STOCKPORT
METROPOLITAN BOROUGH COUNCIL

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Resources, Commissioning and Governance

Portfolio Performance and Resources Annual Report 2020/21

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ONESTOCKPORT

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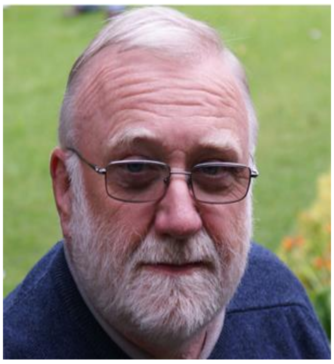
RESOURCES, COMMISSIONING AND GOVERNANCE - PORTFOLIO OVERVIEW

Portfolio Summary



Looking back on the past year I'm pleased that we can provide such a positive annual report given not just what has happened to Stockport MBC but the country as a whole and a very large part of that is due to council - and partner's - staff right across the board doing things differently; changing roles; being flexible and positive and genuinely trying to make a difference.

There was pessimism and uncertainty in parts in what we now know was 'wave 1' of the Covid pandemic and vaccines were not even on the horizon – so we have travelled a long way in that time.

It was fairly obvious not just to us at SMBC but right across councils throughout the country that overall revenue was going to fall and demand increase - so an almost 'perfect economic storm'. What had planned to be a balanced budget for the year was going to look very different, but from the outset we were determined not to have 'knee jerk' reactions and to plan our way through the crisis.

The report indicates that the adverse impact on SMBC for the year is estimated to be £70.6M gross – and without the Government support grants of £45.6M this would have been an insurmountable position. As it is, the funding gap of £25M approx. (including Collection Fund losses which are being repaid over 3 years) has meant that a range of options has had to be used to bridge the gap and provide financial resilience and sustainability and these are explored in detail.

Areas such as 'Value for Money' procurement have become more important as we try and maximise the council spend and equally how the council uses its assets. One key thing that has come out of the past 12 months is - where possible and practicable - the development of home and alternative working. This will be focus of detailed future work as we try and help our estate to reduce its carbon footprint.

It is worth noting that whilst the GM 100% Business Rates pilot continues - as it continues to provide financial benefits - the GM and Cheshire pooling arrangement has been dissolved because of potential risks in that specific arrangement.

In addition to Government grants for SMBC there has also been £108M of business related grants distributed to approx 18,000 businesses over the past twelve months – many of whom may not have survived without that input.

A key focus during the year has been working with strategic partners - including on the Borough Plan looking forward - and developing 'One Stockport' activities.

Alongside all the SMBC and partners work and activity there has been a massive surge in volunteers, voluntary groups and activities. This has helped in all sorts of ways - and the provision of micro grants helped to facilitate some of this - and again the aim is to continue to try and develop this important support.

We still have some challenges to face – for example on SEND provision – but commissioning of new school places has been and continues to be a focus as demand rises, along with ensuring that all our estate is Covid secure.

As you will see a chunk of the council's Capital programme has had to be re-phased as work stopped in the first few months of the year - the re-phasing is mainly into the 2021/22 financial year - and that was to reduce any risk element but I'm pleased that we're now seeing a variety of schemes underway.

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

Revenue Budget (Outturn)

	£000
Cash Limit	24,119
Outturn	31,636
(Surplus)/Deficit	7,517

Reserves

Approved use of reserves balance is £5.566m; a net draw down of £1.398m is included in the outturn, including £0.219m held in reserves reported elsewhere.

Capital Programme

	£000
2020/21 Capital Budget	32,476
2021/22 Capital Budget	49,848
2022/23 Capital Budget	10,023

RESOURCES, COMMISSIONING AND 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 8th 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 Mid-Year Report included updates where available to the end of October 2020, and this report reflects the picture as at the end of March 2021 where this is available.

Performance measures 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.

The Portfolio Performance Dashboards have been updated to reflect 2020/21 data where available, 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

R	Red; Indicator is performing significantly (>5%) below target	⇩	Getting worse; This indicator has worsened when compared to previous period
A	Amber; Indicator is performing slightly (<5%) below target	⇨	Stable; Indicator value has changed by less than 1% when compared to previous period
G	Green; Indicator is on track or performing above target	⇧	Getting better; This indicator has improved when compared to previous period
Bold measures are included in the Greater Manchester Strategy outcomes framework and/or suite of 'headline' measures included in the 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 2021/22 Budget and MTFP was approved at the Council Meeting on 25 February. During the financial year the council's MTFP has been continually updated to reflect the significant uncertainty, volatility and risk in the financial landscape exacerbated by the pandemic. In October a 2021/22 saving requirement of £23.134m (increase from the forecast of £8.743m approved in February 2020) was reported to Cabinet reflecting the forecast financial impact of Covid-19. In proposing a 2021/22 Budget for approval, this saving requirement has been addressed whilst providing the council with a robust and resilient financial platform on which to deliver its priorities and transformation programme as part of the council's and borough's recovery. This will continue to reshape how the council delivers services, building on the positives of the response across the borough over the last 12 months reflecting the aspirations of One Stockport and responding to the ambitions and expectations of Stockport residents and businesses. Key to this is a resilient and stable budget that supports and leads Stockport's Covid-19 recovery in 2021/22. However, significant risks remain in the underpinning MTFP forecasts and assumptions for 2021/22 which could have an adverse impact of the council's financial position. The financial position will be monitored during the year and adverse financial impact mitigated appropriately through the council's robust financial management, use of available one-off resources and General Fund Balance.

