



**STOCKPORT**  
METROPOLITAN BOROUGH COUNCIL

**Stockport**  
**team**  
**ambition**  
**respect**

# Resources, Commissioning and Governance

## Portfolio Performance and Resources Mid-Year Report 2020/21



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**ONESTOCKPORT**

Date:	30 Nov 2020	Version	1.0	Approved by	TMcG
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# RESOURCES, COMMISSIONING & GOVERNANCE - PORTFOLIO OVERVIEW



## Portfolio Summary

As we're about to exit the second national Covid-19 lockdown but segue into a harsher Tier 3 regime in Stockport, this seems an appropriate point to consider where we might be heading in the next six months based on the context of the past six months.

Heading for the start of the 2020/21 financial year, our carefully thought-out plans have been severely impacted upon – to some extent the impact has been mitigated by a financial base that was resilient plus a range of government grants. Many other councils are in a worse financial position compared to Stockport, but we have still had to make significant adjustments to our financial position reflecting both the large increases in unexpected expenditure and the equally large and unexpected decreases in Council income.



The headlines are stark – currently at the mid-year point the estimate of the financial impact (cost and loss of income) for the year is circa £64.9m gross adverse financial impact. We have received £36.5m of Government support funding, leaving a potential funding gap (Covid-19 related) of approx. £28.4m in 2020/21. We are using a range of options to significantly reduce this - and without having to resort to an emergency budget process for this year.

Whether or not the next six months sees more unanticipated expenditure in tandem with more income losses remains to be seen - but the focus is now more on the following two financial years.

The one-year Comprehensive Spending Review has just been announced – like all councils we were hoping for a 3-4 year review which would, we hoped, have addressed issues such as long-term funding for adult social care, but equally would have given us the opportunity to plan over a longer period with more certainty.

Other areas where - like other councils - we were expecting more clarity were around the Fairer Funding Formula and Business Rates Retention schemes – they would determine our share of national funding, but these have been put back to 2022/23 at least.

One positive aspect is that we have still managed to provide apprenticeships in the broad CSS directorate which given the impact of Covid-19 on employment generally is to be welcomed.

Another area of Covid-19 impact is how we use our buildings and estate – we can't assume that there is a 'one size fits all' solution for the future so we're looking at the needs of both the Council and individuals to see – where possible – where we can tailor solutions to meet needs and ensure the wellbeing of staff.

On a wider scale we continue to work with partners and communities to develop plans - with the focus on the next iteration of the Borough plan – as well as supporting the 'One Stockport' initiative'.

Many members will be aware of the joint commissioning work being done with the CCG and parents over the past eighteen months for children with special educational needs and disabilities – this is about to go out to tender so this is a big milestone to have reached.

Finally, in spite of adversity, normal services continue to be provided. School places have all been allocated for next academic year, housing benefit claims are being met and Council Tax and Business Rates collected, with grants being 'passported' via Government business support schemes.

**Cllr Tom McGee, Deputy Leader and Cabinet Member for Resources, Commissioning and Governance**

### Revenue Budget (Forecast)

	£000
Cash Limit	24,140
Forecast	30,862
(Surplus)/Deficit	6,722

#### Reserves

Approved use of reserves balance is £5.565m, planned draw down at Q2 is £1.311m in support of revenue expenditure, including £0.200m held in reserves reported in another Portfolio.

### Capital Programme

	£000
2020/21 Capital Budget	35,987
2021/22 Capital Budget	47,106
2022/23 Capital Budget	3,023

# RESOURCES, COMMISSIONING & GOVERNANCE

## 1. DELIVERING OUR PRIORITIES



This report is based on the **2020/21 Portfolio Agreement**, considered by the Corporate, Resource Management and Governance Scrutiny Committee on 8<sup>th</sup> September and approved by Cabinet on 6 October 2020. The link to the Agreement can be [found here](#).

Updates on **key programmes of work and other activities** are referenced within the Portfolio Priorities within this section of the report, alongside the latest available **performance data**. The Portfolio Agreement included updates where available to the end of July, and this report reflects the picture as at the end of October where this is available.







**Performance measures** are reported where new data or forecasts are available since the Portfolio Agreement. Latest data across all measures is available via the Portfolio Dashboard and will be included in the Annual Report. These are categorised to reflect the Council's influence and responsibility as Council, Partnership or Contextual. These categories are used to determine the type of target used as numerical, comparator, direction of travel or if no target is set. Definitions for these categories and target types are included within the Agreement.

**Highlight and exception commentary** is provided for performance measures. Where performance or progress in delivering priorities is impacted by the Covid-19 pandemic and resulting restrictions, this is reflected within the commentary. As highlighted in the Agreements, it has not been possible to set annual targets for some measures due to these impacts, but 'direction of travel' will continue to be shown for these. For those measures reported quarterly, a full-year forecast is included where possible, based on actual performance to date as well as any other factors that are expected to affect performance in future quarters.

