overspend due to:

- Increased bad debt provision to allow for increased risks around long term outstanding retail debts

Highways - £0.605m savings due to;

- Higher than forecast income from highways capital works that have been undertaken during the lockdown period, savings on employee costs, accident and trip claims.

Neighbourhoods Directorate Finance Headlines (3 of 3)

Movement since last reported to Executive - £2.933m increased pressure

The movement is mainly due to increased pressure in Highways of £2.838m due to reduced income from car parking. The joint venture ended on 31 December and the car parks transferred back to Manchester City Council. The overspend has increased since the last reporting period due to reduced income from these car parks as a result of the current lockdown. There is also an increase in overspend on Operations and Commissioning of £328k which is caused by increased Waste Collection costs, further lost income within Markets, £165k relating to Walmer St sink hole and building demolition, and £310k increased bad debt requirement to allow for increased risks around long term outstanding retail debts. These are offset by planned recruitment savings in Compliance and Community Safety of £264k and Libraries, Galleries and Culture £191k, Parks £35k, Neighbourhood area teams of £92k and Neighbourhood Management and Directorate Support of £74k, increased income and reduced expenditure within Parks and Events of £52k.

Growth and Development - £2.965m 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
Operational Property	8,273	6,260	8,220	(53)	(120)	6	(59)
Facilities Management	9,687	5,836	9,792	105	108	197	(92)
Property Rationalisation	0	1,122	0	0	0	0	0
Investment Estate	(11,887)	(10,935)	(9,800)	2,087	608	2,146	(62)
Manchester Creative Digital Assets Ltd (MCDA)	0	279	0	0	0	870	(870)
Growth & Development	164	(109)	111	(53)	0	0	(53)
City Centre Regeneration	914	735	916	2	(73)	1	1
Housing & Residential Growth	1,445	888	1,041	(404)	0	0	(404)
Planning, Building Control & Licensing	(588)	(805)	151	739	14	1,504	(765)
Work & Skills	2,039	1,138	1,882	(157)	0	0	(157)
The Community Hub	1,443	1,411	2,125	682	(1,379)	783	(101)
Manchester Adult Education Services (MAES)	0	1,073	17	17	0	17	0
Our Town Hall Project	0	1,375	0	0	0	0	0
Total Growth & Development	11,490	8,268	14,455	2,965	(842)	5,527	(2,562)

Growth and Development : Period 9

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	Dec-20	4	n/a	0	1
Number of Planning Applications with fees of £50k +	High	Dec-20	1	n/a	0	-1
Planning Fee Income	High	Dec-20	£340,046	£210,555	-£67,716	-£48,750
Net annual Business Rate charges payable (quarterly snapshot)	High	01-Jan-20	£232.99m	n/a	-£7.53m	-£135.23m
No. of properties for which business rates are payable (quarterly snapshot)	High	01-Jan-20	27,029	n/a	-34	14
No. of new homes built (excluding small developments)	High	Q2 20/21	4,009	n/a	n/a	1082
% of properties empty long-term	Low	2019/20	0.53%	n/a	n/a	0.01%points

Performance Analysis

'Planning Fee income in December was £340k, an increase of £67k from the previous month and far exceeding the expected target of £210.5k. Given the unprecedented economic climate, the expectation is that planning fee income will fluctuate and may fall short of expectations this year, however continued receipt of some larger applications means the target income is being achieved.

The amount of Business Rate charges payable dropped in December by £7.5m, and overall was £135m below the charge for the previous year due to the ongoing rates relief.

Construction of new homes is continuing in spite of the pandemic and 4,009 homes are expected to complete by the end of 2020/21, including over 400 affordable homes.

Growth and Development Financial Headlines (1 of 2)

Growth and Development revenue budget totals £11.490m

The overall forecast position as at Period 9 is an overspend of £2.965m, this is made up of:

- COVID-19 pressures through increased costs and reduced income of £5.527m;
- Offset by identified in year savings and mitigations of £2.562m.

The net £11.490m budget includes Government grant allocations for Reopening High Streets Safely Fund of £489k, Local Welfare Assistance Fund of £0.957m and COVID Support for clinically extremely vulnerable individuals of £0.552m and reflects the pay award.

The overall Directorate position is due to the following:

Overspends of £3.632m in:

- Facilities Management - £105k, additional costs of the Target Operating Model (Security), offset by savings on staffing costs and other efficiencies.
- Investment Estate - £2.087m, mainly as a result of anticipated Covid-19 income pressures and increased bad debt provision to allow for increased risks around longterm outstanding retail debts. These are offset by staffing savings, and forecast additional income from Manchester International Airport and the Development Sites.
- City Centre Regeneration - £2k, due to higher than budgeted salary costs, offset by the cost of the Planning and Infrastructure team that have transferred across since the P8 report.
- Planning, Building Control & Licensing - £0.739m due to a net income reduction of £256k in Building Control, £66k in Landcharges, £417k shortfall in licensing, and £363k from taxi MOT/testing. These are offset by £363k of mainly staffing savings in planning.
- Community Hub - £0.682m – ongoing provision of food support to the most vulnerable residents.; and
- Manchester Adults Education Service (MAES) - £17k of COVID-19 related expenditure.