The approved saving requirement for 2022/23 is significant, a forecast saving requirement of £23.177m due to increasing demand and inflationary cost pressures in addition to the Covid-19 financial scarring impacts. 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. The MTFP forecasts and assumptions will continue to be updated to reflect the impact of national and local decisions and announcements in terms of the progress of the national recovery roadmap and vaccine rollout, and the impact this has of the forecast Covid-19 financial scarring impacts included in the MTFP. Alongside this the Council will also complete its annual review of the Reserves Policy to ensure resources held in reserves are aligned to the council's corporate and strategic objectives and also provide resilience to mitigate on a short term basis the financial impact of unexpected events such as the pandemic.

The Government's future direction for Local Authority funding remains uncertain and subject to Government completing a multi-year spending review and implementing planned reforms to the Fairer Funding Formula and Business Rates.

The financial challenge presented by the impact of Covid-19 in 2020/21 has been unprecedented. As part of the Covid-19 financial impact returns to Government, the council's current estimate of the financial impact (cost and loss of income including the Collection Fund) is circa £70.6m gross adverse financial impact in 2020/21. This has been addressed through a combination of one-off Government support funding, budget savings due to reductions in service activity as a result of the lockdowns and restrictions and use of the council's available one-off resources. To date the council has received circa £45.6m of Government support funding. This left a funding gap (linked to Covid-19) of circa £25m (this includes the forecast Collection Fund income loss). The council's 2020/21 outturn position (reported elsewhere on this agenda) demonstrates how the council has managed this position during the year to reduce spend and use available one off resources to mitigate the financial impact. The robust and resilient financial management in terms of the council's budget monitoring, medium term financial planning and Reserves Policy has helped the council to do this. As a result, a manageable financial position has been achieved in 2020/21 and will support the council to address the financial challenges ahead.

Business Rate Retention
The council continues to be a member of the Greater Manchester (GM) 100% Business Rates Retention Pilot in 2020/21. Despite the impact of Covid-19 on in-year collection rates, the Collection Fund outturn position (reported elsewhere on this agenda) reflects a 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 will be retained by the council. As part of the balancing of the 2021/22 Budget the resources available as a result of the Pilot Benefit achieved in 2020/21 have been included the council's budgeted 2021/22 resources.

The 2021/22 Local Government Finance Settlement confirmed that the council will continue to be part of the GM 100% Business Rates Pilot in 2021/22 underpinned by the 'no detriment' agreement. The council continues to take a prudent approach and does not budget for any benefit from the Pilot in-year, but instead realises the benefit a year in arrears. This can then be used to support the council's budget setting process, medium-term financial planning and capital investments.

Business Rates is a volatile tax and can be difficult to forecast with for example rateable value appeals by business having a significant impact on forecasts. The continuation of the 100% Business Rates Pilot beyond 2021/22 will be subject to the 2022/23 Local Government Finance Settlement later in the year.

During the year the council alongside the other GM and Cheshire Authorities has been part of the GM and Cheshire Business Rates Pool. The key risk of the pooling arrangement is the liability to fund safety net payments as a result of Business Rates income losses; if the Pool as a whole hits safety net Government funds each Authorities safety net payment, but if individual Authorities hit safety net (not the Pool as a whole) the other Authorities within the Pool are required to fund the safety net payment. Whilst forecasts of the Pool's outturn position show no risk of an authority hitting safety net in 2020/21, the financial impact of the pandemic on in-year Business Rates collection increases this risk going forward. For this reason, the council alongside the other Authorities have agreed to dissolve the Pool in 2021/22. Dissolving the Pool does not impact on the continuation of the 100% Business Rates Retention Pilot in 2021/22.

Value for Money Procurement
The council continues to work closely with STAR Procurement to agree a procurement savings pipeline linked to the savings ratification process. Work is underway to jointly agree areas where spend can be reduced by commissioning differently, changing or reducing what the council procures and ensuring it only procures what is needed. STAR have produced a Procurement Strategy and have highlighted some revenue saving opportunities to be explored. A Senior Project manager has been appointed within STAR to review existing high value contracts across the STAR partners to drive savings through negotiation and collaboration.

Targeted areas are linked to the Directorate STAR Category Management Plans so that agreement regarding prioritisation of change in spend has been endorsed by the appropriate Directorate senior leaders.

Balancing the Cost of Services
Due to Covid-19, many services have seen demand fall and currently Consumer Price Inflation is at a very low rate. However, services have continued to monitor the balance between the costs of delivery and the income they generate, and the charges to schools, the public and businesses have been adjusted where appropriate. For some services the work to achieve full cost recovery or move towards the full cost recovery where appropriate is still ongoing and therefore some

adjustments to charges are expected during Quarter 1 of 2021/22.

In addition, the council has continued the annual cycle of reviewing and updating payments to care management providers and the charges made to clients who receive residential and non-residential care. During the latter part of Quarter 1 of 2021/22, Adult Social Care will be progressing with the previously approved phased implementation of the fees and charges policy for non-residential care. This had been paused during 2020/21 due to Covid-19 and its impact on clients' services and the potential for increased financial hardship.

Rationalising our Assets
The council continues to 'right-size' it's assets to deliver value for money through a local, low carbon approach that ensures the right property in the right place to benefit Stockport's communities and the environment.