The Portfolio Performance Dashboards are being launched alongside these reports, and the Resources, Commissioning and Governance Dashboard can be [found here](#). This contains further historical trend data in addition to comparative data (where available) the latest of which relates to 2019/20.

In response to feedback from Scrutiny Committees, the criteria for RAG rating and direction of travel status has been clarified and is included below. The rationale for any variations to this will be clearly highlighted within the commentary.

### Key to symbols used in tables

	Red; Indicator is performing significantly (>5%) below target		Getting worse; The forecast year-end position for this indicator is less favourable than the previous year-end.
	Amber; Indicator is performing slightly (<5%) below target		Stable; The forecast year-end position for this indicator is within 1% either side of the previous year-end.
	Green; Indicator is on track or performing above target		Getting better; The forecast year-end position for this indicator is more favourable than the previous year-end.

**Bold measures** are included in the Greater Manchester Strategy outcomes framework and/or suite of 'headline' measures included in Corporate Report



## **Priority 1: Building financial resilience and sustainability**

### **Medium Term Financial Plan (MTFP) and Addressing the financial impact of Covid-19**

The Council's 2020/21 Budget and MTFP approved in February have clearly now been superseded by the financial impact of the Covid-19 pandemic. The financial challenge presented by the impact of pandemic is unprecedented. As part of the monthly Covid-19 returns to Government, the Council's current estimate of the financial impact (cost and loss of income) is circa £64.9m gross adverse financial impact. To date the Council has received £36.5m of Government support funding (including £14.1m relating to the funding of Infection Control, Track and Trace, Council Tax Hardship, Food Poverty and Essentials Support etc). This leaves a potential funding gap (linked to Covid-19) of circa £28.4m in 2020/21. This financial impact will be mitigated through the expectation of further Government funding relating to income losses from sales, fees and charges, deferral of forecast Collection Fund (Council Tax and Business Rates income) losses over the next three financial years, core budget underspends/offsets where services have reduced or ceased during the pandemic and use of available resources including reserves.

The MTFP update presented to the Cabinet meeting in October forecasts a savings requirement of £23.341m in 2021/22 rising to £34.825m in 2022/23 taking into account the forecast Covid-19 financial scarring impacts and updates to the underpinning MTFP forecasts and assumptions. The financial landscape continues to be challenging due to the significant levels of uncertainty, volatility and risk exacerbated by the financial impact of the pandemic. It is noted that the financial position presented in this update did not make any assumption for the financial impact of further national and/or local lockdowns/restrictions. As part of the 2021/22 budget setting process, a further MTFP Update will be presented to the Cabinet meeting in December. This will ensure the underpinning MTFP forecasts and assumptions are based on the latest available information and continue to be updated to reflect the impact of national decisions and announcements in terms of further national lockdowns, tier restrictions and emerging vaccines. This will ensure the Council's 2021/22 Budget and MTFP is set on a robust basis to inform decision making.

Due the Government's prioritisation of the national response to the pandemic, the Autumn Budget Statement expected to be announced in October was cancelled, and it has been confirmed that the Government Departments' Spending Review will be for one year only – 2021/22 (it was expected prior to the pandemic that this would be a multi-year Spending Review) to be announced in late November. As a result, the Local Government Finance Settlement is expected to be announced by Government in mid-December and it is likely to be (not confirmed) a one year 'roll-over' funding settlement for 2021/22. A further one-year settlement adds to the uncertainty and is making medium term financial planning difficult; there is no certainty over the direction of Local Government funding beyond 2021/22.

The delay to the completion of reforms linked to the Fairer Funding Formula and Business Rates Retention (see below), both of which will determine the distribution of national funding to Local Authorities going forward add further uncertainty, volatility and risk to the MTFP. Prior to the Covid-19 pandemic these reforms were expected to impact on the Local Government Finance Settlement for 2021/22, but Government has since confirmed these reforms will be implemented in 2022/23 at the earliest.

The 2020/21 Reserves Policy was approved by the Cabinet meeting in October. The Policy ensures that the Council's earmarked reserves remain aligned to its corporate and strategic objectives over the medium-term period. In addition, the Policy provides assurance that reserves can be made available in the absence of further Government support funding to mitigate and smooth the financial impact of the pandemic on a short-term basis. However, it is recognised that a significant use of reserves to mitigate the Covid-19 financial impact will have a severe impact on the Council's financial robustness and resilience over the medium-term period and impact on the Council's future ambitions and priorities for the Borough.

### **Business Rate Retention**

The Council continues to be a member of the GM 100% Business Rates Retention Pilot in 2020/21. Despite the impact of Covid-19 on in-year collection rates, we expect to benefit from the Pilot in 2020/21. This is due to the increased retention (100% rather than 50%) of the Business Rates growth in previous years. In addition, the GMCA has confirmed that they will not require this benefit to be shared with them (per the 50:50 sharing agreement) meaning 100% of the Pilot benefit can be retained by Council to support the Covid-19 financial response.

