

Revenue Outturn Report

Executive Summary

- The Council underspent against its budget for 2021/22 by £1.2m, with significant underspends in Adult Services of £2.507m, Children's of £0.963m and Corporate Core of £0.763m, offset by a projected overspend in Corporate Budgets of £1.566m and Neighbourhoods Directorate of £0.931m. Note the Corporate budget position includes a £2.3m transfer to the smoothing reserve to support future years budgets.
 - Lower than budgeted commercial income, mainly from on and off-street parking, and Christmas market revenue, as the economy recovers from the impact of the pandemic, is the main driver of the Neighbourhoods overspend projection.
 - Approved savings in 2021/22 totalled £41.717m. Of these £39.702m (95.2%) have been delivered with £2.015m (4.8%) not being achieved. The impact has been mitigated during the year with ongoing implications picked up in the 2022/23 budget.
- Overall MCC Financial Position**

Integrated Monitoring Report Period 12

	Original Budget	Revised Budget *	Outturn	Variance	Movement from P9
	£000	£000	£000	£000	£000
Total Available Resources	(637,304)	(674,867)	(674,398)	469	3
Corporate Budgets	97,931	102,347	103,913	1,566	1,959
Children's Services	118,761	121,612	120,649	(963)	(263)
Adult Social Care	223,767	229,083	226,576	(2,507)	(1,965)
Neighbourhoods Directorate	93,267	100,470	101,401	931	(969)
Homelessness	27,495	28,964	28,958	(6)	(6)
Growth and Development	10,580	(8,505)	(8,395)	110	374
Corporate Core	65,503	100,896	100,133	(763)	874
Total Directorate Budgets	539,373	572,520	569,323	(3,197)	(1,954)
Total Use of Resources	637,304	674,867	673,236	(1,631)	5
Total forecast over / (under) spend	0	0	(1,161)	(1,162)	8

*The large change in the net budgets of G&D and Core reflect that Facilities Management (£9.4m) and Operational Property (£6.5m) are now managed and reported under the Corporate Core.

Corporate Resources £470k underachievement

	Annual Budget £000	Outturn £000	Variance £000	Movement from P9 £000
Retained Business Rates	(130,562)	(130,562)	0	0
Council Tax	(176,857)	(176,857)	0	0
Other Specific Grants	(155,457)	(154,987)	470	4

Business Rates Grants	(25,854)	(25,854)	0	0
Use of Airport Reserve	(4,913)	(4,913)	0	0
Use of Reserves	(181,224)	(181,224)	0	0
Total Corporate Resources	(674,867)	(674,397)	470	4

Corporate Resources - Financial Headlines

- Other specific grants - £470k shortfall: The COVID Sales Fees and Charges compensation grant claim is £0.889m lower than originally budgeted, because income collected by Directorates was £1.2m higher than initially expected, which therefore reduced our claim. This is partly offset by increased New Burdens income of £311k and £108k additional Local Council Tax Support Admin Subsidy.
- The use of reserves of £181m reflects the timing of the Business Rates S31 grants for Extended Retail Relief which was received in 2020/21 but is applied to offset the 2021/22 Collection Fund Deficit.
- Business Rates Collection as at the end of March is 94.79%, an improvement on the 87.91% collected last year but below the pre-covid level of 97.58%, achieved in 2019/20.
- Council Tax Collection at the end of March is 89.81% which compares to 90.15% last year and 92.73% in 2019/20.
- Invoices paid within 30 days is 82% compared to a target of 95%.
- £5.8m (11.1%) of pursuable debt was over a year old and still to be recovered by the Council. Progress is being made in resolving outstanding disputes which are preventing payment.

• Corporate Budgets

Corporate Budgets £1.566m overspend

	Annual Budget £000	Outturn £000	Variance £000	Movement from P9 £000
Other Corporate Items	43,668	43,629	(39)	(49)
Contingency	0	0	0	0
Inflationary Budgets	211	0	(211)	(279)
Apprentice Levy	999	1,045	46	0
Levies	37,849	37,853	4	(6)
Historic Pension Costs	8,316	7,781	(534)	(8)
Transfer to Budget Smoothing Reserve	11,305	13,605	2,300	2,300
Total Corporate Budgets	102,347	103,913	1,566	1,959

Corporate Budgets - Financial Headlines

- Inflationary Budgets have underspent and are under-allocated by £211k.
- The Apprentice Levy is £46k overspent, this is paid at a rate of 0.5% of the annual pay bill.
- Historic pension costs have underspent by £0.534m (6.4%) due to a reducing number of recipients. Levies are £10k overspent in relation to Probation Loans and the Port Health Levy, partially offset by an underspend on the Magistrates Loan. The £39k underspend against Other Corporate Items is due to a reduction in the bad debt provision following a review of the position.
- The Budget Smoothing Reserve represents contributions from the approved budget that have not been required in 2021/22. The original budget included estimated pressures arising from COVID 19 costs and income shortfalls, which have been reviewed monthly. Where these budgets have underspent, they have been clawed back and credited to the smoothing reserve to support future years budgets. There is a total of £13.605m available to be transferred to the smoothing reserve, of which £11.305m has been previously approved and the remainder is subject to Executive approval as part of the outturn reporting. Of the £13.605m:

£11.519m relates to COVID budgets, £200k relates to Homelessness, £300k relates to carried forward budgets no longer required and £1.254m of Waste Levy Contingency, less a budget increase of £1.968m for electricity prices to Directorates. The outturn position has enabled a further £2.3m to be transferred to the smoothing reserve.