This is through a local approach to the use of assets and community infrastructure, focusing on the role of local and district centres and developing a low-carbon public estate. Through the Stockport CAN strategy, the council is committed to reducing its carbon footprint in line with the GM 5 Year Environmental plan. This will be achieved by retrofitting low carbon technologies to operational premises where feasible.

The council's operational portfolio is being reviewed to support the evolution to new agile ways of working driven by the Covid-19 Pandemic and the need to reduce carbon emissions. A strategic outline business case has been developed which examines the case to reduce operational occupancy of Town Centre office assets with a view to lease surplus space to strategic partners. This is due to be considered by Cabinet in June 2021.

The strategy to exit rented premises where possible and relocate services within the council's owned estate will continue to reduce the revenue burden on the Single Property Budget.

Measuring Performance and Reporting Progress

PI Code	Short Name	Good Perfor-mance	2018/19	2019/20	2020/21			
			Actual	Actual	Actual	Target	Status	Trend
Council Measures								
RCG.1.1 BV.09	**In-year Council Tax collection rate**	**High**	**97.25%**	**97.14%**	**97.36%**	**96.30%**	G	⇧

Despite the impact of the pandemic, the Council Tax collection rate for 2020/21 was 0.22% up compared to 2019/20 and ahead of the target set. The total amount of debt available to collect decreased significantly from the start of the financial year. This was largely attributable to a £2.767m increase in Council Tax Support awards linked to the financial impact of Covid-19 on residents. Council Tax liabilities were also reduced by way of government funded hardship awards where the charge payer demonstrated that they had been financially affected by the pandemic and could not afford to pay. The design of the Council Tax Support Scheme in Stockport has also contributed and continues to support those considered most vulnerable.

Out of 14 Greater Manchester and North West benchmarking partners, Stockport achieved the highest Council Tax collection rate for 2020/21 despite normal recovery proceedings being suspended for the first quarter of the year and very limited pro-active work where accounts had fallen behind prior to the issue of a summons. The service offered a 2-month payment holiday at the start of the year, a range of alternative payment options throughout and introduced an additional 'soft' reminder following the restart of recovery proceedings. Overall the financial support avaialble and the flexibility in payment arrangements has ensured that residents could continue to pay their Council Tax despite the many othe challenges faced as a result of the pandemic.

RCG.1.2 BV10	**In-year Business Rates collection**	**High**	**97.52%**	**97.45%**	**93.42%**	**94.00%**	A	⇩

As expected, Business Rates collection rate was 4.03% down compared to the previous year (reflecting the target set) and marginally behind the target set. Whilst the performance measure is reflected as amber, this does not reflect the extent of recovery of this indicator despite the challenges faced in terms of prioritisation of the Team on to the administration of Covid-19 business support grants, enforced delays to recovery processes and the significant financial impact on local businesses. Given that the final position is just 0.58 percentage points short of the target set despite these challenges reflects the hard work of the Officers involved.

This level of deficit on collection rate is indicative of a national picture and the impact of Covid-19 on businesses and the ability to pay rates. Out of the 10 Greater Manchester and North West benchmarking authorities who have reported their outturn, Stockport were 6th for 2020/21.

Priority throughout 2020/21 was given to the administration of a significant number of Covid-19 business support grants which meant that very little resource could be directed to general and proactive recovery work. Across the discretionary and non-discretionary business support grant schemes the Council has administered over £108m of grant payments to support over 18,000 business since the beginning of the pandemic. The administration work involved cross skilling staff from other parts of the service to supplement processing capacity. The collection rate was also hampered by the suspension of all recovery activities during April to July 2020. The total number of Council Tax, Business Rates and Business Improvement District debt recovery court hearings held during 2020/21 fell by 63.3% compared to the previous year, which was outside of the council's control.

As with Council Tax, the service also offered a 2-month payment holiday at the start of the year, and a range of alternative payment options including 12 monthly instalments as opposed to the statutory 10-month payment plans.

PI Code	Short Name	Good Perfor-mance	2018/19	2019/20	2020/21			
			Actual	Actual	Actual	Target	Status	Trend
Council Measures								
RCG.1.3	**Average time taken in calendar days to process Housing Benefit (HB) new claims and change events**	**Low**	**8.5**	**7.4**	**6.1**	**10.0**	G	⇧
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**	**15.1**	**18.0**	G	⇧

The average number of days to process Housing Benefit (HB) new claims and changes was an improvement on the previous year and lower than the target set for 2020/21. Whilst the number new claims received in year from working age claimants reduced significantly due to Universal Credit (UC), those still administered by the service are more complex in nature. The total number of changes processed for existing HB recipients was only marginally less compared to 2019/20 and therefore overall, excellent performance.

An improvement was also shown in the processing of both new claims and changes in respect of

Council Tax Support (CTS) compared to 2019/20. Processing times are largely outside of the service's control due to the waiting times (6 weeks) for a UC assessment. However, following a review of internal procedures, changes were introduced at the start of Quarter 2 and improvements to processing times were immediately seen.

The Council Tax Support caseload had increased by 7% as at 31 March 2021 compared to the previous year. Conversely, the Housing Benefit caseload had reduced by 10% over the same period, as a result of claimants moving to Universal Credit which now includes their housing costs. However, this decrease does not result in an offset of work. CTS claims based on UC generates a significant amount of work for the service due to changes in UC entitlement linked to monthly assessment periods, which in turn requires more frequent CTS reassessments.