The MTFP Update forecast the 2020/21 Pilot benefit to be c£3.6m. The Council has taken a prudent approach to this and does not budget for any benefit from the Pilot in-year, but instead realises the benefit a year in arrears. This is then be used to support the Council's budget setting process, medium-term financial planning and capital investments. It is noted that this forecast will continue to be refined as the impact of changes in rateable values, increases in appeals by businesses and ongoing impact of Covid-19 are realised and impact on the Pilot benefit realised at the end of the financial year. In line with the expected one year 'roll-over' settlement in 2021/22, it is expected the GM 100% Business Rates Pilot will continue for a further year.

### **Value for Money Procurement**

The SPEND Team continues to develop process and practices to ensure purchasing activity complies with contract procedure rules and is developing best practice in line with the Chartered Institute of Procurement and Supply (CIPS). A number of the SPEND team members are undertaking the CIPS Foundation Degree apprenticeship. Office 365 capabilities are being tested by developing new vendor forms which will streamline processes.

The Council's early supplier payment scheme - Priority Account Service (PAS) - has been launched and is now live. This is a partnership with SMBC, Oxygen Finance and STAR. PAS suppliers benefit from accelerated invoice payment in advance of the standard 30-day payment term supporting their cash flows. In return, a small rebate agreed with each supplier is paid to the Council. PAS also includes a Free Pay scheme which allows local suppliers – micro and small businesses with an SK postcode – to benefit from the early payment scheme without having to pay a rebate.

### **Balancing the Cost of Services**

Due to Covid-19, many services have seen demand fall and currently CPI inflation is at a very low rate. Work has begun on reviewing each services approach to fee adjustments for 2021/22.

### **Housing Benefit and Council Tax Support**

A small group of apprentices were appointed at the beginning of September. It takes approximately four months to complete the relevant training, which is historically classroom led, followed by a period of consolidation to become fully effective in the benefits processing role. Staff are progressing well being based at home with virtual training and support.

Analysis of work checking results will be undertaken over the coming months which will inform an improvement action plan and corresponding training needs.

Work on benefit case reviews linked to a new DWP Housing Benefit Accuracy Indicator commenced in October. This is a government funded initiative to proactively identify unreported changes and make sure that the right amount of benefit is paid. Stockport's performance against the HB Accuracy Award measure will be included in the Annual Portfolio Report in 2021.







### **Rationalising our Assets**

Work is ongoing to identify opportunities to rationalise assets and ensure that retained assets are fit for purpose, safe and provide an appropriate setting for modern service delivery. Opportunities for improved asset optimisation are ongoing at Brinnington to deliver the One Stockport Connected Communities Programme.













Future phases of the Connected Communities Programme will see reshaping of assets at Hazel

Grove and Reddish. The mobilisation and delivery plan for these later phases is in development. A grant of £71,000 has been obtained from the Low Carbon Skills Fund to develop feasibility studies for retrofit low carbon heat solutions at 8 buildings. If viable these projects will contribute to the decarbonisation of the Estate and the aims of Stockport Climate Action Now.

## Measuring Performance and Reporting Progress

PI Code	Short Name	Good Performance	2018/19	2019/20	2020/21			
			Actual	Actual	Forecast	Target	Status	Trend
Council Measures								
RCG.1.1 BV.09	In-year Council Tax collection rate	High	97.25%	97.14%	96.20%	96.30%		
<p>The collection rate as at 31/10/20 was 63.83%, being 0.94% behind where the rate at the same time last year. The economic effect of Covid-19 on residents' ability to pay will continue to impact on collection rates during 2020/21.</p> <p>Recovery processes recommenced in early July alongside proactive telephone calls to residents where payment plans are not being maintained, subject to capacity. Charge payers are signposted to further financial support/debt advice where appropriate.</p> <p>Government funded hardship awards continue to be made where eligibility criteria is met, to reduce liability.</p>								
RCG.1.2 BV10	In-year Business Rates collection	High	97.52%	97.45%	93.61%	94.00%		
<p>The 2020/21 collection rate for Business Rates continues to be unpredictable as a result of changes in liability due to the award of government reliefs and changes in rateable value, along with the financial impact of Covid-19 on businesses.</p> <p>At the end of Q1, the collection rate was 1.83% behind the same time last year. By the end of October, the collection rate was 61.79% being 3.84% behind the same point in 2019/20, despite the recommencement of normal recovery procedures in July. However, the current position compares favourably against most GM Authorities.</p> <p>Priority continues to be given to the preparation/processing of government funded business grants in response to Covid-19.</p>								
RCG.1.3	Average time taken in calendar days to process Housing Benefit (HB) new claims and change events	Low	8.5	7.4	10.0	10.0		
<p>The majority of housing costs for working age claimants are now assessed as part of Universal Credit with the exception of complex cases such as hostels and supported accommodation. These still fall under Housing Benefit and by nature, are more complex to determine. However, during October, new claims took on average 15 days to process and changes in circumstances 10.6 days.</p> <p>It is difficult to predict what the effect of Covid-19 will have on the benefit caseload between now and the end of the financial year however it is likely that the target will be met providing performance can be maintained at the current level.</p>								