- A corporate inflation budget has been set aside for 2022/23 to fund the impact of ongoing increases to utility costs and general inflation.

Children's Services

Children's and Education Services - £0.963m underspend

	Annual Budget £000	Outturn £000	Variance £000	Movement from P9 £000
LAC Placement	38,927	36,644	(2,282)	(707)
LAC Placement Services	6,602	6,426	(176)	(376)
Permanence & Leaving Care	14,102	12,728	(1,374)	(580)
Safeguarding Service Areas	36,718	37,770	1,052	91
Children's Safeguarding	96,349	93,568	(2,781)	(1,573)
Education Services	8,717	10,765	2,048	1,364
Home to School Transport	10,256	9,639	(617)	(419)
Targeted Youth Support Service	824	824	0	0
Education	19,796	21,227	1,431	945
Strategic Mgmt. & Business Support	5,467	5,854	387	365
Total Young People (Children's & Education Services)	121,612	120,649	(963)	(263)

Children's and Education Services - Financial Headlines

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. These strategies have enabled the Directorate to support cost of living pressures felt by residents.

The overall forecast position as at financial year end is an underspend of £0.963m, which is made up of:

- £2.282m Looked After Children (LAC) placement underspend mainly due to placements being 137 below what the budget was based on, reflecting the success of the early help and preventative work undertaken by the Directorate.
- £176k LAC placement services underspend due to delayed recruitment staff in the Fostering Service and a reduced Regional Adoption recharge.
- £1.374m Permanence and Leaving Care underspends mainly due to more cost efficient placements for Unaccompanied Asylum Seeking Children and an underspend in No Recourse to Public Funds budgets.
- £1.052m overspend in Children Safeguarding areas related to Legal services overspend. On average proceedings are taking 14 weeks longer than it did pre-pandemic, due to this backlog and shortage of lawyers Legal Services are continuing to externalise work. £400k Early Years pressure due to unfunded Children Centre costs and shortfall in lease income which is offset by underspends in Supervised Contact, Children's Safeguarding and Commissioning Services.
- £1.431m Education services pressures mainly relates to shortfall in attendance penalties being lower than expected due to COVID and the one-off funding of Easter Free School Meals in 2021/22 for our most vulnerable children.

- £387k residual overspend in Strategic Management and Business Support non-staffing cost pressures.

There has been a £263k favourable movement since Period 9. The movement is mainly due to:

- £0.707m LAC placements favourable movement relating to a reduction in placement numbers
- £376k favourable movement due to reduction of Regional Adoption Agency costs and lower than expected Fostering Service agency costs.
- £0.580m favourable movement mainly relating to a reduction in Supported Accommodation unit costs of £305 per week, 26.7%. In responding to the accommodation needs of our care leavers, the Directorate continues to work proactively and positively with the housing providers including the third sector to further develop models and increase the Leaving Care offer. Alongside the reduction in Leaving Care placement costs this has led to a reduction in Care Leavers experiencing placement moves and successfully transitioning to independence and contributing to the development of Greater Manchester Care Leaver's covenant.
- £91k adverse movement in Children's Safeguarding services relating to Legal Services and Localities
- Education Services adverse movement of £0.945m, the Local Authority has paid an additional 2 weeks of free school meal vouchers to 38,000 children towards the spring term holiday period.
- Strategic Management and Business Support adverse movement of £365k following additional building and archiving charges.

Outstanding payments to providers (External residential and fostering) total £1.167m at the end of January, which is included in the forecast. An external consultant will work on data cleansing and reducing on hold payments in Controcc, the payments system.

3 a. Children's Services – Dedicated Schools Grant

Dedicated School Grant (DSG) - £2.703m overspend

	Annual Budget £000	Outturn £000	Variance £000	Movement since P9 £000
Schools Block	195,376	195,362	(13)	(305)
Central Services Block	3,902	3,923	21	(30)
High Needs Block	89,222	92,360	3,138	1,679
Early Years Block	38,128	37,232	(897)	(808)
Recovery Plan	1,500	0	(1,500)	0
Total	328,128	328,877	749	536
Deficit b/fwd. less school clawback			1,954	0
Overall DSG position			2,703	536

Dedicated Schools Grant - Financial Headlines

Dedicated Schools Grant (DSG) in 2021/22 totals £604m, of which £275m is top sliced by the Department for Education (DfE) to pay for academy budgets. The DSG overall position is overspent by £2.703m. The DSG position has seen an adverse movement of £0.536m since Period 9, this is due to continued growth of post-16 provision and out of city placements within the high needs block.