PI Code	Short Name	Good Perfor-mance	2018/19	2019/20	2020/21			
			Actual	Actual	Actual	Target	Status	Trend
Council Measures								
RCG 1.9 NEW	**Housing Benefit Accuracy Award Indicator**	**High**	**N/A**	**N/A**	***56%***	**N/A**	**N/A**	**N/A**

The council signed up to implement this voluntary new performance indicator during 2020/21, the main measure being the value of unreported changes of circumstances. The indicator provides detail of what changes authorities have achieved against an estimate of the value of Housing Benefit (HB) reductions each authority should be finding and correcting. The DWP have not yet published actual data in relation to this indicator for 2020/21. However, Stockport's score for Quarter 1 and 2 (prior to any work commencing) was 56% compared to 58% nationally and slightly above the North West average of 55%.

DWP funding was received to carry out the following activities which was predominately outsourced to Civica On-Demand:

- HB Full Case Reviews (FCRs) – changes have been low compared to the number of reviews undertaken with no common theme. One case resulted in an overpayment of £1.2k as the customer had moved to Universal Credit but the authority had not been notified. Similarly, another case ended with a £1.3k overpayment as the customer had failed to report income from self-employment. The exercise has validated existing controls to be working well.
- Housing Benefit Matching Service (HBMS) referrals – a fair number of overpayments have resulted from dependants over 19. This has shown that the service needs to look at internal reporting on age change procedures to protect claims and avoid duplication of work going forward. Generally, HBMS is providing a reasonable assurance that controls are working effectively and giving additional assurance to subsidy protection as no local authority error was identified.
- Self-Employed Earnings Reviews (SERs) – there have been minimal changes in this area and shows good controls are already in place.

The authority has signed up again for 2021/22. Following the learning from the first year, only the full case reviews will be undertaken by Civica. The rest of the work will be absorbed by the team as part of normal day to day activities.

PI Code	Short Name	Good Perfor-mance	2018/19	2019/20	2020/21			
			Actual	Actual	Actual	Target	Status	Trend
Council Measures								
RCG 1.5 BV8(i)	% of invoices paid within 30 days	High	92.9%	95.6%	94.65%	95.0%	A	Down
RCG 1.10 NEW	**Percentage of invoices paid to local suppliers in 10 days**	**High**	**80.1%**	**74.9%**	**88.0%**	**80.0%**	G	Up

During the final quarter of the year the council made 21,306 payments to suppliers, significantly higher than usual and is due to additional payments made for grants and support payments to local businesses as part of the Covid-19 response. Overall payment performance for the year was 94.65%, just short of the 95% target. However, given the disruption during the start of the financial year, this is an excellent result and credit is due to Officers who ensured the majority of payments continued to made on time given the challenging circumstances.

Payment performance for paying local suppliers is 88% for the year and exceeds the target of 80%. Again, an excellent achievement given the circumstances.

PI Code	Short Name	Good Perfor-mance	2018/19	2019/20	2020/21			
			Actual	Actual	Actual	Target	Status	Trend
Council Measures								
RCG.1.6 BSDR 27.01	**Total property costs (occupancy, operational and m'gement) per m^2**	**Low**	**£42.25**	**£43.26**	**£44.18**	**Aim to maintain**	A	Down
RCG.1.7 BSDR 27.04	**Total property occupancy / ownership costs (revenue) per m^2**	**Low**	**£14.85**	**£15.50**	**£15.39**	**Aim to maintain**	G	Right
RCG.1.8 BSDR 27.15	**Total Annual Energy Consumption (KW/h) per m^2**	**Low**	**93.69**	**100.33**	**90.28**	**Aim to minimise**	G	Up

There has been a marginal increase in total property costs across the operational estate in the past year with a slight increase from £43.26 per sqm in 2019/20 to £44.18 in 2020/21. The increased costs are largely due to the need to keep premises Covid Secure. It is expected that these requirements may be reduced resulting in an in year saving if regulations allow.

The actual end of year total annual energy consumption figure of 90.28 KW/h per m2 for 2020/21 is broadly in line with expectations and is c. 10% lower than the previous year.

The main reason for this reduction in energy usage is predominantly due to the impact of the Covid19 Pandemic. With the majority of council employees working from home where possible during the past 16 months, this has reduced the electrical load to buildings across the operational estate.

Whilst one might expect there to be a more significant reduction in energy costs due to reduced occupation across the estate, many of the buildings needed to be ventilated and heated at the same time due to Covid regulations.

Priority 2: Working in collaboration with strategic partners

One Stockport
A programme of activity has been delivered under the One Stockport brand over the last 12 months, in line with the 3 core themes of:

- Supporting local businesses
- Connecting Communities
- Promoting health and wellbeing.

This includes online activities via the website and social media channels, and physical materials such as the installation of banners encouraging people to shop local in 22 district and local centre locations to support the reopening of non-essential retail. These banners have been hosted by a diverse range of organisations including businesses, community buildings, and public sector buildings.

A relaunch of the website is planned to coincide with the launch of the Borough Plan in late May. Feedback and input from community groups and businesses continues to be gathered as the plan for the next 3 months is developed.

Borough Plan
The One Stockport Borough Plan was approved by Budget Council in February 2021. Work is continuing with partners to focus on bringing the plan into action and developing delivery plans for the ambitious priorities within the plan. Further leadership workshops have taken place alongside a series of bitesize workshops focusing on specific areas including; Economic Plan, Outcomes Framework, Climate Action and the One Health and Care Plan. A launch of the Borough Plan is scheduled for late May with a range of communication methods and formats.