## Portfolio Performance and Resources - Mid-Year Report 2020/21

PI Code	Short Name	Good Performance	2018/19	2019/20	2020/21			
			Actual	Actual	Forecast	Target	Status	Trend
Council Measures								
RCG.1.4	Partnership Measure Average time taken in calendar days to process Council Tax Support (CTS) new claims and change events	Low	12.6	19.1	18.5	18.0		
<p>Performance on this measure continues to be highly dependent on DWP performance in processing Universal Credit applications, particularly in relation to CTS claims. Changes to procedures for the assessment of new claims were introduced in Q1 and continue to have the desired effect on improving processing times.</p> <p>The number of new CTS claims and changes in circumstances for working age claimants continue to rise as a result of the economic impact of Covid-19. Current processing times average 19.1 days for new claims, being a significant improvement compared to the same time last year, and 16.6 days for reported changes. Again, it is difficult to predict future changes in the benefit caseload but it is expected that the target will be met based on current performance being maintained.</p>								
RCG 1.5 BV8(i)	% of invoices paid within 30 days	High	92.9%	95.6%	93.0%	95.0%		
RCG 1.10 NEW	Percentage of invoices paid to local suppliers in 10 days	High	80.1%	74.9%	80.0%	80.0%		
<p>During August to October the Council paid 8,669 invoices with 94.0% of invoices paid within 30 days. This is a marked improvement on Q1+ of 90.7%. Overall performance for the year is expected to be around 93%.</p> <p>A new measure is included for 2020/21, linked to the One Stockport programme with the aim to pay local suppliers within 10 days as part of the Council's commitment to supporting local businesses. Performance for August to October shows 78.9% of invoices were paid in 10 days, similar to Q1+. Performance is expected to be around 80% for the year.</p>								
RCG.1.6 BSDR 27.01	Total property costs (occupancy, operational and m'gement) per m <sup>2</sup>	Low	£42.25	£33.32	£45.48	Aim to maintain		
RCG.1.7 BSDR 27.04	Total property occupancy / ownership costs (revenue) per m <sup>2</sup>	Low	£14.85	£14.40	£14.90	Aim to maintain		
RCG.1.8 BSDR 27.15	Total Annual Energy Consumption (KW/h) per m <sup>2</sup>	Low	93.69	75.68	70.10	70.00		
<p>Total Property Costs per m<sup>2</sup> have increased due to the requirement to make premises Covid secure (see commentary in Priority 3). Revenue costs are forecast to rise slightly whilst energy consumption has reduced to just above the target level.</p>								



## **Priority 2: Working in collaboration with strategic partners**

### **One Stockport**

As outlined in the PPRA One Stockport emerged from the inspirational response to Covid-19 across our Borough. With an immediate focus aligned to the reopening of the High Street in July, One Stockport has been particularly focusing upon the following three core calls to action:

- Shopping local and supporting local businesses – focused campaign on supporting local businesses including a range of marketing material to announce the reopening of the high street;
- Keeping yourself and each other safe (outbreak management messaging) – sharing information about how to stay safe through targeted communication material and support to local groups and communities;
- Staying connected and celebrating our communities – collecting and sharing stories from individuals and organisations across the Borough, celebrating and augmenting. This information is also being fed into the developing Borough Plan.

Feedback and input from community groups, partners and members, alongside the ongoing context of outbreak management, will now be informing the next phase of this work. This will include reflecting the momentum emerging from communities in anticipation of Christmas (in particular how people stay connected in unprecedented circumstances and support others) as well as ensuring One Stockport builds to capture the diverse and unique local identities across the Borough.

### **Borough Plan**

Partner and public engagement, which started a year ago with Our Stockport Conversation, along with analysis of key data and consultation results, is continuing to inform the emerging themes and priorities within the 'One Stockport' Borough Plan. A series of leadership workshops are being held in November and December, along with attendance at key strategic forums. This is being accompanied by a focused Borough Plan item at Area Committees during December. The first drafts of the Borough Plan and the Council Plan are due to be published in early 2021, before consideration at Budget Council in February.

### **Connected Communities**

The Council is continuing to work closely with VCSE partners - meeting on a weekly basis as part of a sector forum, as well as connecting on a regular basis with groups, mutual aid networks and community representatives. This has been particularly focussing upon:

- Sector resilience – working with Sector 3 to develop direct support for the VCSE including an emerging programme of information, advice and guidance to support organisations to respond to public health guidance. Alongside an alignment of investment support to ensure VCSE organisations are able to access funding (national, sub-regional and local), in addition to the Stockport Local Fund.
- Volunteering – working with Healthwatch and Sector3 to coordinate a local volunteer hub in response to immediate needs arising during Covid-19 but also to leave a legacy of volunteering. This will continue to be a focus over the coming months.
- Neighbourhood working, a community first response – working with community networks to develop community responses to local issues. Examples include: developing community Covid Champions; supporting the development of a Lancashire Hill network in response to local concerns and an identified need for greater joining up and local collaboration. Over the coming months, this area of work will focus on reviewing and understanding how the Council can best support and invest in community capacity development.