There continues to be pressures within the high needs block, which supports children with special education needs and special school places. Particular pressures, which are being reviewed, are in Post 16, out of area placements, Education Health and Care Plans (EHCPs) and alternative provision for excluded pupils. For this financial year, final early years allocations will be adjusted next year based on termly take-up data. This is likely to be subject to large clawback adjustments due to take up being lower than

previously projected, estimated accruals have been included within the projections. The DSG settlement was received recently based on initial review it is expected that there is capacity to recover the deficit over the next few years starting in 2022/23.

Adult social care / Manchester Local Care Organisation

Adult Social Care and Population Health - £2.507m underspend

	Annual Budget	Outturn	Variance	Movement since P9
	£000	£000	£000	£000
Provider Services	29,233	28,872	(361)	(632)
Hospital Teams, Front door and TEC	3,007	2,604	(403)	(130)
Integrated Neighbourhood teams	50,938	51,242	304	(441)
Complex Services (LD, MH, Transition)	85,785	86,366	581	(396)
Commissioning MLCO	4,173	3,393	(780)	(259)
Back office, citywide support & growth	10,910	9,138	(1,772)	(114)
Total ASC Aligned Budget MLCO	184,046	181,615	(2,431)	(1,972)
MCC – Out of scope Population Health	42,830	42,830	0	0
MCC – Out of scope other	2,207	2,131	(76)	7
Total ASC and Population Health	229,083	226,576	(2,507)	(1,965)

Adult Social Care and Population Health - Financial Headlines

Overview of main variances (£2.507m underspend)

The position reported above reflects reductions in the number of care packages required and difficulties in recruiting staff. The reduced level of spend has allowed for £5.5m of systems support funding to be removed which will support the re-phasing of budget savings in 2022/23. The most significant changes from Period 9 are reductions in care packages spend of c£785k and reductions in staffing of c£840k. There are 38 fewer homecare clients, 21 fewer clients with a Learning disability but 10 more clients with mental health packages and 32 more residential and nursing placements at outturn, than Period 9. The reductions in staffing spend is due to limited success in the recent recruitment drives, delays in staff starting in post before 31 March and staff leaving the service. The main variances are summarised below:

Provider Services (£361k underspend)

The pressures have been driven in the main by In-house Supported Accommodation (£1.131m), offset by underspends on Reablement (£0.722m), Day Centres (£411k) and Equipment and Adaptations of £312k. The overall position has reduced by £0.632m since Period 9 and this is due to slippage on recruitment plans and staff turnover (£377k), additional client income in Supported Accommodation (£110k) and a combination of limited recruitment success and increased fee income in the case of Equipment and Adaptations (£145k).

Recruitment difficulties continue due to labour shortages in relation to lower graded support worker roles in the in-house Supported Accommodation service. The availability of vacancies across the wider jobs market is a challenge. Meanwhile, the Equipment and Adaptations Service is struggling to attract more specialist staff to complete assessments, such as occupational therapists. A recent recruitment drive has had limited success and managers are now going out again to try and fill roles. Managers across all service areas are being supported by dedicated additional HR support. There is further support from officers across the council who work with colleges and further education providers to attract potential candidates to vacant roles.

As previously reported, £0.600m of the overspend is in relation to fire safety remedial works which requires additional staffing levels until mitigating capital works are complete. Limited progress has been made on the work in 2021/22. There is an expectation that the work will complete in early 2022/23, which will allow for staffing levels across the service to reduce. The service is now supporting 172 clients which is an increase of 2 from the start of the year. A review to assess the number of units required in the long term has been scoped and will be considered alongside a review of external supported accommodation to be undertaken by the learning disability commissioning lead. This will include options to bring the capacity into line with the available budget.

Hospital Teams (£403k underspend)

There is an underspend on Hospital Social Worker budgets of £403k at year end. This reflects difficulties in the recruitment and retention of qualified social workers resulting in vacancies being higher than anticipated throughout the year and the utilisation and maximisation of external funding supporting hospital discharges.

Integrated Neighbourhood Teams (£304k overspend)

The reported year end overspend is driven by an overspend on residential and nursing budgets of £1.488m, direct payments of £1.448m, both of which are offset by underspends on homecare budgets of £1.712m, other care budgets of £386k, and staffing of £532k. This reported position is following the deferral of £5.5m of systems support funding as detailed in the recent report to health scrutiny. This funding is now in the adult social care reserve and will be utilised in the 2022/23 budget.

Although the number of clients in residential and nursing provision remains lower than pre-COVID levels. (884 at end of March 2022 vs 998 at March 2020), numbers have started to increase over the last few months. There has been a net increase of 32 clients from Period 9. This will be closely monitored into 2022/23 to ascertain the full year effect of the increase. A return to the level of clients in 2019/20, may result in a call on funding held in the ASC reserve. The reported financial position allows for £0.962m of clients funded by the CCG to transfer back to the council following an appropriate Care Act assessment. Additional bed capacity is now in place across the city which will utilise a D2A (Discharge to Assess) model. The D2A model allows for timely discharge out of hospital into a care setting where a full care assessment regarding the clients' needs can take place. This should ensure any future discharges from hospital result in the most appropriate level of care and support for each individual and will enhance the work to support timely and appropriate hospital discharges to reduce the pressure on hospital beds.