A number of workshops have also been held with partner organisations to develop an outcomes framework for the Borough Plan. This feeds into the development of the Big Stockport Picture site which will provide a range of data sets relating to the borough *(see Insight and Continuous Improvement under Priority 3 below).*

Connected Communities
The Thriving Communities Board continue to oversee the development of a programme of work to build the capacity of our VCSE Sector and support confident and empowered communities. A programme of work has been agreed across 5 key themes - Early Help and Prevention; VCFSE Support; Inclusive Communities; One Neighbourhood Model; Places and Spaces.

A successful bid has enabled the planning of a Community Champion programme which is being scoped for delivery from May 2021. Work continues with Sector 3 and Healthwatch to support volunteering in Stockport, and in the second half of 2020/21 invested circa £300k in VCSE organisations, including micro grants to support communities through Covid.

Work continues to develop a funding partnership across Sector3, Stockport Homes and other Registered Social Landlords to maximise the use of local funding, pool local expertise and support organisations to secure national funding. More detailed updates on delivery of this programme are included in the Inclusive Neighbourhoods Portfolio Report.

Strategic Commissioning (including joint commissioning)
An overview has been developed of the investment that the council makes to commissioning of products and services and joint investments with the CCG. Work in both areas is overseen by dedicated commissioning groups with representatives from the key areas of spend and in respect of joint commissioning, service users.

Delivery of strategic commissioning aims are being aligned to the One Stockport Borough Plan by making the most of the council's spending power, by ensuring value for money and by maximising its impact. The work is supporting the delivery of a number of ambitions including Thriving Neighbourhoods by developing the relationship with local service providers, and maximising the benefits to the local area through social value delivery, local wealth building through encouraging the employment of local people and spending locally. Relationships with the voluntary and community sectors are being developed to ensure a joined-up approach across neighbourhoods.

Work continues with Stockport CCG to align funds and jointly commission services for children with Special Education Needs and Disability and deliver the SEND Joint Commissioning Plan priorities. This includes the delivery of the co-produced outcomes framework, joint investment plan and implementation of personal budgets. Wider opportunities to commission strategically are also being explored through the development of Integrated Care Systems.

The council continues to work closely with STAR Procurement to agree targeted category management plans to reduce costs. Best practice tools have been developed to support commissioners and contract managers with clear guidance on developing appropriate specifications and providing support to effectively contract manage by using the new InTend system to ensure the best can be obtained from providers commissioned including their social value commitments. This programme of work is currently being added to the Intranet and being tested out with contract managers.

Stockport Children's Placements Team work hard to develop excellent relationships with providers. Good practice in co-production and the SEND Outcomes Framework is promoted, including local forums, sharing of good practice and listening to a range of views. Work with providers encourages local placement offers, managing any additional costs and encouraging providers to maintain fragile placements. Negotiation is based on knowledge of the provider, their perspective and concerns, using early intervention and restorative approaches, working closely with Stockport Family, and searching for foster placements for children to "step down" to. There is also a focus on relationship building with Independent Fostering Agencies (IFAs), with IFA placements increasing from 29 to 38 over the last 12 months.

Stockport Children's Placements Commissioners have collaborated to develop the North West regional framework contracts for residential, foster care, post 16 placements and residential school placements. Placement data is submitted to Placements North West to inform the census reports. Findings show Stockport's average fees for IFA placements were £784/wk compared to the regional average of £823/week. Our residential costs were an average of £3,601/week compared to the regional average of £4,118/week.

One Public Estate Programme
A report was presented at Cabinet in April 2021 and subsequent briefings with ward members have been arranged to discuss further details of specific plans from the Stations Alliance proposals.

Measuring Performance and Reporting Progress

PI Code	Short Name	Good Perfor-mance	2018/19	2019/20	2020/21			
			Actual	Actual	Actual	Target	Status	Trend
Council Measures								
RCG 2.1 NEW	Percentage of cumulative spend on Social Value delivered through contracts	High	N/A	N/A	18.5%	25%	N/A	R

The full-year forecast for Stockport has reduced since Q2. There has been uncertainty in the market over the last year which may have impacted on suppliers ability and confidence to provide social value through procurement. The Social Value response is also dependent on the types and volume of procurement activity, which results in 'ups and downs' over time. The STAR average figure has also reduced, though is higher at 27%.

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

People Strategy
HR and Organisational Development have continued to deliver important services to the council's workforce and partners for every stage of the employment journey. As well as delivering business as usual throughout the pandemic and doing this remotely (including payroll along with continuing to recruit, support, train and develop the workforce and keep them safe) the service has also provided strategic workforce support throughout the pandemic. Guidance for colleagues and managers has regularly been reviewed and updated as it has changed nationally and is published on the Colleague Coronavirus Hub along with frequently asked questions covering areas such as annual leave and flexi time.

Workforce redeployment has also been coordinated, identifying and responding to workforce needs such as recruiting at pace large numbers of testing support officers when the request came to set up a testing site in Stockport. Let's Talk surveys have been developed and completed by many colleagues providing important insight about how colleagues are feeling and the challenges that they are facing as well as capturing some of the great practice delivered by teams.