## Strategic Commissioning (including joint commissioning)

Work is underway on a review of all early intervention and prevention commissioning. This has included establishing a baseline for the service areas that contribute to early intervention and prevention, capturing detail from the whole of the Council's portfolio.

Strong work around joint commissioning for children with Special Education Needs and Disabilities (SEND) continues with further work on an investment plan that will consider opportunities aligned and pooled budgets between the CCG and the Council. This will involve deciding how local services can best be delivered to meet the needs of local children and families; who should provide the services and where; how the services will be paid for; and what outcomes will be expected.

Stockport has recently joined the new NW SEND framework contract, which is about to go out to tender. The Council has also been involved in developing the new GM Looked After Children (LAC) sufficiency strategy, and a new "observatory" portal that will be available for providers to view up to date LAC placement needs across Greater Manchester. This is due to be up and running by December.

Further work has been undertaken to refine the procurement dashboard which displays detailed analysis of council spend. This tool will continue to be used to target areas of high or off-contract spend and put a plan of action in place to consider local wealth building, compliance with contract procedure rules and ultimately contribution to Value for Money savings.



The developing commissioner and contract manager toolkit is also making good progress and is planned to be available for training purposes by the end of the financial year.

## One Public Estate Programme

Work continues with strategic partners coordinated by the Stockport Strategic Estates Group.

The Stations Alliance has progressed well to identify viable projects. The first of these projects will progress to the next phase on acceptance of the provisional Heads of Agreement. A report will be considered by the Cabinet in February 2021.

## Measuring Performance and Reporting Progress

PI Code	Short Name	Good Performance	2018/19	2019/20	2020/21			
			Actual	Actual	Forecast	Target	Status	Trend
Council Measures								
RCG 2.1 NEW	Percentage of cumulative spend on Social Value delivered through contracts	High	N/A	N/A	40.1%	25%		
The Q2 figure of 40.1% represents an improvement from the 35.4% recorded for Q1, and remains significantly higher than the STAR average of 24.6%.								

## **Priority 3: Corporate and support services that are fit for the future**

### **People Strategy**

The 'People Strategy' has been co-produced with colleagues across the organisation through the workforce steering group and is in the final stages of development. The Head of HR and OD is now in post and will programme manage the implementation of the People Strategy.

Early actions to date have had a strong focus on colleague wellbeing, including wellbeing conversations with 250 staff – individual and focus groups; signposting to Beacon Counselling where appropriate; wellbeing articles written with 'stories' of colleagues from across the organisation detailing how they have responded to the challenges of the pandemic; 'Let's Talk' survey on wellbeing to gain insight from the workforce to inform People Strategy; coaching; virtual coffees; and #StockportWellbeingWeek which took place from 16<sup>th</sup> November

Support has also been put in place to help employees work from home, including work station assessment and equipment; webinars on digital tools; and a manager conversation toolkit. This has been supplemented by the introduction of more flexibility around the flexi system and holidays along with support for staff through individual risk assessments, and support for casual workers. A series of virtual "All Colleague Briefings" took place across the organisation in November, highlighting the response to the pandemic and further focusing on wellbeing of colleagues.

### **Insight and Continuous Improvement**

The data hub ("Big Stockport Picture") is in development and it is hoped to publish datasets and reports shortly, aligned to themes (e.g. Demographics, Health & Wellbeing, Skills & Economy). Existing dashboards continue to be enhanced along with publication of new management information for colleagues (e.g. SEND, safeguarding and Covid related) whilst also further developing the dashboards and summary reports for Senior Management Teams to monitor their performance on a regular basis.

The Council continues to utilise its nascent data science capability to further understand school capacity in Stockport, helping to support the decision-making process regarding future pupil place numbers (see below). Attendance reporting has taken longer due to processing times required for such a large volume of data (millions of rows) over the remote network. Alternative solutions to this are being explored.

### **Democracy and Accountability**

The Council has been able continue to facilitate its business programme of webcasted meetings by holding them remotely during the pandemic ensuring continued local decision making and transparency. The latest webcast viewing data from April to 11 November now stands at 14,366. Whilst the increased numbers accessing webcasting of committee meetings is a positive story and demonstrates increased engagement with the public, the Portfolio Holder has agreed to remove this as a performance measure following feedback from CRMG Scrutiny Committee, as this is not something that decision making can be accurately benchmarked against.

Although these figures are not being used as a benchmark for accountability, they do demonstrate the increased reach that the Council is achieving with its public engagement surrounding committee and council meetings. The LGA are currently lobbying Government to extend the legislation to allow remote meetings post May 2021.

### **Commissioning School Places**

The main allocation and/or transition of pupils into Nursery, Reception and Year 7 has been finalised. Stockport met its statutory duties to ensure sufficient school places in this admission round, with every Stockport child receiving the offer of a school place.

