

## **AGENDA FOR**

## **CABINET**

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**To: All Members of Cabinet**

**Councillors:** M C Connolly (Leader) (Chair), R Shori (Deputy Leader & Cabinet Member for Health and Well Being), J Lewis (Cabinet Member for Communities and Culture), S Walmsley (Cabinet Member for Resource and Regulation), T Isherwood (Cabinet Member for Environment) and G Campbell (Cabinet Member for Children and Young People)

Dear Member

### **Cabinet**

You are invited to attend a meeting of the Cabinet which will be held as follows:-

<b>Date:</b>	Wednesday, 26 November 2014
<b>Place:</b>	Rooms A and B, Bury Town Hall, Knowsley Street, Bury, BL9 0SW
<b>Time:</b>	6.00 pm
<b>Briefing Facilities:</b>	If Opposition Members and Co-opted Members require briefing on any particular item on the Agenda, the appropriate Director/Senior Officer originating the related report should be contacted.
<b>Notes:</b>	

## **AGENDA**

### **1 APOLOGIES FOR ABSENCE**

### **2 DECLARATIONS OF INTEREST**

Members of Cabinet are asked to consider whether they have an interest in any of the matters of the Agenda, and if so, to formally declare that interest.

### **3 PUBLIC QUESTION TIME**

Questions are invited from members of the public present at the meeting about the work of the Council and the Council's services. Approximately 30 minutes will be set aside for Public Question Time, if required.

### **4 MINUTES (Pages 1 - 6)**

To approve as a correct record the minutes of the meeting held on 1 October 2014.

### **5 ANTI-SOCIAL BEHAVIOUR, CRIME AND POLICING ACT 2014 (Pages 7 - 30)**

### **6 REVIEW OF COUNCIL OWNED GARAGE SITES (Pages 31 - 56)**

### **7 CORPORATE PLAN PROGRESS MONITORING REPORT (Pages 57 - 80)**

### **8 TREASURY MANAGEMENT STRATEGY MID-YEAR REVIEW 2014/2015 (Pages 81 - 92)**

### **9 CORPORATE FINANCIAL MONITORING REPORT - APRIL 2014 TO SEPTEMBER 2014 (Pages 93 - 122)**

### **10 MINUTES OF ASSOCIATION OF GREATER MANCHESTER AUTHORITIES / GREATER MANCHESTER COMBINED AUTHORITY (Pages 123 - 132)**

To consider the minutes of meetings of the AGMA Executive Board and Greater Manchester Combined Authority held on 31 October 2014.

### **11 APPOINTMENTS**

To report the following appointments:

- Councillor T Tariq is appointed Deputy Cabinet Member for Wellbeing;
- Councillor A Cummings is appointed as a Council representative to the Bury Music Service.

### **12 URGENT BUSINESS**

Any other business which by reason of special circumstances the Chair agrees may be considered as a matter of urgency.

<b>Minutes of:</b>	<b>THE CABINET</b>
<b>Date of Meeting:</b>	1 October 2014
<b>Present:</b>	Councillor M Connolly (in the Chair) Councillors G Campbell, A Isherwood, J Lewis, R Shori and S Walmsley
<b>Apologies:</b>	-
<b>Public attendance:</b>	33 members of the public were in attendance.

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### **CA.321 DECLARATIONS OF INTEREST**

Councillor Connolly declared a prejudicial interest in the respect of minute numbers CA.324 (Learning Disability Day Service Modernisation: Replacement of Wheatfields with Alternative bases) and CA.325 (Future Service Options for Social Care Provider Services) for the reason that his partner is employed by Adult Care Services. Councillor Connolly left the meeting room during the consideration of the two items of business.

### **CA.322 PUBLIC QUESTION TIME**

A period of thirty minutes was allocated for members of the public present at the meeting to ask questions about the work or performance of the Council or Council services.

**Topic:** Future Service Options for Social Care Provider Services

**Question:** Which services are closing down and why?

**Response:** There are no proposals to close any services at this point.

**Topic:** Future Service Options for Social Care Provider Services

**Question:** Bearing in mind that the deadline to introduce an Alternative Delivery Model is 1 April 2015, is there sufficient time to produce a business model from scratch that will meet the needs and expectations of service users and staff of this large service?

**Response:** The Council believes that a successful business model can be achieved in the time available. This is reinforced by Adult Care Services' track record of rising to the challenge of continuous change since 2006. The service has capable staff in place who want this proposal to work and are ready for change to happen.

**Topic:** Future Service Options for Social Care Provider Services

**Question:** Will stakeholders have involvement in the process to decide which version of Option 3 will be used as the Alternative Delivery Model.

**Response:** Yes there will be stakeholder involvement in the process. The Council will also call upon the experience of other local authorities that have taken this route.

**Topic:** Learning Disability Day Service Modernisation: Replacement of Wheatfields with Alternative bases

**Question:** Why has it taken ten years to move forward to this point regarding the development of Adult Care Services?

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**Response:** Adult Care Services has never stopped moving forward due to the ongoing changes over the years and during this time the service has maintained an ethos of high quality provision. The responses from service users/ family have clearly shown that the Council provides the best level of service compared to other providers in the private sector.

## **CA.323 MINUTES**

### **Delegated decision:**

That the minutes of the meeting held on 3 September 2014 be approved and signed by the Chair as a correct record.

(Councillor Connolly left the meeting room at this point and Councillor Shori took the Chair.)

## **CA.324 LEARNING DISABILITY DAY SERVICE MODERNISATION: REPLACEMENT OF WHEATFIELDS WITH ALTERNATIVE BASE**

The Deputy Leader of the Council and Cabinet Member (Health and Wellbeing) submitted a report seeking approval to:

- the holding of a consultation over the relocation of services from Wheatfields in 2015;
- the required capital funding of the alternative facilities.