The number of homecare hours commissioned at year end was at its lowest level for the year. (28,389 a week at year end compared to 31,033 in April 2021). The actual number of clients supported in March 2022 is 1,889, well below the start of the year of 2,029, and 38 fewer than Period 9. This resulted in a £1.712m underspend against the available budget.

Some pressures remain within the homecare market as certain providers are struggling to recruit and retain staff, but with the exception of some parts of the city, providers are now picking up packages in a timely manner. This is assisting with the flow of clients from hospital. Any packages not picked up by the framework providers continue to be picked up by the safety net providers. Workforce recruitment and retention funding from central government totalling £5.138m has been distributed to providers in line with the funding conditions. This should be supporting with retention of staff and will allow for increased hourly rates, as a precursor to the introduction of the RLW in 2022/23.

The pressure on direct payments has remained constant for most of the year, resulting in a year end overspend of £1.448m. There is growing evidence that clients are choosing a direct payment, following their strengths-based reviews, rather than a traditional homecare package. A budget re-alignment exercise, in consultation with service managers, will be completed and reported for 2022/23, where it is evident that clients have moved from a homecare package to a direct payment.

There was an underspend on external day care and supported accommodation as the numbers attending the provision remain lower than before the pandemic. (120 clients as at March 2020 and 89 as at March 2022). A review of day care services is now underway which will include services provided in-house and externally commissioned. The review will determine what type of service is needed for clients in the future.

Complex Services

- There is a £0.581m overspend across the complex services budgets, which breaks down as
 - an overspend of £1.384m on external learning disability packages,

- An underspend of £386k on specialist learning disability social workers,
 - offset by underspends of £417k on mental health packages.
- There has been a reduction of £411k on the Learning Disability externally commissioned packages since Period 9 and the underspend on the staffing budget has increased by a further £85k. The reduction in the staffing forecast relates to the delays in the recruitment of social workers. Recent recruitment activity has had some success with 3 new starters expected in the coming months. However, managers are continuing with their recruitment drive as the service are carrying 14 vacant posts as at end of March. The difficulties in recruiting specialist social workers with experience of learning disabilities or 'transitions' remains significant and until staffing levels increase progress on reviews to deliver the budgeted BOBL savings will be limited.
- There has been a net decrease of 21 clients since Period 9, with numbers at year end now totalling 1,104, which is 31 below April 2021.
- Workshops are underway to look at the projected level of BOBL savings which could be achieved in 22/23 and how the reduced staffing levels will impact on the speed with which the savings can be delivered.
- The pressures above are off-set by an underspend of £419k on mental health packages. As previously forecast, client numbers across mental health services have fluctuated across the year. Numbers have increased by 10 since Period 9 across the main care provision of residential, nursing and supported accommodation. These numbers are now 699, the highest level recorded all year. The recent increase in client numbers reflects reports from operational managers regarding the increased demand for services which they are recording.

Commissioning

- The commissioning of Extra Care provision has a yearend underspend of £0.780m. This is a further increase in the underspend of £259k from Period 9. The increased underspend reflects continued slippage on the delay of the opening of the new schemes, (in particular Dahlia House, which opened in March) and the re-alignment of spend with one of the existing sheltered housing schemes. Once these new facilities are fully operational it is expected that savings will be made elsewhere in the service, most likely in relation to residential placements.

Back Office

- Back-office budgets have a yearend underspend of £1.772m. This reflects:
 - £0.724m of BOBL investment not deployed in 2021/22 but available for 2022/23,
 - £419k of BCF funding,
 - Staffing underspends on Business Support of £317k due to recruitment delays,
 - Commissioning and back office of £312k on staffing (recruitment delays) and support budgets.

Population Health

- Population Health have reported a balanced budget at year end, with £1.612m of funding carried forward in line with their grant conditions. There were underspends on both the staffing and external activity-based contracts as the service continued to lead the response to living with COVID-19. The underspend carried forward will allow for expected staffing pressures whilst Test and Trace activities are reduced in the early months of 2022/23 and for wider service developments across 2022/23.
- A review of staff who have supported all aspects of the city council's COVID response is underway as is the initial work to look at enhancing the 'prevention services' which will be required post COVID-19.
- The other out of scope services have an underspend of £76k and reflect an underspend on the voluntary sector contracts due to a revised offer and recruitment slippage on Asylum budgets.

Neighbourhoods

5a. Neighbourhoods overall - £0.931m overspend

	Annual Budget	Outturn	Variance	Movement from P9
		£000	£000	£000

	£000			
Neighbourhood Management & Support	1,111	989	(122)	(122)
Operations and Commissioning	43,878	47,743	3,865	328
Parks, Leisure, Events and Youth	8,465	8,676	211	(109)
Compliance and Community Safety	16,221	15,325	(896)	84
Libraries, Galleries and Culture	9,762	9,668	(94)	169
Neighbourhood Area Teams	2,813	1,958	(855)	(610)
Other Neighbourhood Services	440	387	(53)	(37)
SUB TOTAL	82,690	84,746	2,056	(297)
Highways	17,780	16,655	(1,125)	(672)
SUMMARY TOTAL	100,470	101,401	931	(969)

Neighbourhoods Financial Headlines

Overview of main variances (£0.931m overspend)

Neighbourhoods Service outturn is an overspend of £0.931m, and the main variances are set out below:

Neighbourhoods Management and Support - £122k underspend

- This is due to a combination of additional income (£88k) and underspends on supplies and services £18k and other minor variations.