Growth and Development Financial Headlines (2 of 2)

Offset by underspends of £0.667m:

- 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; and
- Work and Skills - £157k due to staffing savings of £57k and reduced project costs of £100k.
- Operational Property - £53k mainly due to staffing savings and utility costs at the Town Hall Complex,

Movement since last reported to Executive - £0.842m improvement

The position has improved since the last report to Executive, predominantly due to a £1.379m improvement in The Community Hub. There are other improvements include operational property of £120k and City Centre Regeneration of £73k; offset by £0.608m on Investment Estate due to increased bad debt provision to allow for increased risks around long term outstanding retail debts, pressures in Facilities Management of £108k and Planning, Building Control and Licensing of £14k.

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)	(30,557)	(61,027)	(146)	0
Heating Income	(600)	(341)	(623)	(23)	0
PFI Credit	(23,374)	(11,687)	(23,374)	0	0
Other Income	(1,281)	(780)	(984)	297	(65)
Funding from General/MRR Reserves	(18,632)	0	(18,632)	0	0
Total Income	(104,768)	(43,365)	(104,640)	128	(65)
Northwards R&M & Management Fee	20,694	15,564	21,097	403	0
PFI Contractor Payments	36,296	21,237	34,084	(2,212)	(1,547)
Communal Heating	584	273	607	23	0
Supervision and Management	5,213	2,914	5,391	178	(42)
Contribution to Bad Debts	613	(51)	547	(66)	(307)
Depreciation	17,378	0	17,378	0	0
Other Expenditure	1,370	485	1,393	23	0
RCCO	19,841	0	(2,416)	(22,257)	(518)
Interest Payable and similar charges	2,779	0	2,779	0	
Total Expenditure	104,768	40,422	80,860	(23,908)	(2,414)
Total HRA	0	(2,943)	(23,780)	(23,780)	(2,479)

Movement in General/MRR Reserves	Opening Balance	Budgeted Adjustment	Forecast Closing Balance	Additional Adjustment	Revised Forecast Closing Balance
	76,012	(18,632)	57,380	23,780	81,160

Housing Revenue Account Financial Headlines

The Housing Revenue Account (HRA) is forecasting lower than forecast expenditure of £23.780m at Period 9. This is due to:

Underspends of £24.704m:

- Reduced contribution towards capital expenditure of £22.257m, 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 £2.212m:
 - £0.595m decrease on Brunswick PFI mainly due to the delays in forecast completion date for the extra care scheme – currently forecast March 2021.
 - £123k saving due to rate of inflation being lower than forecast.
 - £68k increased in Communal Heating costs due to higher charge whilst a new contract is agreed.
 - £1.562m decrease due to spend being incurred on sprinkler installations in Miles Platting or Brunswick during 2020/21. This has been pushed back into 2021/22.
- Additional Rental income of £146k. It is forecast that £255k extra rent will be received due to reduced number of Right To Buy sales, offset by a loss of £109k due to the delay in the Brunswick Extra Care Scheme
- £66k reduction in Bad Debt Provision due to an adjustment to Leaseholder relating to 2019/20.
- Additional income of £23k on Communal Heating schemes due to the reduction in 2/4 blocks on the scheme being slower than originally planned. This is offset by a corresponding increase in gas costs.

Offset by overspends of £0.924m:

- 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 £297k lower than forecast due to overpayments of VAT Shelter monies made by One Manchester in previous years and a refund due to S4B following an agreed recalculation of Service Charge collection 2019/20.
- Supervision and Management - increase £178k. This is due to higher than forecast salary costs and estimated costs of £200k relating to work associated with the ALMO review, offset by a reduction in the requirement for valuations, plans and EPCs regarding Right to Buys.
- An increase of £23k in Communal Heating gas costs due to the reduction in 2/4 blocks on the scheme being slower than originally planned. This is offset by a corresponding reduction in income (above).
- An increase of £23k relating to other expenditure as below:
 - An increase of £100k for a Paint & Repair scheme in West Gorton.
 - A reduction of £45k due to the end of the agreement to pay Eastlands Environmental Insurance.
 - A reduction in Tenant's Management Organisation fees of £32k.

Any surplus/deficit in year has to be transferred to/from the HRA reserve. At Period 9 it is forecast that £5.148m will be transferred to reserves at year end (budget of £18.632m less underspend of £23.780m). This would leave a balance of £81.160m in the HRA General Reserve at year end.