The Council has been working to develop a more robust and accurate projection methodology supported by colleagues in Business Intelligence (see above). Data is being used to ensure







additional capital expenditure can be targeted to support increased capacity in 'good' or better schools in areas of the borough that require further capacity.

## **Making our estate Covid-19 secure and planning for new ways of working**

All operational premises that are currently in use are now Covid secure. Covid control measures are reviewed frequently and updated in response to changing guidance, regulations or operational need.

A strategic overview of the office accommodation is in progress with an outline business case for rationalisation expected in early 2021.

## **Measuring Performance and Reporting Progress**

PI Code	Short Name	Good Performance	2018/19	2019/20	2020/21			
			Actual	Actual	Forecast	Target	Status	Trend
Council Measures								
RCG.3.1 BV12 (ii)	The average number of working days lost due to sickness absence per employee	Low	9.85	9.59	9.27	9.50		
<p>The average number of full-time equivalent days lost per employee across the council, as a result of sickness between in the 12-month period (1 October 19 to 30 September 20) was 9.27 FTE days. This is lower than the year end figure of 9.59, lower than the end of Q1 (30 June) figure of 9.70, and is below the Council target of 9.5 days. This is the lowest level of sickness absence the Council has achieved since 2012/13.</p>								
RCG 3.2 NEW	Percentage of children allocated their first choice school place for a) Primary and b) Secondary schools	High	a)90.8% b)87.8% (2018)	a)91.1% b)84.8% (2019)	a)90.5% b)85.8% (2020)	Aim to maximise	 	 

This is a new measure added following consideration by the Cabinet Member and Scrutiny Committee.

Many parents prefer their catchment or nearest local school because that often means that children can make more local friends and will be able to walk to school. Parents and Carers have a right to say which school they would like their child to go to, but if there are more applications than there are places available, parents may not get their first choice.

The indicator is influenced by a number of factors, including the reputation of the local school – outstanding schools being preferred – which means these are usually over-subscribed. Latest data continues to show that more than 9 in 10 primary school pupils and almost 9 in 10 secondary school pupils were allocated their first choice school for the 2020/21 academic year.



# RESOURCES, COMMISSIONING & GOVERNANCE

## 2. FINANCIAL RESOURCES & MONITORING



### 2.1 Revenue – Cash limit

	Previously Reported Q1.5	Increase/ (Reduction)	Budget at Q2
	£000	£000	£000
Cash Limit Budget	23,164	976	24,140

#### Budget Changes since previously reported at Quarter 1.5

The cash limit budget has increased by £0.976m, mainly due to a transfer from contingencies following the agreed pay award for staff covered by National Joint Council (NJC) agreements (£0.978m). In addition, a reduction of £0.002m following operational responsibility for fly tipping removal on Single Property Budget (Investment Estate) sites, moved to the Neighbourhoods Team in the Sustainable Stockport Portfolio.

#### Outturn Forecast

Net Cash Limit	Forecast Net Expenditure	Forecast Appropriations	Forecast Outturn
£000	£000	£000	£000
24,140	32,173	(1,311)	6,722

The financial resources in this portfolio total £24.140m. The forecast position is a £6.722m deficit based on updated Q2 (Period 6-7) information. This equates to 27.8% in variance terms of the net cash limit budget. This includes a combination of additional costs and reduced income due to Covid-19.

The forecast deficit remains the same as in the previous Q1.5 PPRA report with the bulk of the deficit expected to be in the Investment and Development Account (I&D). Performance has been impaired by Covid-19 with some tenants' rental payments deferred due to their inability to operate, however the Council is unable to defer borrowing costs of c. £7.0m, leading to a potential overall deficit of £5.900m. Without Covid-19 the aim would have been to move towards a balanced I&D account position, though with elements of the account still in transition and development (e.g. Merseyway, Stockport Exchange Phase 3) this may have been challenging.

The remainder of the forecast deficit is spread across many of the support, benefits and taxation services but includes increased IT costs to effect remote working, administering and mobilising support for businesses, residents and council taxpayers, and the costs of minimising health risks in open buildings.

Government support is not included in the forecast as that is currently assessed outside of Portfolios to better assess and manage overall funding gaps.

## 2.2 Earmarked Reserves

Most earmarked reserves are held at a corporate level and services produce a business case to drawdown funds, which is approved through Corporate Leadership Team and Members. This strategic approach is designed to provide financial resilience for the Council and to ensure that Council reserves are used on an invest-to-save basis and to support Council priorities. The exceptions to this are ringfenced reserves and the Directorate Flexibility Reserve.

The table below reflects any approved revised balances in reserves, aligned to the 20/21 Reserves Policy report taken to Cabinet on the 6<sup>th</sup> October.