The proposal forms the final stage of the learning disability day service modernisation. This process has been ongoing for the last ten years and will see the replacement of all large day centres with fit for purpose community core bases and outreaches throughout the Borough.

### **Delegated decision:**

1. That approval be given to proceed to consult on the relocation of services from Wheatfields in 2015.
2. That approval be given to capital funding for the provision of alternative facilities.

### **Reasons for the decision:**

The Wheatfields building is no longer fit for purpose. Negotiations on identified sites can proceed and refurbishment work can commence. Customers and families can be consulted and matched to alternative venues. Plans can be made for the disposal of the Wheatfields site. The Wheatfields building can begin to be decommissioned as soon as appropriate to avoid further maintenance costs. Investment in the four alternative bases will generate a further estimated £340k surplus on the capital receipt.

### **Other option considered and rejected:**

To reject the proposals.

**CA.325 FUTURE SERVICE OPTIONS FOR SOCIAL CARE PROVIDER SERVICES**

The Deputy Leader and Cabinet Member (Health and Well Being) submitted a report setting out the findings from an options appraisal and stakeholder consultation in respect of a group of adult social care related services.

The options appraisal considered three options from a range of perspectives:

- Financial
- Political/organisational
- Procurement
- Workforce
- Customer
- Assets

The stakeholder engagement involved briefings and feedback from customers, families, staff and groups/individuals and trade unions with an interest in this area.

**Delegated decision:**

1. That approval be given to the introduction of an Alternative Delivery Model (social enterprise or local authority traded company). This would involve services being developed into a new organisation separate to the Council. Customers and staff would transfer into this new organisation.
2. That approval be given to proceed to the next phase of work to establish the business plan for the potential new organisation and the form to be taken to deliver this.
3. That the engagement and involvement with all stakeholders in respect of development of the model continue.
4. That officers continue to engage with the Cabinet Office Mutual Support Program in respect of support available to proceed with the introduction of an Alternative Delivery Model.

**Reason for the decision:**

The decision is based on the results of the options appraisal and stakeholder feedback.

**Other option considered and rejected:**

1. Closure of some services  
Customers would need to be found alternative provision if the service they use was chosen for closure. Staff would be at risk of redundancy.
2. Externalisation  
The service including staff and customers would transfer to a different provider following a competitive tender exercise.
3. Do nothing  
Savings would not be achieved and would have to be met elsewhere within the Council.

(Councillor Connolly returned to the meeting at this point and took the Chair.)

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## **CA.326 BURY CORE STRATEGY – SUSPENSION OF EXAMINATION AND UPDATE ON CURRENT POSITION**

The Cabinet Member (Resource and Regulation) submitted a report regarding the suspension of the Examination of the Bury Core Strategy, an update on the position and the options available to the Council.

The Core Strategy sets out the framework for the future growth and development in the Borough up to 2029.

Following the submission of the Core Strategy in December 2013 an independent Inspector was appointed to undertake an Examination of the Strategy to determine whether the Strategy had been prepared in accordance with the Duty to Co-operate, legal and procedural requirements and whether it was sound.

Following the consideration of the Strategy, background evidence and verbal evidence and holding Hearing sessions the Inspector decided to suspend the Examination.

### **Delegated decision:**

1. That before reporting back to Cabinet to set out appropriate options for going forward, consideration be given to:
  - The implications of the Government's updated household projections for the Core Strategy;
  - The outcomes of consultation on the methodology behind the Greater Manchester Spatial Framework.

### **Reason for the decision:**

To ensure that the Council is able to take account of the updated household projections from the Government's Department for Communities and Local Government (CLG) and to determine whether Bury's housing needs could be accommodated by the submitted Core Strategy's current approach. Consequently, the Council would be able to make a more informed decision on an appropriate way forward for the Core Strategy.

### **Other option considered and rejected:**

To reject the recommendation.

## **CA.327 MINUTES OF ASSOCIATION OF GREATER MANCHESTER AUTHORITIES / GREATER MANCHESTER COMBINED AUTHORITY**

Consideration was given to the minutes of the AGMA Executive Board and Greater Manchester Combined Authority both held on 29 August 2014.

### **Decision:**

That the minutes of the meetings of the AGMA Executive Board and Greater Manchester Combined Authority held on 29 August 2014 be noted.

**COUNCILLOR M CONNOLLY**  
**Chair**

(Note: The meeting started at 6.00 pm and ended at 6:30 pm)

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**REPORT FOR DECISION**



<b>DECISION OF:</b>	<b>Cabinet</b>
<b>DATE:</b>	<b>26 November 2014</b>
<b>SUBJECT:</b>	<b>Anti-social Behaviour, Crime and Policing Act, 2014</b>
<b>REPORT FROM:</b>	<b>Councillor Jane Lewis – Cabinet Member for Communities and Culture</b>
<b>CONTACT OFFICERS:</b>	<b>Rachel Henry, Anti Social Behaviour Manager Cindy Lowthian, Communities Manager</b>
<b>TYPE OF DECISION:</b>	EXECUTIVE - KEY DECISION
<b>FREEDOM OF INFORMATION/STATUS:</b>	This paper is within the public domain
<b>SUMMARY:</b>	<p>This report provides an overview of new provisions for tackling anti-social behaviour contained within the Anti-Social Behaviour, Crime and Policing Act 2014.</p> <p>The new provisions streamline tools for tackling anti-social behaviour with six new powers replacing 19 existing ones. Two new powers, the Community Trigger and Community Remedy, have been introduced to help focus the response to such behaviour on the needs of victims.</p> <p>The report outlines work being undertaken (through Bury's Community Safety Partnership) to prepare for the Act and develop a response within the capacity and resources available to local agencies.</p> <p>It seeks approval to a number of recommendations to ensure the Council is able to ensure effective implementation of the powers, most of which came into force on 20 October 2014.</p>