Operations and Commissioning - £3.865m overspend - driven by a shortfall in income as the service recovers from the impact of COVID

- £1.014m shortfall in Christmas Markets revenue due to reduced scale of markets because of the Albert Square closure.
- £109k underspend for markets income due to reduced running costs on Commercial and Specialist Markets of £72k mainly because of placing permanent stalls in Piccadilly and a reduction in costs for special events with Wholesale, Retail and City Centre Markets making small gains as changes to staff rotas and reduced running costs have been beneficial to the outturn position along with a reduction in the cost of waste disposal at New Smithfield Market.
- School Catering provision transferred to schools from September 2021. An in-year loss of £0.606m is due to the timing of schools exiting the contract, resulting in trading losses of £150k, plus the contract buy out cost of £140k, along with salary payments of £219k for employees leaving the service, supplier relief of £94k, £30k bad debt contribution and other minor variations. The £0.606m overspend is after the application of £0.626m drawdown from the catering reserve.
- Advertising has underachieved its income target by £477k in 2021/22, this due to only receiving part year income for the new small format advertising contract that started in August 2021.
- Grounds Maintenance – staffing underspends and increased income are partially offset by the increased cost of sub-contractors leaving a net underspend of £166k.
- Bereavement Services have £295k higher than budget income this is due to the ongoing high demand for Manchester facilities and increased income from memorialisation.
- Pest Control has out turned at £66k better than budget as the service has generated increased commercial and internal income
- Fleet Services has overachieved by £45k due to increased vehicle hires as a result of COVID and the Head of Business Units has saved on professional fees and running costs to the value of £90k.
- Due to continuing increased tonnages for residual waste as a result of changing habits caused by COVID-19 the waste levy costs were £0.732m higher than the original budget. This is in line with the original forecast as part of the 2021/22 budget setting, and it was agreed as part of budget reporting that COVID funding will be drawn down to mitigate the increased

costs. The overspend is principally due to £184k increased costs for additional rounds due to COVID-19, £75k lower than anticipated Trade Waste income and increased electricity costs for electric vehicles.

- CCTV – Overspend of £0.630m as a result of increased costs for CCTV monitoring and an adjustment to internal recharge costs.
- £1.658m reduced off street car parking income due to a combination of both season ticket sales and pay on the day car parking income not returning to pre-pandemic levels.

Parks, Leisure Events and Youth - £211k income shortfall

- The loss of income is attributed to the closure of the Manchester Aquatic Centre (MAC) and associated loss of income from the car park.

Compliance and Community Safety - £0.896m underspend

- This is due to staffing underspends of £0.976m for revised recruitment assumptions, maximising the use of COMF funding for staff being redeployed on to COVID related activities and net running cost being lower than expected mainly due to a reduction in the forecast for landfill costs. These are partially offset by lower income recovery due to the pandemic, revised assumptions within income funded services and increased contract costs within the Domestic Violence and Abuse Services.

Neighbourhood Teams - £0.855m underspend

- The £0.855m underspend on Neighbourhood Teams is due to grant funding being received in respect of the resources diverted to support the City Council response to managing the pandemic across the City during the last 12 months and an additional £245k on staffing due to a combination of vacant posts and staff not being at top of grade.

Other Neighbourhoods Services - £53k underspend

- The underspend is due to reduced City Co contribution.

Neighbourhoods Management and Support - £120k underspend

- This is due to leadership time recharged to the GM Pathfinder Pilot £37k, underspend on supplies and services £18k and additional income of £51k and minor variations.

Highways - £1.125m underspend

- The underspend is largely due to increased income made up of 0.672m in respect of additional chargeable works carried out by Highways Maintenance (Manchester Contracts) and £0.564m increased fee income on Highways Capital Programme. These are partially offset by £111k other minor adverse variances across Highways.

The Neighbourhoods overall position has improved by £0.956m since the last report and the key variances are set out below:

- Neighbourhood Teams underspend is £0.610m higher than previously reported this is due to grant funding being received in respect of the resources used to support the City Council response to managing the pandemic across the City during the last 12 months.
- Highways have received £0.564m increased income from chargeable works, and there are other small variances that contribute to the overall £0.672m increased underspend.

The above underspends are offset by:

- Operations and Commissioning overspend increasing by £328k, and this is due to additional COVID costs and reduced trade waste income £281k, delayed Advertising income £315k, supplier relief, ongoing costs and additional bad debt provision at Manchester Fayre £267k, internal recharge adjustments on CCTV £161k mitigated by the Markets position improving by £260k due to reduced employee and running costs and increased income across the market estate, additional income for Bereavement Services £115k and Pest Control £66k, increased income for Grounds Maintenance £66k and other minor variations.
- Libraries had increased expenditure on running costs and reduced income resulting in a net movement of £169k.