Reserve Category	Reserve Narration	To be used for	Balance of Reserve/ "Approved Use" £000	Planned use of Reserves / "Approved Use" 2020/21 £000	Balance of Reserve/ "Approved Use" £000
Linked to Budget	Transformation –Double Running	CSS Double Running commitments	375	(375)	0
Linked to Budget	Transformation –Double Running	To support 2019/20 savings	396	0	396
Linked to Budget	Transformation – Invest to Save	Care-Case Management System	202	(202)	0
Linked to Budget	Transformation – Invest to Save	Business Intelligence – Predictive Modelling	81	(20)	61
Linked to Budget	Transformation – Invest to Save	Early Payments Programme	51	0	51
Strategic Priority	Digital by Design	Radical Digital Authority	3,110	(430)	2,680
Strategic Priority	Equipment Refresh	CivicaPay – Cash Management (Capital)	66	0	66
Strategic Priority	Equipment Refresh	Virtual Server & Data backup project	1,160	(1,160)	0
Strategic	Equipment	SAP Finance Ledger	84	(84)	0

Priority	Refresh	version upgrade			
Directorate	Flexibility	Apprenticeships	40	0	40
<b>TOTAL</b>			<b>5,565</b>	<b>(2,271)</b>	<b>3,294</b>

*The table above forecasts that £2.271m of reserves will be used in 2020/21, including £1.111m to fund revenue expenditure and £1.160m to fund capital expenditure. A further £0.200m of reserves is also forecast to be used from Adult Social Care & Health reserves for funding bespoke reform work consultancy on ASC Operating Model and interaction with wider Council services.*

## 2.3 Portfolio Savings Programme

Proposal	Risk Rating	Value £000	Achieved or Identified £000	Additional Information
Value for Money Phase 2	AMBER	750	240	Covid-19 consuming bandwidth available to pursue savings leading to additional delays before target reached in full. Double running reserve adjustment of £0.375m available to address some of the gap.
Balancing the Cost of Services Phase 2	AMBER	135	90	Reasonable progression.
Property Review Phase 2	GREEN	40	40	Savings made on caretaking and portage costs, current Covid issues notwithstanding.
<b>TOTAL</b>		<b>925</b>	<b>370</b>	

### Risk rating

**Green** – good confidence (90% plus) the saving is/will be delivered or minor variances (<£0.050m) that will be contained within the portfolio.

**Amber** – progressing at a reasonable pace, action plan being pursued may be some slippage across years and/or the final position may also be a little unclear.

**Red** – Significant issues arising, or further detailed consultation required which may be complex/contentious.

## 2.4 Capital Programme

## Portfolio Performance and Resources - Mid-Year Report 2020/21

<b>*Expenditure as at 31 Oct 2020 £000</b>	<b>Scheme</b>	<b>2020/21 Programme £000</b>	<b>2021/22 Programme £000</b>	<b>2022/23 Programme £000</b>
	<b>Non Education Capital Schemes</b>			
871	Asset Management Plan	4,277	6,155	846
0	Reprovision of Dialstone Facility	50	2,988	0
0	Borough Care	0	0	0
74	Disposal of Assets	74	0	0
899	IT - Nutanix	1,160	0	0
3,740	Manchester Airport - equity investment	3,740	0	0
9,677	Manchester Airport - Shareholder Support Loan	12,950	0	0
0	TLC Fleet Vehicle Loan Facility	1,000	0	0
<b>15,261</b>	<b>Sub-total</b>	<b>23,251</b>	<b>9,143</b>	<b>846</b>
	<b>Education - Schools Capital Programme</b>			
4	Early Years	13	0	0
2,056	Primary Sector	3,710	3,550	0
2,094	Secondary Sector	5,231	2,600	0
1,411	Special Sector	2,310	11,011	2,177
0	Funding to be allocated	342	20,802	0
591	Individual School Schemes	1,130	0	0
<b>6,156</b>	<b>Sub-total</b>	<b>12,736</b>	<b>37,963</b>	<b>2,177</b>
<b>21,417</b>	<b>TOTAL</b>	<b>35,987</b>	<b>47,106</b>	<b>3,023</b>

\* This relates to expenditure on SAP and accruals for goods received or work performed up to the period end.

### Resources

<b>Resources</b>	<b>2020/21 £000</b>	<b>2021/22 £000</b>	<b>2022/23 £000</b>
Capital Grants	9,817	12,563	0
Directly Funded Borrowing	1,408	200	0
Unsupported Borrowing	22,506	31,027	2,177
Capital Receipts	124	2,988	551
External Contributions	972	328	23
Revenue Contributions (RCCO)	1,160	0	272
<b>TOTAL</b>	<b>35,987</b>	<b>47,106</b>	<b>3,023</b>