<p><b>OPTIONS &amp; RECOMMENDED OPTION</b></p>	<p>Option 1 (preferred): It is recommended that:</p> <ul style="list-style-type: none"> <li>(a) The new tools and powers in respect of anti-social behaviour are noted;</li> <li>(b) There is clear and consistent communication with all sections of the community to manage expectations and promote self help;</li> <li>(c) For the purposes of the Anti-Social Behaviour, Crime and Policing Act 2014, the following authorisations are approved:</li> </ul> <p><u>Injunctions</u></p> <ul style="list-style-type: none"> <li>(i) That the Executive Director for Communities and Wellbeing, in consultation with the Assistant Director - Legal and Democratic Services and Cabinet Member for Communities and Culture, be given delegated authority, where appropriate, to seek a Civil Injunction in accordance with Part 1 of the Anti-Social Behaviour, Crime and Policing Act 2014.</li> </ul> <p><u>Community Protection Notices</u></p> <ul style="list-style-type: none"> <li>(ii) That initially, officers from the Council's Environmental Health and Antisocial Behaviour team are authorised, where appropriate, to serve Community Protection Notices and Public Space Protection Orders (in accordance with Part 4 of the Anti-Social Behaviour, Crime and Policing Act 2014).</li> <li>(iii) That the level of fines for Fixed Penalty Notices (FPNs) issued as a sanction for breaching Community Protection Notices and Public Spaces Protection Orders be set at £90 to bring them in line with other Greater Manchester authorities and that the level is reduced to £60 for payment within 14 days of the FPN being issued.</li> <li>(iv) Further consideration is given to the feasibility of Six Town Housing and other social landlords becoming agents of the Council for the purposes of issuing Protection Notices, in accordance with the provisions of the Act. (subject to further Regulations being published).</li> <li>(v) Over the next six months, the Head of Environmental Protection, in consultation with the Assistant Director - Legal and Democratic Services, work with Greater Manchester Police to agree local arrangements for the issuing of Community Protection Notices and Fixed Penalty Notices (for breach of CPNs) by them. As the Prosecuting Authority, the Council aims to ensure</li> </ul>
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	<p>consistent and appropriate use.</p> <p><u>Closure Notices</u></p> <p>(vi) That the Executive Director of Communities and Wellbeing, in consultation with the Cabinet Member for Communities and Culture, be granted delegated authority to issue a Closure Notice and apply for a Closure Order in accordance with Chapter 3 of the Anti-Social Behaviour, Crime and Policing Act 2014.</p> <p><u>Anti Social Behaviour Case Reviews (Community Trigger)</u></p> <p>(vii) The threshold for enacting Anti-Social Behaviour (ASB) Case Reviews is set at the minimum statutory level of 3 qualifying complaints within a six month period unless hate crime is a factor or where the victim scores 'amber' or 'red' on the risk matrix used to assess vulnerability in anti-social behaviour cases, in which cases immediate reviews may be enacted.</p> <p>(viii) The following people be designated to respond to Anti-Social Behaviour Case Reviews (Community Trigger):</p> <ul style="list-style-type: none"> <li>• Acknowledgement – Anti-Social Behaviour Manager</li> <li>• Outcome (of the request for a Review) – Executive Director of Communities and Well Being or a senior manager nominated by the Executive Director</li> <li>• Appeal – Chair of Bury’s Community Safety Partnership</li> </ul> <p>(ix) A review is conducted in six months to assess the impact of the legislation on demand.</p> <p>Option 2 That the proposals are not accepted.</p> <p>Option 1 is recommended for approval. Reasons:</p> <ul style="list-style-type: none"> <li>• The provisions of the Act enable the Council and its partners to tackle anti-social behaviour.</li> <li>• Resource constraints limit the extent to which these powers can be applied</li> <li>• The proposals outlined will ensure appropriate, consistent and proportionate use of the new tools and powers.</li> </ul>
<p>IMPLICATIONS:</p>	
<p><b>Corporate Aims/Policy Framework:</b></p>	<p>Do the proposals accord with the Policy</p>

	Framework? <b>Yes</b>
<b>Statement by the S151 Officer: Financial Implications and Risk Considerations:</b>	Start up costs (£2,760) will be met from existing budgets in the first instance.  The scheme may generate income from fines in the future, however it is not possible to quantify these at this stage.
<b>Health and Safety Implications</b>	
<b>Statement by Executive Director of Resources</b>	There are no wider resource implications
<b>Equality/Diversity implications:</b>	<b>Yes</b> An Equality Analysis has been completed. The overall effect will be positive – the new measures will be utilised in Bury to help address harassment and victimisation, promote community safety, resilience and wellbeing.
<b>Considered by Monitoring Officer:</b>	Yes The legal implications of the Act for the Council are set out in the report and Appendix A.
<b>Wards Affected:</b>	All
<b>Scrutiny Interest:</b>	Yes: Report considered by Overview and Scrutiny Committee on 07/10/2014



**TRACKING/PROCESS**

**DIRECTOR:**

Chief Executive/ Strategic Leadership Team	Cabinet Member/Chair	Ward Members	Partners
	26.09.14 10.11.14		Community Safety Partnership, 28.10.14.
Scrutiny Committee	Cabinet/Committee	Council	
07.10.14	26.11.14		

## 1.0 Background

In May 2012 the Home Office produced a white paper, "Putting Victims First: more effective responses to Anti-Social Behaviour", which outlined how the Government would support local areas to;

- Focus the response to anti-social behaviour on the needs of victims
- Empower communities to get involved in tackling anti-social behaviour
- Ensure professionals are able to protect the public quickly
- Focus on long-term solutions

1.1 The Act received Royal Assent on 13 March 2014. Parts 2 - 6 will be implemented on 20<sup>th</sup> October 2014 and Part 1, relating to the power to make Injunctions, will be implemented by mid January 2015 (exact date to be confirmed).