The latest Let's Talk survey focused on flexible working and had almost 1,300 responses. These provided lots of really useful data, including;

- 80% of those people working at home said that they most enjoyed not having to commute and two-thirds said that working at home provided them with a better work-life balance
- The number of people who said they experienced difficulty with their computer and the connection to council networks was half the rate reported in the survey last year
- 95% of people said they were either the same or more productive working from home compared to in the office
- Over 80% of people said that, when they were able to return to the office, they were most looking forward to seeing their colleagues and being able to work with them face-to-face
- Less than 10% of people want to return to the office full-time, with people overall wanting to return an average 2 days per week

This insight from these responses is being used to inform future plans for the use of council buildings and continuing to make the most of flexible working opportunities whilst recognising as well that seeing colleagues and working with them face to face is something many have missed. Whilst the current government guidance continues to recommend that people work from home where possible, the Corporate Leadership Team continue to monitor this advice and update employees as future plans emerge.

The wellbeing of colleagues remains a high priority for the council, with a wide range of wellbeing support been provided to the workforce. Weekly Wellbeing Wednesday newsletters provide a wealth of information and access to resources around wellbeing for employees, including a pool of internal coaches who can offer one-to-one or group support and a counselling service to provide help and support with both home and work challenges.

As highlighted in the mid-year report, a new 'One Team' People Plan has been developed and a launch is planned in June ahead of a further series of all-colleague briefings. The plan is aligned to the council's values and will be built around five 'pillars';

- We support each other
- We learn and develop
- We want you to join us
- We are inclusive
- We live our values

Insight and Continuous Improvement

Dashboards continue to be rolled out to services, aligned to objectives. Corporate and Portfolio Performance dashboards continued to be developed and a suite of portfolio dashboards have now been published publicly so that they are available for both elected members and Stockport residents. A series of dashboards to support with the Covid-19 pandemic have also been produced. These include overview analysis of the clinically extremely vulnerable cohort, analysis on the pandemic's impact and the demand on supporting services. A new suite of dashboards has been published for Adult Social Care colleagues, including key data on referral activity, waiting lists and care plans, plus new dashboards on the REACH service, Hospital and Intermediate Tier. Place directorate has also been supported with dashboards to further understand waste, flooding and unemployment.

The Big Stockport Picture site is due to launch shortly, providing an open data portal for citizens, colleagues and others to answer questions, collaborate on shared objectives across the Borough and support problem solving. At launch, the number of datasets is limited to data already available in the public domain but the site will continue to grow and look for feedback on new datasets that can be added to help with the ambition for making the most of the council's data assets. Information governance and data ethics will be embedded into the decision making process regarding what is and isn't shared.

Predictive models continue to be developed to determine future demand. School places and SEND sufficiency are two areas being focused on at the moment, using lessons learned from the first phase of the recent project to refine the models.

Commissioning School Places

Plans for the school estate are in line with the commitment made in the Borough Plan; to ensure that there are sufficient places in good local inclusive schools at the heart of the community that children and families want to go to. To support this aim, an infrastructure has been created which combines expertise from school estates, education improvement and inclusion with school place planning and admissions. Currently the Place Planning and Estate Capital Pipeline working groups are operational.

The strategy for sufficient specialist provision is being informed by a task and finish group comprising of leads from SEND and Inclusion, special schools, school resourced units, alternative provision, education inclusion and school admissions. Key stakeholders will be invited onto the school sufficiency consultation group to support codesign of the school offer.

Work is underway with Business Intelligence to accurately project and model populations for the next 5 to 10 years. This, coupled with rich insights from collaborative work, will mean the council will be able to articulate how it will shape the school estate over the next 5 to 10 years to meet the changing needs of Stockport's communities.

Work continues with planning officers to accurately forecast the number of extra school places required when there is a new housing development proposal and will outline the required developer monetary contribution to creating sufficiency in the local area.

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

We have continued to provide an overview on the new legislation regarding Covid requirements as soon as new information is published. Work required ahead of re-opening of some buildings, particularly leisure centres is ongoing.

Measuring Performance and Reporting Progress

<table>
<tr><th rowspan="2">PI Code</th><th rowspan="2">Short Name</th><th rowspan="2">Good Perfor-mance</th><th>2018/19</th><th>2019/20</th><th colspan="4">2020/21</th></tr>
<tr><th>Actual</th><th>Actual</th><th>Actual</th><th>Target</th><th>Status</th><th>Trend</th></tr>
<tr><td colspan="9">Council Measures</td></tr>
<tr><td>RCG.3.1 BV12 (ii)</td><td>The average number of working days lost due to sickness absence per employee</td><td>Low</td><td>9.85</td><td>9.59</td><td>8.14</td><td>9.50</td><td>G</td><td></td></tr>
<tr><td colspan="9">Sickness absence levels have dropped to the lowest for a number of years. The average number of full time equivalent days lost per employee across the council, as a result of sickness in the 12 month period (1 April 20 to 31 March 21) was 8.14 FTE days. This is lower than the year end figure at 31 March 20 which was 9.59 FTE days and also the half year figure at 30 September 2020 which was 9.27 FTE days lost, and importantly is below the council target of 9.5 days.

This is due in part to the vast majority of the workforce continuing to work from home. Further analysis and information around wellbeing initiatives will be included in the annual sickness absence report due to be considered at the September meeting of CRMG.</td></tr>
<tr><td>RCG 3.2 NEW</td><td>Percentage of children allocated their first choice school place for a) Primary and b) Secondary schools</td><td>High</td><td>a)91.1%
b)84.8%
(2019)</td><td>a)90.5%
b)85.8%
(2020)</td><td>a)88.9%
b)83.1%
(2021)</td><td>Aim to maximise</td><td>A</td><td></td></tr>
<tr><td colspan="9">Latest provisional first preference figures are currently showing Primary as 88.9% and Secondary as 83.1%. This is expected to increase to previously levels of around 90% as school place offers are finalised for September.