**Programme Amendments – Amendments**

<b>Scheme</b>	<b>2020/21 £000</b>	<b>2021/22 £000</b>	<b>2022/23 £000</b>	<b>Funding Source</b>	<b>Reason</b>
Asset Management Plan	(40)	40	0	USB	Rephasing
Disposals	65	0	0	Cap. Receipts	Scheme Addition
IT - Nutanix	1,160	0	0	RCCO	New Scheme
Manchester Airport - Shareholder Support Loan	12,950	0	0	USB	New Scheme
<u><b>Education Schemes</b></u>					
Special Sector	313	(313)	0	Various	Rephasing of schemes
Secondary Sector	21	0	0	Various	Increase in budget
Primary Sector	(358)	358	0	Various	Rephasing of schemes
All Sectors	(546)	0	0	Various	Scheme alignment
Funding to be allocated	(125)	650	0	Various	Change in programme / rephasing (grants & unsupported borrowing)
Individual School Schemes	50	0	0	DFB	St Johns / Torkington
<b>TOTAL</b>	<b>13,490</b>	<b>735</b>	<b>0</b>		

**Commentary**

- **Asset Management Plan** - Due to the impact of Covid-19 all schemes have been reviewed in terms of program, priority and cost, with a significant number of items now being rephased into 2021/22. Most significant of this is the rephasing of £2.3million across quarter 1 and quarter 2 of the proposed spend on the leisure estate - much of the funding was allocated to Car Park and Changing Room works which are now progressing to a revised program.

A proportion of the allocated budgets for Heritage and Library projects have been deferred into 2021/22.

- **Reprovision of Dialstone Facility** – The residential development of the former Offerton High School (OHS) site has been identified in the GMSF. Master Planning of the site is currently being undertaken by the Councils Design and Technical Services Team (Estates & Asset Management) to determine the development opportunities possible. Blackstone Fields similarly is being promoted for development. Investigations and surveys to assist in determining the scope and nature of development possible on the sites and help in establishing the anticipated capital receipt the Council may expect on disposal, are planned at a cost of £0.050m.

It is proposed to instruct CBRE to undertake a soft market testing review with a number of residential developers to establish what they consider would be the optimum property mix for the site whilst also considering how the property mix may affect the site value so that the Council can seek to balance what may be the competing demands of the public, planning authority and developers.

The Council is also reviewing the detailed cost analysis for the ground remediation at the proposed relocation site at Blackstone Fields.

- **Borough Care** - The Council is working with the new Chief Executive of Borough Care to carry out a joint review of the 'Vision 2020' investment programme in care homes. This review is being progressed to ensure that the original proposals remain appropriate and that outcomes can be delivered.

With delays in the review process it has been decided to rephase this scheme to future years. Profiling of this allocation will be reviewed on a regular basis and updated where required.

- **Disposals of Assets** – Programme for enabling costs for the disposal/development of Council assets/sites.
- **IT – Nutanix** - The hardware and software within the new data centre has come to an end of its supported life and needs to be replaced. The chosen solution centres on a Nutanix based product, based upon five years, and will cost in total £2.494m including capital (£1.160m) and revenue (£1.334m) elements.

The new system is set to replace the outgoing solution around November/December 2020.

Procurement of the network components is underway and hopefully will be completed in this calendar year. The internet bandwidth upgrade is reliant on supplier lead times and may lead to a slippage into 2021/22

- **Manchester Airport – Equity Investment and Shareholder Support Loan** - As part of the Manchester Airport transformation project, the Council alongside the other Greater Manchester Authority shareholders in the Manchester Airport Group (MAG), have agreed to provide equity investment to MAG to support the development of a new multi storey car park at the Manchester Airport site. In return the Greater Manchester Authority shareholders will receive a return on their equity investment via the payment of a preferred dividend.

The final two instalments of the equity investment were paid to MAG in April 2020.

Covid-19 and the resulting world-wide lockdown has had a significant financial impact on the aviation industry and airports specifically as a result of reduced passenger numbers, restricted travel to international destinations and increasing requirement for passengers to self-isolate on their return to the UK. This impact was evident from late March at the MAG airports and is expected to continue into the medium term period as the uncertainty for aviation industry continues for the foreseeable future. In order to ensure MAG's financial sustainability, the Council along with the other Greater Manchester Authority shareholders has provided financial support through a shareholder support loan.

- **TLC Fleet Vehicle Loan Facility** – In November 2018 the Council approved a loan facility to Totally Local Company to support the implementation of its Fleet Management Replacement Strategy. The loan facility is to replace the existing fleet with a mixture of wholly owned, purchased, specialist/large vehicles, plus a range of lighter more standard vehicles on contract lease and the purchase of good quality second-hand vehicles. The total loan facility is £10.800m on a rolling basis over a period of up to six years. The phasing of the scheme will be reviewed regularly and amendments made where appropriate.

- **Education –**

A number of school schemes across all sectors relating to both maintenance/condition and basic need provision of school places are in progress and due for completion within their individual scheme plans. The LA continues to review and assess school projects for the future linked to the latest asset management plan reviews of all school buildings, with an approx. £90m back-log of works required across all the school estate. Furthermore, the LA is considering a number of potential school projects in anticipation of expected government funding announcements to be released this term relating to schools in most need of condition works. The expanded and relocated Lisburne special primary school and the new secondary special free school projects remain on target to be completed in 2022.