1.2 Parts 1-6 of the Act cover anti-social behaviour; six new powers replace 19 existing ones and are designed not only to provide effective respite for victims and communities but also to stop future anti-social behaviour by the offender. Through the inclusion of 'positive requirements', perpetrators may be required to address the underlying causes of their behaviour, for example, substance misuse, anger management or problem drinking.

1.3 Some of the powers are designed to address the anti-social behaviour of individuals while others relate to environmental nuisance and anti-social behaviour in a particular location. The Act also introduces the Community Remedy and Anti-Social Behaviour Case Reviews (Community Trigger) which are designed to give victims and communities a say in the way anti-social behaviour is dealt with.

## 2.0 Consultations

2.1 The Home Office conducted a range of consultation events, both on line and face to face with the public and professionals. These have informed the White Paper published in 2012, the Draft Bill and the final Act which gained royal assent in March 2014. The Bill was also subject to pre-legislative scrutiny.

2.2 Consultation on the Community Remedy has been overseen by the Office of the Police and Crime Commissioner (PCC) for Greater Manchester who have responsibility for developing this for use by Police Officers. A Greater Manchester wide online survey was promoted locally to capture the views of Bury residents. The PCC's office is collating responses to inform the final document. A significant proportion of responses collated to date have come from people living in Bury (23%).

2.3 These changes were also discussed at Overview and Scrutiny with a view to feedback from the Committee being used to shape the policy. A major issue for

Members was the ability of the Council and its partners to implement these changes during austere times. Whilst this remains a risk, resource availability has been factored into the recommendations included within this report.

## 3.0 Local Response

3.1 Home Office guidance stresses that the new powers work best when complemented by effective partnership working and information sharing at a local level, using early and appropriate interventions to challenge anti-social behaviour. Bury benefits from a range of strong multi-agency approaches to tackle ASB which have provided the foundation for preparing a response to the new legislation. This includes:

- Multi-agency case conferences and problem solving forums.
- Joint Campaigns e.g. Safe4Summer, Be Safe Be Cool.
- Community based solutions including Restorative Justice Panels. The Panels are made up of trained community volunteers, who bring together both the victim (harmed) and the offender (harmer), and through mediation and dialogue work together to reach agreed outcomes outside of the criminal justice system
- Supporting Communities Improving Lives Team (SCIL) – working with families who are involved in criminality or anti-social behaviour through an intensive, co-ordinated approach that looks at the needs of the whole family.

3.2 Partnership approaches were strengthened in June 2014 through the establishment of a multi-agency 'Joint Enforcement Team' (JET) at Bury Police Station. JET brings officers from the Police, Council and Six Town Housing together to share information, undertake joint problem solving and tasking to resolve criminal, anti-social and environmental issues, protect victims and instigate action against perpetrators.

## 4.0 Details of the new powers:

4.1 Key changes arising as a result of the Act are outlined in **Appendix A**. These can be summarised as follows:

- Replacement of Anti-Social Behaviour Orders and a range of other court orders targeted at anti-social individuals with two new tools: **Injunctions and Criminal Behaviour Order**. The new orders can have positive requirements attached to them to support perpetrators and address the root causes of their offending behaviour.
- Consolidation of a range of tools to deal with place specific anti-social behaviour. The aim has been to simplify the range of remedies available to address a wide range of behaviours that negatively affect the quality of life of residents living in a particular area. These include **Community Protection Notices (CPNs), Public Spaces Protection Orders (PSPOs), Closure Powers and Police Dispersal Powers**.
- Introduction of an **Absolute Grounds for Possession** in assured tenancies (private rented housing) and secure tenancies (social housing) where criminality has already been proved by another court.

- Introduction of a new '**Community Remedy**' which uses a restorative justice approach to deal with low level crime and anti-social behaviour. The Greater Manchester Police and Crime Commissioner is responsible for publishing a 'Community Remedy Document' following community consultation.
- Introduction of a new ASB Case Review (Community Trigger). This will impose a duty on the statutory partners from Bury's Community Safety Partnership (CSP) to conduct a review of cases where victims or communities have complained about ASB on a number of occasions and they perceive local agencies have failed to respond effectively. Officers from the Joint Enforcement Team (JET) are currently working together to develop a locally agreed consistent procedure.

### **5.0 Progress to Date:**

5.1 Planning work for the implementation of the new tools and powers is being overseen by the Anti-Social Behaviour Task and Finish Group. This group, chaired by the Director of Neighbourhoods from Six Town Housing, comprises of representatives from Six Town Housing, the Council's Community Safety and Environmental Services teams and the Police. This group was commissioned by the Community Safety Partnership (CSP) in November 2013 to review and improve the CSP's response to anti-social behaviour which led to the establishment of the Joint Enforcement Team. The local response to the changes in legislation is summarised below:

- Officers from JET (Police, Bury Council and Six Town Housing) are represented on the Greater Manchester ASB Reforms Group. This group has met over a number of months to develop shared templates and processes for utilising the new tools and powers.
- Representatives from the JET (Police, Council and Six Town Housing) attended the 'Train the Trainer' course at GMP Force Head Quarters. These representatives have delivered cascade training to front line staff from the Police, Council and Housing Providers. It is also proposed that a presentation is shared with councillors at a future member briefing.
- Three working groups have been established to plan for, and develop processes to utilise the new tools and powers. One Group is tasked at looking at the 'People' based powers (Chaired by the Anti-Social Behaviour Manager), including Injunctions and Criminal Behaviour Orders. The second group, chaired by the Head of Environmental Protection, is looking at the 'Place' based powers including Community Protection Notices, Public Spaces Protection Orders and Closure Powers. The third working group is looking at the new 'Putting Victims First' measures, namely the ASB Case Reviews and Community Remedy. This group is chaired by the Partnership Sergeant from GMP. These groups bring together a range of agencies including the Police, Community Safety Team, housing providers, Youth Offending Team and Drug and Alcohol, Mental Health and Environmental Services.