5 b. Homelessness - £6k Underspend

Homelessness	Annual Budget	Outturn	Variance	Movement from P9
	£000	£000	£000	£000
Singles Accommodation	2,386	2,294	(89)	(5)
B&B's (Room only)	4,279	6,143	1,864	145
Families Specialist Accommodation	323	273	(50)	(3)
Accommodation Total	6,985	8,710	1,725	137
Floating Support Service	1,850	1,677	(173)	(69)
Dispersed & Temporary Accommodation Management Fee	3,380	4,588	1,208	19
Dispersed Accommodation Total	5,230	6,265	1,035	(50)
Homeless Management	916	1,030	114	35
Homeless Assessment & Caseworkers	2,449	2,237	(212)	(22)
Homelessness PRS & Move On	1,662	1,662	0	0
Rough Sleepers In reach/Outreach	493	493	0	0
Tenancy Compliance	161	131	(30)	(43)
Homelessness Support Total	5,681	5,553	(128)	(30)
Commissioned Services	7,666	7,606	(60)	(60)
Commissioned Services Total	7,666	7,606	(60)	(60)
COVID-19 Response	3,402	824	(2,578)	(3)
COVID-19 Response Total	3,402	824	(2,578)	(3)
Total	28,964	28,958	(6)	(6)

Homelessness Financial Headlines

The reported position for Year-End is an underspend of £6k this is broadly in line with the breakeven position reported in Period 9.

As reported in Period 9, additional income was received for the Homelessness Prevention Grant Top Up £0.689m, the purpose of this grant is to support low-income vulnerable renters with COVID-19 related rent arrears to avoid eviction or find a new home where necessary in order to prevent homelessness. Local authorities are able to target funding to those who need it most and help them get back on their feet. This funding has been spent in full.

Protect and Vaccinate funding of £0.729m has also been spent in full. Over the course of the pandemic, one of the most immediate ways to prevent transmission of COVID-19 amongst those sleeping rough was to provide self-contained accommodation, given the threat posed by Omicron DLUHC recognised the need to go further. This funding was utilised to make offers of safe and appropriate accommodation to people who are rough sleeping now. This included people who may have previously been offered accommodation but rejected it or left accommodation, and individuals new to rough sleeping who require help to move on from rough sleeping.

Overview of main variances:

- Bed and Breakfast (B&B). Overspend of £1.864m, average placements per night were 352 for singles and 107 families in March, with a further 30 families in nightly paid accommodation. The flow and availability of dispersed temporary accommodation has decreased and is impacting on the number of families in B&B, the numbers of presentations remain high, with over 10,000 presentations in 2021/22. The current net cost of B&B provision is £110k per week (£5.7m p.a.)

- Dispersed accommodation and temporary accommodation management fee. Overspend of £1.208m, in line with the last reported position in Period 9. The current housing subsidy loss to the Council is £149k per week (£7.7m p.a.). Placements at the end of March were 1,636, compared with 1,969 in March 2021. This is a reduction of 323 from March 2021 with 395 properties transferring to the District Homes pilot to date, with District Homes due to take on the management of 400 properties. The number of dispersed properties had increased by 306 in 2020/21.
- Homelessness Private Rented Sector (PRS) and Move On. Although a balanced budget is reported, a budget virement of £0.912m, approved by Executive in February, has been actioned from the budget allocated as part of the 2021/22 budget setting process from the COVID 19 response area to match the updated forecast spend. Further work is being undertaken to review the current relationships with PRS providers with a view to increase supply in the City. Increased spend on PRS should result in a reduction in the forecast spend for B&B and Dispersed as residents move into the Private Rented Sector where move on from temporary accommodation is the outcome, however a large proportion of the spend is incurred by preventing current tenants from losing their tenancy and therefore requiring temporary accommodation in the first instance.

The above pressures are offset by an underspend of £2.578m on COVID-19 allocation. Budget allocation has not been vired from COVID 19 underspend to cover pressures in B&B and Dispersed, as these are not viewed as the long-term solutions to provide better outcomes for residents.

5c. Housing delivery and HRA

Housing Revenue Account	Annual Budget	Net Actual Spend	Projected Outturn	Projected Variance from Budget	Movement from P9
	£000	£000	£000	£000	£000
Housing Rents	(61,617)	(61,440)	(61,440)	177	123
Heating Income	(533)	(586)	(586)	(53)	(53)
PFI (Private Finance Initiative) Credit	(23,374)	(23,374)	(23,374)	0	0
Other Income	(1,131)	(1,156)	(1,156)	(25)	(12)
Funding From Investment Reserve	(237)	(97)	(97)	140	3
Funding from General/MRR Reserves	(16,694)	(3,146)	(3,146)	13,548	2,738
Total Income	(103,586)	(89,799)	(89,799)	13,787	2,799
Operational Housing R&M & Management Fee	25,415	26,877	26,877	1,462	380
PFI Contractor Payments	32,476	30,806	30,806	(1,670)	(7)
Communal Heating	532	625	625	93	93
Supervision and Management	5,489	6,031	6,031	542	679
Contribution to Bad Debts	930	195	195	(735)	(205)
Depreciation	18,435	18,435	18,435	0	0
Other Expenditure	1,305	1,228	1,228	(77)	(80)
Revenue Contribution to Capital Outlay (RCCO)	16,241	2,839	2,839	(13,402)	(3,659)
Interest Payable and similar charges	2,763	2,763	2,763	0	0
Total Expenditure	103,586	89,799	89,799	(13,787)	(2,799)
Total HRA	0	0	0	0	0