Many parents prefer their nearest local school because that often means that children can make friends locally 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, a selection criteria is applied and parents may not necessarily get their first choice.

This 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; the condition of the building and its offer of ‘wrap around’ care and inclusive facilities.</td></tr>
<tr><td>RCG 3.3 NEW</td><td>Digital Asset Management – percentage of estate mapped to BIM framework Level 5</td><td>High</td><td>N/A</td><td>N/A</td><td>N/A</td><td>20%</td><td>N/A</td><td>N/A</td></tr>
<tr><td colspan="9">No data available as yet - this is expected to commence from reporting date 2021/2022.</td></tr>
</table>

RESOURCES, COMMISSIONING AND GOVERNANCE
2. FINANCIAL RESOURCES AND MONITORING

2.1 Revenue – Cash limit

Budget at Outturn

	Previously Reported (Q3) £000	Increase (Reduction) £000	Outturn Budget £000
Cash Limit	24,119	0	24,119

Budget changes from previous quarter

No changes have been made to the cash limit since the Q3 Budget Monitoring Update to the council presented at Cabinet on 9th February 2021, and Corporate Resource Management and Governance (CRMG) Scrutiny Committee on 13th April 2021.

Outturn Position

Net Cash Limit £000	Net Expenditure £000	Appropriations £000	(Surplus) / Deficit £000
24,119	**33,034**	**(1,398)**	**7,517**

The deficit of £7.517m, though representing a 31.2% variance on the net cash limit, is in line with the likely range of outcomes previously anticipated and predominantly due to Covid-19. Of the outturn deficit, £6.4m is on the Investment and Development account (I and D) with the remaining £1.1m on support activities including operational property and Information Technology.

Some areas such as Business Support and Benefits and Taxation have been directly supporting the council's Covid-19 response including distributing PPE materials and processing grant payments under the various government business support schemes. For accounting reasons central government grant to help fund the administration of some of these activities are included as overall General Fund Financing items, rather than included within the Portfolio's relevant service areas.

The I and D account position reflects not only the drop in rental income in the commercial estate, but also a sizeable bad debt provision for income recognised in the accounts but may not be fully realised in the coming period.

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 reflect the current balances in reserves. The planned use of these reserves will form part of the annual in year review of the council's reserves policy, aligned to 2021/22 financial planning and anticipated commitments.

Reserve Category	Reserve Narration	To be used for	Approved £000	Appropriations 2020/21 £000	Balance £000
Linked to Budget	Transformation – Double Running	Double running/savings timing	375	(375)	0
Linked to Budget	Transformation – Double Running	To support savings	397	0	397
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	(60)	21
Linked to Budget	Transformation - Invest to Save	Early Payments Programme	51	0	51
Strategic Priority	Digital by Design	Radical Digital Authority	3,110	(458)	2,652
Strategic Priority	Equipment Refresh	Civica Pay -Cash Management	66	0	66
Strategic Priority	Equipment Refresh	SAP Upgrade	84	(84)	0
Strategic Priority	Equipment Refresh	Servers and data backup (*)	1,160	(1,131)	29
Directorate	Flexibility	Apprenticeships	40	0	40
	TOTALS		**5,566**	**(2,310)**	**3,256**

(*) funding capital expenditure

2.3 Portfolio Savings Programme

Proposal	Risk Rating	Value £000	Value Achieved or Identified £000	Additional Information
Value for Money Phase 2	Amber	750	240	Supported in year by £0.375m of reserves.
Balancing the Cost of Services Phase 2	Amber	135	90	Reasonable progression.
Property Review Phase 2	Green	40	40	Achieved.
Total		**925**	**370**	

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 Finance Update and Outlook

Expenditure as at 31 Mar 2021 £000	Scheme	2020/21 Programme £000	2021/22 Programme £000	2022/23 Programme £000
	Non Education Capital Schemes			
3,159	Asset Management Plan	3,159	2,273	5,846
16	Reprovision of Dialstone Facility	16	3,022	0
(19)	Borough Care	(19)	0	0
47	Disposal of Assets	47	27	0
1,131	IT - Nutanix	1,131	29	0
3,740	Manchester Airport - equity investment	3,740	0	0
9,677	Manchester Airport - Shareholder Support Loan	9,677	3,273	0
4,000	TLC Fleet Vehicle Loan Facility	4,000	0	0
9	GM Stations Alliance	9	0	0
21,760	**Sub-total**	**21,760**	**8,624**	**5,846**
	Education - Schools Capital Programme			
0	Early Years	0	13	0
2,512	Primary Sector	2,512	10,414	0
4,811	Secondary Sector	4,811	2,935	0
2,078	Special Sector	2,078	11,262	4,177
0	Cross Sector	0	0	0
0	Special Educational Needs	0	0	0
0	Other Schemes	0	0	0
0	Funding to be allocated	0	16,371	0
1,315	Individual School Schemes	1,315	229	0
10,716	**Sub-total**	**10,716**	**41,224**	**2,177**
32,476	**TOTAL**	**32,476**	**49,848**	**10,023**

Resources

Resources	2020/21 £000	2021/22 £000	2022/23 £000
Capital Grants	8,319	14,980	0
Directly Funded Borrowing	5,246	263	0
Unsupported Borrowing	17,535	30,327	4,177
Capital Receipts	72	3,049	5,551
External Contributions	50	1,200	23
Revenue Contributions (RCCO)	1,254	29	272
TOTAL	**32,476**	**49,848**	**10,023**