### **6.0 Risks**

6.1 Managing Expectations – the Council and partners need to continue to manage expectations in relation to ASB and the use of the new tools and powers within a challenging financial climate.

- 6.2 Current levels of funding from the PCC have been insufficient to cover the full costs of two ASB Caseworkers, so the Council's ASB casework capacity has reduced by half through the loss of one post. There has also been reductions in enforcement staff numbers in Environmental Protection.
- 6.3 The emphasis will continue to be on self help where possible, so that individuals are encouraged to resolve lower level issues of ASB themselves (without having to involve wider agencies which can sometimes make matters worse). The Council and partners will seek to use the new tools and powers in a consistent and proportionate way, particularly for more serious cases.
- 6.4 Opportunities for collaborative working through the Joint Enforcement Team (JET) and Supporting Communities Improving Lives (SCIL) will continue in order to make the best use of partner resources and achieve efficiencies through more effective liaison and case management. Discussions are underway with GMP to review working practices to improve responsiveness and deliver better outcomes to local people more efficiently.

### 7.0 **Financial Implications**

- 7.1 An Impact Assessment undertaken through the Home Office indicates that additional costs could be incurred to local authorities and other ASB practitioners associated with the introduction of the new Injunction. This is as a result of the potential for increased use of the injunction (lower burden of proof and thresholds). Prosecuting breaches of the new injunctions will also fall to the prosecuting agency (that led on the injunction) rather than the police (as is currently the case). Other indirect costs could arise from introducing 'positive requirements' if these involve council services.
- 7.2 Local estimates are that the new injunctions could incur an additional £2760 for the first year (based on current application levels for Anti-Social Behaviour Orders (ASBOs)).
- 7.3 There is also potential for an impact on the workload of the Council's legal team if there are breaches of Community Protection Notices and appeals. This is because the local authority is the prosecuting authority no matter which agency issues the notice. The Council will work with Greater Manchester Police to agree local arrangements for issuing of Community Protection Notices and Fixed Penalty Notices (for breach of CPNs) to ensure consistent and proportionate use.
- 7.4 There are provisions where there is a breach of a CPN, for the Council to take remedial action to address the issue. This could be clearing rubbish or cleaning off graffiti. Although reasonable charges for the work, equipment and administration can be charged to the perpetrator there is a risk of appeal and also risk of not being able to recover the full costs incurred.

### 8.0 **Conclusions**

- 8.1 The Act constitutes the biggest reform of anti-social behaviour legislation in over 10 years. It offers opportunities to the Council and partners to bring swift and effective relief to residents from anti-social behaviour in all forms.



- 8.2 It is essential that we utilise the powers as fully as possible within existing resources while managing the expectations that their introduction will raise within Bury's communities.
- 8.3 The Council will continue to work with partners to agree local procedures which are effectively co-ordinated and monitored, particularly in relation to the use of Community Protection Notices.
- 8.4 The JET team have agreed to review the use of the new powers in Bury after 6 and then 12 months from the implementation date of 20<sup>th</sup> October 2014. This will allow them to address any areas of concern and share good practice to ensure a continued effective partnership response to ASB in the Borough.

### **Background Papers**

Anti-Social Behaviour, Crime and Policing Act, 2014. [Legislation](#) (Click)  
Statutory Guidance, July 2014. [Guidance](#) (Click)  
Greater Manchester Police and Crime Commissioner, Community Remedy  
Consultation. [Community Remedy Consultation](#) (Click)  
[Overview and Scrutiny Report, 07.10.14](#) (Click)

Officer Contact Details: **Rachel Henry, Anti Social Behaviour Manager**  
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**Cindy Lowthian, Communities Manager ([C.Lowthian@bury.gov.uk](mailto:C.Lowthian@bury.gov.uk))Tel: 0161 253 5121**

## **Appendix A – Details of the new Powers**

### **(A) Power to grant Injunctions**

The power to grant injunctions replaces 4 existing powers including Anti-Social Behaviour Injunctions and stand alone Anti-Social Behaviour Orders (ASBOs). In an attempt to reduce the burden on agencies of making applications on behalf of others, the legislation allows several agencies to make applications namely the Police, Council, Social Housing Providers, NHS Protect and the Environment Agency.

The types of behaviour this power is designed to address include vandalism, public drunkenness, and irresponsible dog ownership and noisy / abusive behaviour towards neighbours.

The responsibility for prosecuting breaches of the injunctions lies with the agency who applied for the injunction. For an adult a breach is contempt of court, punishable by a term of imprisonment of up to two years or an unlimited fine. Breach of injunction by someone under 18 could result in the youth court imposing a supervision order or, in the most serious cases, a detention order for those aged between 14 and 17. It is a requirement for the prosecuting agency to consult with the Youth Offending Team if the injunction will apply to a juvenile.

### **(B) Criminal Behaviour Order**

The Criminal Behaviour Order (CBO) replaces the Anti-social Behaviour Order on Conviction (CRASBO) and Drink Banning Order on Conviction.

The CBO will be available on conviction for any criminal offence. The application will be made by the prosecuting agency which will usually be the Crown Prosecution Service but could be the Council e.g. for prosecutions under the Environmental Protection Act 1990. Breach is a criminal offence.