Movement in General/MRR Reserves	Opening Balance	Budgeted Adjustment	Forecast Closing Balance	Additional Adjustment	Actual Closing Balance
	81,115	(16,694)	64,421	13,548	77,969

Housing Revenue Account - Financial Headlines

The HRA underspent by £13.548m, this is made up of a small underachievement of income c.£239 and reduced expenditure of £13.787m. The main reduction in expenditure relates to changes made to the programme of capital works. This is an increase in underspend of £2.738m from the forecast at Period 9, the significant changes being:

- Revenue contribution to capital expenditure has reduced by £3.659m, this is due to slippage in the capital programme.
- Additional repairs and maintenance costs £380k due to initial mobilisation costs of the new contractor.
- Reduced contribution to bad debts of £205k.
- Supervision and Management £0.679m, mainly costs related to the transfer of Northwards back to the Council.
- A reduction in housing rents of £123k.

A full list of variances that make up the yearend position is as follows:

Underspends of £15.909m:

- Reduced contribution towards capital expenditure of £13.402m. This is mainly due to a revised Capital Programme budget and schemes slipping into the following years.
- Reduced PFI Contractor payments of £1.670m, mainly due to a deferral in planned sprinkler works. This expenditure will now take place in 2022/23 and 2023/24.
- A reduction of £0.735m in the bad debt requirement, the budget for bad debts has been increasing year on year, largely due to the continued roll out of Universal Credit but the assumed reduction in rent payments has not materialised. The budget has now been adjusted going forward as part of the 2022/23 budget.
- Other minor variations of £102k.

Offset by overspends of £2.361m:

- Increase in the Repairs and Maintenance (R&M) and Operational Housing Management Fee of £1.462m. This is due mainly to the settlement of backlog R&M costs and costs associated with mobilisation costs for the new contractor £1.601m, net additional costs of £446k due higher than forecast council tax charges for void and empty properties and additional legal costs (£320k), offset by reduced spend on staffing and premises, and a saving of £0.585m on one-off costs associated with the transfer of Northwards back in-house, as these were charged directly to the HRA.
- A reduction in rental income of £177k, due to higher than forecast voids, and an increase in right to buys.
- A number of additional costs totalling £0.542m on Supervision and management, mainly additional fees to YES, and increased electricity costs due to contracted price rises.
- A reduced drawdown from the Investment reserve of £140k to fund salaries as above.
- £40k net increase in communal heating costs/income

Any surplus/deficit in year has to be transferred to/from the HRA reserve. At year end, £3.146m will be transferred from reserves at year end, leaving £77.969m in the HRA General Reserve at the end of the year.

Growth and Development

Growth & Development	Annual Budget £000	Outturn £000	Variance £000	Movement since P9 £000
Investment Estate	(12,532)	(13,145)	(613)	(9)
Manchester Creative Digital Assets (MCDA)	250	1,165	915	574
Growth & Development	159	222	63	63
City Centre Regeneration	1,292	1,153	(138)	(138)
Housing & Residential Growth	1,169	1,183	14	18
Planning, Building Control & Licensing	(732)	(1,037)	(305)	(305)
Work & Skills	1,891	1,446	(445)	(445)
Manchester Adult Education Service (MAES)	0	176	176	176
Our Town Hall Project	0	442	442	442
Total Growth & Development	(8,505)	(8,395)	110	374

Growth and Development - Financial Headlines

Overview of main variances (£110k overspend)

Growth & Development has overspent budget by £110k, this is an adverse movement of £374k since the previous report and main reasons for this are as follows:

- MCDA – a worsening of the in year income losses reported, and increased utility costs (£0.574m)
- Additional agency costs (£63k)
- Our Town Hall Project – additional rental costs for the use of Bridgewater House (£442k)
- City Centre Regeneration - Reduced project expenditure (£138k)
- Increased income from planning and premises licensing (£305k)
- Work & Skills - £266k due to the delayed recruitment of staff for the digital city project and reduced project costs. A further underspend of £176k was used to offset the overspend in MAES.

The overall £110k adverse variance is due to:

- Investment Estate – underspend of £0.613m, made up of additional rental income £0.918m, (including Heron House £331k, Manchester Central £190k, and net £397k additional income across the whole estate due to rent reviews offset by an increased requirement for bad debt, which totalled £0.872m) and staff savings £300k. The underspends are offset by reduced income from Manchester Airport (£159k), Barclays Computer Centre (£143k), and other major sites (£303k).
- Manchester Creative & Digital Assets – overspend of £0.915m due to a combination of ongoing reductions in income at Space Studios due to COVID and increased utility costs.
- City Centre Regeneration – underspend of £138k due to lower than forecast project costs.
- Planning, Building Control & Licensing – an underspend of £305k due to staffing savings and slightly better than anticipated income.
- Work & Skills – £445k lower than forecast costs, due to the delayed recruitment of staff for the digital city project and reduced project costs.
- MAES - £176k overspend due to costs of severance as part of the ongoing restructure in order to downsize the organisation to ensure ongoing sustainability. Our Town Hall Project - £442k of additional costs due to the lease renewal at Bridgewater House.
- Our Town Hall Project – additional rental costs for the additional office accommodation during the refurbishment (£442k)
- Other minor overspends £77k