Programme Amendments – Re-phasing

Scheme	2020/21 £000	2021/22 £000	2022/23 £000	Funding Source	Reason
Asset Management Plan	1,159	(6,159)	5,000	USB	Rephasing
Re-provision of Dialstone Facility	(34)	34	0	Cap Rec.	Rephasing
Borough Care	(19)	0	0	DFB	Rephasing
Disposals	(27)	27	0	Cap Rec.	Rephasing
IT - Nutanix	(29)	29	0	RCCO	Rephasing
Manchester Airport - Shareholder Support Loan	(3,273)	3,273	0	USB	Rephasing
TLC Fleet Vehicle Loan Facility	2,000	0	0	DFB	Rephasing
GM Stations Alliance	9	0	0	USB	Addition
<u>Education Schemes</u>					
Early Years	(13)	13	0	Various	rephasing of schemes
Primary	(835)	835	0	Various	rephasing of schemes
Secondary	(257)	257	0	Various	rephasing of schemes
Special	(301)	301	0	Various	rephasing of schemes
Individual School Schemes	(229)	229	0	HPCF and DFB	rephasing of schemes
Funding to be allocated	(338)	338	0	CM and BN grant	rephasing of schemes
Primary	(70)	0	0	CM and BN grant	Scheme alignment
Secondary	(164)	0	0	CM and BN grant	Scheme alignment
Special	29	0	0	CM and BN grant	Scheme alignment
Individual School Schemes	319	0	0	DFC and RCCO	Scheme alignment
Funding to be allocated	338	0	0	CM and BN grant	Scheme alignment
Special Sector	0	0	2,000	USB	Increase Lisburne School Scheme
TOTAL	**(1,735)**	**(823)**	**7,000**		

<u>Commentary</u>

- **Asset Management Plan -** Due to the impact of Covid-19 all schemes were reviewed during 2020/21 in terms of programme, priority and cost. In order to mitigate project risk a significant number of items were rephased into 2021/22.

  The most significant of these 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 programme: Changing room works to Avondale Life Leisure, along with lift replacement at the same site concluded during Quarter 1 2021/22; roofing works are due to start at Avondale imminently and to conclude by the end of Quarter 2 2021/22; works are now progressing at Romiley Life Leisure to fully refurbish the changing rooms and will complete in Quarter 3 2021/22. Following this, the car park works at

Romiley Life Leisure will be undertaken during Quarters 3 and 4. The car park works at Hazel Grove have been rephased into 2022/23.

Other significant projects that have been rephased into 2021/22 include the refurbishment of Gatley Hill House, with an overall cost of £0.750m and the replacement of lift controls within Stopford House, with an overall cost of £0.550m. A proportion of the allocated budgets for Heritage and Library projects has been deferred into 2021/22.

The AMP includes the capital investment to facilitate improved utilisation and future financial sustainability of Hatworks site (Wellington Mill). This has enabled the Arc Centre to relocate to Level 2 of the site. The capital investment will be paid back through rent paid by Arc for the space.

- **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 council's Design and Technical Services Team (Estates and 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. However, 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.

- **Disposal 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.

  A large part of the capital element has now been spent on the Nutanix element (£0.898m) with a further £0.233m of networking kit received. The internet upgrade has been ordered (£0.029m), however this is likely to take another couple of months before it goes live and is invoiced.

  There are some additional networking components needed for the Xi element of the works, this has yet to be procured.

- **Manchester Airport – Equity Investment -** 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.

- **Manchester Airport – Shareholder Support Loan -** 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 2020 at the MAG airports and is expected to continue into the medium-term period as the uncertainty for the 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 -** An important area for future investment in TLC is the replacement of its fleet of operational heavy vehicles. In November 2018, the group agreed a structured loan facility with Stockport MBC of up to £10.8m, which can be drawn down over six years. A number of vehicles had been ordered prior to the arrival of the pandemic and, although production was disrupted by the crisis, a significant proportion of the vehicles were delivered by 31 March 2021. As a result, in the year to 31 March 2021, the business drew down £4.0m of the agreed loan with SMBC and used it to finance the new vehicles, including nineteen new refuse collection vehicles (48% of the refuse fleet) and five new mini-sweepers (83% of the mini-sweeper fleet). Furthermore, during 2020/21, TLC's Board authorised the order of a further range of vehicles, which, because of long manufacturing lead times, are expected to arrive during 2021-22 and onwards.

- **GM Stations Alliance -** 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 was considered by the Cabinet in April 2021, and ward member briefings will now commence to consider some of the detail of the proposals.

- **Education**
  A series 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 council continues to review and assess school projects for the future linked to the latest asset management plan reviews of all school buildings, with an approximate £90m back-log of works required across all the school estate.

  £2m additional unsupported borrowing is included in the three-year Capital Programme (in 2022/23) for the Lisburne School Expansion Scheme (Resources, Commissioning and Governance). The scheme was originally approved by Cabinet in April 2018 but delays in the scheme, largely as a result of the Carillion collapse, and subsequent increases in material costs as a consequence of Brexit, Covid-19 and the development of the council's Climate Strategy, Stockport CAN, mean further funding is required. A full report on this was presented to Corporate Leadership Team on 27 April 2021, where approval in principle was given to the increase in funding, and Portfolio holders have been briefed on the status of the scheme. Cabinet Members are asked to approve the increase in capital funding required.