The CBO can include prohibitions to stop the offender from engaging in certain types of behaviour and can also include requirements for the offender to engage in activities to address the causes of their offending.

It is a requirement for the prosecuting agency to consult with the Youth Offending Team if the Criminal Behaviour Order will apply to a juvenile.

### **(C) Community Protection Notice**

The Community Protection Notice (CPN) replaces the Litter Clearing Notice, Street Litter Clearing Notice and Graffiti/Defacement Removal Notice. It is intended to address a wide range of behaviours that negatively affect the quality of life of residents living in a particular area where the person or people responsible can be identified.

A CPN can be given to any individual who is over the age of 16 or a named representative of a business or organisation. It does not replace the statutory nuisance regime, for example noise that is classified as a 'statutory nuisance' will continue to be dealt with by environmental health officers under existing legislation.

'Authorised Persons' can issue a Community Protection Notice. This includes; a police constable and a PCSO (as the Chief Constable has stated his intention that PCSOs will be authorised to use these powers in Greater Manchester), officers or agents of the relevant local authority or a social housing provider if the housing provider is designated by the local authority.

A further Order needs to be laid before Parliament to facilitate the designation of social housing providers which is anticipated to happen within the next six months. Two social housing providers in Greater Manchester have agreed to act as pilots to test these powers and will then share the learning gained including risks and opportunities presented by designating the powers, across the region.

The breach of a CPN is a criminal offence, which is punishable by a level 4 fine if a successful prosecution is brought, or by serving a Fixed Penalty Notice. Police Officers, PCSOs, Council Officers and social housing providers if designated by the Council will have the power to issue a Fixed Penalty Notice and each local area must set the level of fine at an amount not exceeding £100. The Council (or another agency appointed by the Council) can apply for a Remedial, Forfeiture or Seizure Order if the CPN is breached and it is felt that the matter is so serious that a court order is warranted.

Local Authorities are identified in the legislation as the Prosecuting Authority. This means that they are responsible for prosecuting all breaches of CPNs, including those issued by the Police. Fixed Penalty Notices issued by the Police (which in effect offer the individual the opportunity of discharging liability for such a prosecution) are payable to the Local Authority.

The Home Office has indicated that they do not anticipate a significant increase in the use of the notices as a result of the new powers; a number of safeguards have been built in to ensure notices are used proportionately including guidance which makes it clear that they should only be issued where there is no 'reasonable excuse' for the problem and there would be defence of having taken 'all practical measures' to address the issues. The Litter Clearance Notices and Graffiti Removal Notices which are being replaced by the CPNs have been of limited use because of their narrow remit and the cumbersome processes involved. It is anticipated that the CPN will be a more flexible and straightforward power to use and will be beneficial in addressing issues that don't meet the statutory nuisance threshold.

### **(D) Public Spaces Protection Order.**

The Public Spaces Protection Order (PSPO) replaces the Designated Public Place Order, Gating Order and Dog Control Order and is only available to Local Authorities. It is intended to deal with a particular nuisance in an area, which negatively affects the community's quality of life. The restrictions imposed by the Order will apply to everyone or a specified group of people using that geographical area for example by restricting the use of a highway between certain hours or the drinking of alcohol in a public space. Orders can last for up to three years before requiring a review. Where an area has a current gating or dog control order in force this will continue to be valid for 3 years following the implementation of the new powers although the Council can review current orders prior to this date.

The breach of a PSPO is a criminal offence which is be punishable by a level 3 fine if a successful prosecution is brought or the serving of a Fixed Penalty Notice. Police Officers, PCSOs, Council Officers and social housing providers (if designated by the

Council) will have the power to issue FPNs and each local area must set the level of fine at an amount not exceeding £100.

### **(E) Closure Power**

The Closure Power replaces the Premises Closure Order, Crack House Closure Order, Noisy Premises Closure Order and S161 Closure Order. Both the Police and Local Authorities can use this power.

Initially a Closure Notice would be issued out of court by the Police or an identified person within the Local Authority in cases of possible or actual public nuisance associated with particular premises, for up to 48 hours. In all cases where a Closure Notice is issued, an application must be made to the Magistrates Court either to cancel the notice or for a Closure Order to be made. An Order can last up to 3 months extendable by a further 3 months.

There is a requirement for the police and local authority to consult before utilising this power. A Police Inspector can authorise a Closure Notice for up to 24 hours and a Police Superintendent for up to 48 hours. Officers need to be designated by the Chief Executive of the Council to issue Closure Notices although consideration needs to be given to the fact that they may need to be issued out of hours. A process therefore needs to be established whereby an officer within the Council will be available to issue and / or be consulted should this need arise.

### **(F) Police Dispersal Power**

The Police Dispersal Power replaces the Dispersal Order and Direction to Leave. The Dispersal Power can be used by a Police Officer or PCSO to direct a person aged 10 and above who has committed, or is likely to commit anti-social behaviour, crime or disorder, to leave a specified area, and not return for a specified period of up to 48 hours. This does not replace the power to return a child under the age of 16 (who is on the streets between 9pm and 6am without an adult) home or to a place of safety. Failure to comply with a direction under this power is a criminal offence.

### **(G) Absolute Grounds for Possession**

This will give social and private landlords the power to apply to the court to gain possession of a property if the tenant, a member of their household or a visitor has met one of the following conditions:

- 9.0 Convicted of a serious criminal offence
- 10.0 Found to have breached an Injunction under made under the Anti-Social Behaviour, Crime and Policing Act
- 11.0 Convicted for a breach of Criminal Behaviour Order
- 12.0 Convicted for a breach of an Abatement Notice
- 13.0 Had their property closed for more than 48 hours under a Closure Order.