Corporate Core – £0.763m underspend

Chief Executives	Annual Budget £000	Outturn £000	Variance £000	Movement since P9 £000
Coroners and Registrars	2,176	1,877	(299)	(17)
Elections	1,082	1,082	0	0
Legal Services	7,066	6,050	(1,016)	51
Communications	3,159	3,136	(23)	(23)
Executive	979	1,009	30	38
Legal, Comms, Democratic Statutory Sub Total	14,462	13,154	(1,308)	49
Corporate Items	1,255	1,217	(38)	(91)
Chief Executives Total	15,717	14,371	(1,346)	(42)

Corporate Services	Annual Budget £000	Outturn £000	Variance £000	Movement since P9 £000
Policy, Performance and Reform	13,936	13,818	(118)	(83)
Finance, Procurement, Commercial Gov.	7,656	7,674	18	11
Customer Services and Transactions	25,763	25,535	(228)	100
ICT (Information & Communication Technology)	15,304	15,225	(79)	16
Human Resources & OD (Organisational Development)	4,042	4,078	36	36
Audit, Risk and Resilience	1,375	1,207	(168)	(53)
Capital Progs, Operational Property, Facilities	17,103	18,225	1122	889
Corporate Services Total	85,179	85,762	583	916
Total Corporate Core	100,896	100,133	(763)	874

Corporate Core - Financial Headlines

Corporate Core is reporting a net £0.763m underspend, and the key variances are:

- Coroners and Registrars £299k underspend due to additional income from civil ceremonies and registration of births and deaths.
- Legal Services £1,016m underspend due to savings on employee budgets due to timing of recruitment to Commercial and Regeneration team vacancies £0.606m, charges to both internal and external clients, and due to increased levels of activity the fee income is £164k higher than budget and Governance and Scrutiny has £246k underspends on supplies and services.
- Policy, Performance and Reform £118k underspend due to savings on employee budgets due to timing and recruitment to vacancies £329k, £39k underspend on running costs partly offset by £250k reduced income on project activity.
- Finance, Procurement and Commercial Governance £18k overspend made up of a £344k underspend on employee budgets due to timing and recruitment to vacancies. This is offset by £139k for the contribution to consultants' costs for work reviewing Manchester Airport Group pension proposals, £66k for Corporate Leadership training and £157k for bad debts, bank charges and running costs.
- Customer Services and Transactions - £228k underspend due to savings on employee budgets due to timing and recruitment to vacancies, £69k, underspend across supplies and services £103k and £56k reduced income.

- ICT - £79k underspend due to savings on employee budgets due to the timing and recruitment to vacancies £229k, underspend on running costs £248k partly reduced by £398k of reduced income charged to projects and £103k consultancy costs for the service peer review.
- Capital Programmes - £0.768m overspend due to Town Hall utilities costs £0.820m, Wythenshawe Hall additional security costs £121k, unachieved Operational Property savings £353k, closure of Hulme office £105k, running costs in Facilities Management £102k partly offset by £346k underspend on employee budgets in Operational Property of £95k and facilities management of £251k and a further £387k income achieved in capital programmes.

There has been a reduction of £0.874m in the underspend since last reported in Period 9. This is due to an increase in Town Hall utility costs of £0.820m, running costs of £45k and reduced income of £56k in Customer Services and Transactions.

Savings Achievement - £2.015m not achieved

	Savings Target 2021/22		
	Achieved £000	Not achieved £000	Total £000
Children's Services	11,619	740	12,359
Adult Social Care	10,597	1,000	11,597
Neighbourhoods Directorate	6,408	275	6,683
Homelessness	2,335	0	2,335
Growth and Development	1,108	0	1,108
Corporate Core	6,635	0	6,635
Total Budget Savings	38,702	2,015	40,717

Savings - Headlines

£40.717m approved savings, £2.015m (4.8%) are unachieved as follows:

- Children's Services - £0.740m. Made up of £348k which relates to leaving care due to a delay in registered provider's provision; £392k relates to multi agency agreements and achievement of this was dependent on the number of placements being agreed through this mechanism. The underachievement is mitigated by underspends in the current financial year. Based on the multi agency agreements to date it is expected that the saving will be fully achieved in 22/23. The Leaving Care savings shortfall is one-year only and will be fully achieved in 22/23.
- Adults - £1.000m – Delays to recruitment have impacted on the BOBL programme. This delay has meant that £5.097m of savings has been achieved to date as a result of a number of clients package reviews; and £1.000m unachieved relating to Learning Disability packages. This has been offset in year by other savings elsewhere in the Directorate and will be addressed in 22/23 through the on-going BOBL programme.
- Neighbourhood Services - £275k of advertising income in relation to a proposed new advertising screen at Piccadilly Gardens has not been achieved this year. Discussions are ongoing around what alternative savings can be identified to offset this shortfall.