There is no requirement for the landlord to prove that it is reasonable for the court to grant possession and the court cannot suspend possession for more than 14 days (or 6 weeks in exceptional circumstances).

### **Giving Victims a Say**

### **(H) Community Remedy**

The Community Remedy is a menu of options, developed by the Police and Crime Commissioner in consultation with the public that aims to give victims a say in the out of court punishment for offenders of low level crime and anti-social behaviour. The Remedy is likely to include options such as making a written apology, signing an Acceptable Behaviour Contract, and doing unpaid work. The Community Remedy is designed to complement the Neighbourhood Resolution Panels available in many local areas and bring Restorative Justice formally onto the statute books. There is no penalty for failing to comply with a community remedy disposal unless it is part of a conditional caution but this could be used as evidence towards more punitive action. The same Remedy document will be available across Greater Manchester.

### **(I) Anti-Social Behaviour Case Reviews**

The Act introduces a requirement for relevant bodies within a local authority area to carry out a review when this is requested by a victim or victims and their case meets a locally agreed threshold. This threshold cannot be higher than:

1. Three incidents have been reported to the Council, Police and / or social housing provider in the last six months.
2. Or five individuals in the local community have complained separately to the Council, Police or social housing providers in the last six months about similar incidents of anti-social behaviour.

Once a case review has been triggered, there is then a requirement for relevant bodies, identified as Councils, Police Forces, Clinical Commissioning Groups and social housing providers who are co-opted into the group, to undertake a case review. The relevant bodies would collectively consider if the Anti-Social Behaviour Case Worker threshold has been met and recommend further actions deemed appropriate. The action plan will then be shared with the victim. If they are not satisfied with this response, they can appeal to the Chair of the Community Safety Partnership and ultimately the Police and Crime Commissioner. A locally agreed consistent approach to managing such complaints dealt with by this process is currently being developed.

Manchester City Council was one of 4 national pilot areas which tested the ASB Case Reviews. The processes developed in Manchester under this pilot have been used by Bury and other local authority areas to inform local processes.

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## Equality Analysis Form

The following questions will document the effect of your service or proposed policy, procedure, working practice, strategy or decision (hereafter referred to as 'policy') on equality, and demonstrate that you have paid due regard to the Public Sector Equality Duty.

### 1. RESPONSIBILITY

<b>Department</b>	Communities and Wellbeing	
<b>Service</b>	Community Safety	
<b>Proposed policy</b>	Anti-Social Behaviour, Crime and Policing Act, 2014 – introduction of new measures to address anti-social behaviour, crime and disorder.	
<b>Date</b>	9 <sup>th</sup> October 2014	
<b>Officer responsible for the 'policy' and for completing the equality analysis</b>	<b>Name</b>	Rachel Henry
	<b>Post Title</b>	Anti-Social Behaviour Manager
	<b>Contact Number</b>	0161 253 7785
	<b>Signature</b>	Rachel Henry
	<b>Date</b>	9 <sup>th</sup> October 2014
<b>Equality officer consulted</b>	<b>Name</b>	Mary Wood
	<b>Post Title</b>	Principal Officer - Equalities
	<b>Contact Number</b>	0161 253 6795
	<b>Signature</b>	 28/2014
	<b>Date</b>	24 <sup>th</sup> October 2014

### 2. AIMS

<b>What is the purpose of the policy/service and what is it intended to achieve?</b>	<p>The Anti Social Behaviour, Crime &amp; Policing Act constitutes the biggest reform of anti-social behaviour legislation in over 10 years and introduces new measures to provide swift, effective resolution to anti-social behaviour, crime and disorder to improve the quality of life of residents in the Borough. The Act received Royal Assent on 13 March 2014. Parts 2 – 6 will be implemented on 20 October 2014 and Part 1, relating to the power to make Injunctions, will be implemented by mid January 2014 (date to be confirmed).</p> <p>Parts 1-6 cover anti-social behaviour; six new powers replace 19 existing ones and are designed not only to provide effective respite for victims and communities but also to stop future anti-social behaviour by the offender. Through the inclusion of positive requirements, perpetrators may be required to address the underlying causes of their behaviour, for example, substance misuse, anger management or problem drinking. Two new powers, the Community Trigger and Community Remedy, have</p>
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	<p>been introduced to help focus the response to such behaviour on the needs of victims.</p> <p>The Office of the Police and Crime Commissioner has overseen consultation across Greater Manchester on the Community Remedy, which uses a restorative justice approach to deal with low level crime and anti-social behaviour, to develop a document to be used throughout the region. A significant proportion of responses collated to date have come from people living in Bury (23%).</p> <p>Work on the implementation of the new tools and powers is being undertaken through a series of working groups, overseen by the Anti-Social Behaviour Task and Finish Group, which was commissioned by the Community Safety Partnership to review and improve the borough wide response to anti-social behaviour. This will include the local response to the Community Trigger where victim(s) can request an Anti-Social Behaviour Case Review if their case meets a locally agreed threshold and the potential for social housing providers to become agents of the Council for issuing Community Protection Notices, in accordance with the provisions of the Act. All partners are working at a local and Greater Manchester level to share learning and ensure consistent and proportionate processes are in place for agencies to utilise the new powers.</p> <p>The report sets out proposals for how the measures will be implemented in Bury and seeks approval for this</p>
<p><b>Who are the main stakeholders?</b></p>	<ul style="list-style-type: none"> <li>• Bury Council, particularly the Communities and Environmental Protection Teams.</li> <li>• Supporting Communities, Improving Lives (SCIL) Team.</li> <li>• Community Safety Partnership</li> <li>• Team Bury Partners</li> <li>• Clinical Commissioning Group</li> <li>• Other health care providers</li> <li>• Greater Manchester Police</li> <li>• Six Town Housing</li> <li>• Registered Social Landlords</li> <li>• Youth Offending Team</li> <li>• Councillors</li> <li>• All Residents of Bury</li> <li>• Other Greater Manchester Authorities</li> </ul>



### 3. ESTABLISHING RELEVANCE TO EQUALITY

**3a. Using the drop down lists below, please advise whether the policy/service has either a positive or negative effect on any groups of people with protected equality characteristics. If you answer yes to any question, please also explain why and how that group of people will be affected.**

Protected equality characteristic	Positive effect (Yes/No)	Negative effect (Yes/No)	Explanation
Race	Yes	No	The new measures are designed to bring swift and effective resolution to a wide range of issues. They can be used (where appropriate), to address issues of hate crime perpetrated against people because of their race. Overall, the measures will be utilised to maintain strong and safe communities where people from all backgrounds feel they belong.
Disability	Yes	No	The measures introduced under the Act can be used to address ASB affecting those with disabilities. Tools and powers can be used to protect vulnerable people and build confidence in reporting to address disability hate crime.
Gender	Yes	No	The measures introduced under the Act will be used to address complaints of anti-social behaviour perpetrated against all people in Bury regardless of their gender. The Greater Manchester ASB Group is exploring potential use of the tools and powers to address some domestic violence cases. Statistically, females are more likely to be victims although domestic violence can affect all people, regardless of gender.
Gender reassignment	Yes	No	The measures introduced under the Act will be used to address complaints of anti-social behaviour from all people within Bury regardless of their sex. The new measures are designed to bring swift and effective resolution to a wide range of issues and can be used where appropriate to address issues of hate crime perpetrated against people because they have undergone gender reassignment.
Age	Yes	No	The measures introduced under the

			<p>Act will be used to address complaints of anti-social behaviour against all people within Bury regardless of their age.</p> <p>The new measures have considerably less severe penalties for breach for young people (to the ones they replace) and instead, there is an emphasis on early intervention and positive interventions. These aim to divert young people away from anti-social behaviour and crime. The longer term aim is to develop proportionate approaches to address the underlying causes of anti-social behaviour which avoid the criminalisation of young people at an early age.</p>
Sexual orientation	Yes	No	<p>The measures introduced under the Act will be used to address complaints of anti-social behaviour from all people within Bury regardless of their sexual orientation.</p> <p>The new measures are designed to bring swift and effective resolution to a wide range of issues and will be used where possible to address issues of hate crime perpetrated against people because of their sexual orientation.</p>
Religion or belief	Yes	No	<p>The measures introduced under the Act will be used to address complaints of anti-social behaviour from all people within Bury regardless of their religious beliefs.</p> <p>The new measures are designed to bring swift and effective resolution to a wide range of issues and could be used to address issues of hate crime perpetrated against people because of their religious beliefs.</p> <p>The Council will ensure that any positive requirements or prohibitions they request within the new Orders will not conflict with the individual's religious practices.</p>
Caring responsibilities	Yes	No	<p>The Council will ensure that any positive requirements or prohibitions they request within the new Orders will take account of any caring responsibilities. The emphasis will also be on working with parents and carers of young people to address the underlying causes of anti-social</p>

			behaviour.
Pregnancy or maternity	No	No	
Marriage or civil partnership	No	No	

**3b. Using the drop down lists below, please advise whether or not our policy/service has relevance to the Public Sector Equality Duty. If you answer yes to any question, please explain why.**

General Public Sector Equality Duties	Relevance (Yes/No)	Reason for the relevance
Need to eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010	Yes	The Council will ensure that the new measures are used wherever possible to address harassment and victimisation.
Need to advance equality of opportunity between people who share a protected characteristic and those who do not (eg. by removing or minimising disadvantages or meeting needs)	No	
Need to foster good relations between people who share a protected characteristic and those who do not (eg. by tackling prejudice or promoting understanding)	Yes	Anti-social behaviour consistently ranks as the public's highest priority when it comes to crime and disorder in their area. So improving the powers available to police and others to tackle anti-social behaviour is likely to have a positive impact on victims and communities across the borough, promoting overall community wellbeing, cohesion and a culture of tolerance and understanding.

**If you answered 'YES' to any of the questions in 3a and 3b**

**Go straight to Question 4**

**If you answered 'NO' to all of the questions in 3a and 3b**

**Go to Question 3c and do not answer questions 4-6**

**3c. If you have answered 'No' to all the questions in 3a and 3b please explain why you feel that your policy/service has no relevance to equality.**

**4. EQUALITY INFORMATION AND ENGAGEMENT**

**4a.** For a service plan, please list what equality information you currently have available, **OR** for a new/changed policy or practice please list what equality information you considered and engagement you have carried out in relation to it.

Please provide a link if the information is published on the web and advise when it was last updated?

(NB. Equality information can be both qualitative and quantitative. It includes knowledge of service users, satisfaction rates, compliments and complaints, the results of surveys or other engagement activities and should be broken down by equality characteristics where relevant.)

<b>Details of the equality information or engagement</b>	<b>Internet link if published</b>	<b>Date last updated</b>
Widespread consultation with the public and practitioners was undertaken through the Home Office through every stage of the legislative changes. This was used to inform the final Act and accompanying Statutory Guidance.	<a href="#">Legislation</a> (Click)	March 2014
	<a href="#">Guidance</a> (Click)	July 2014
Public consultation undertaken by the Police and Crime Commissioner to inform the Community Remedy was widely publicised in Bury. 25% of responses received by the Police and Crime Commissioner are from Bury.	<a href="#">Community Remedy Consultation</a> (Click)	October 2014
Putting Victims First White Paper		
Department of Communities and Wellbeing, Senior Management Team		29 September 2014
Bury Council, Overview and Scrutiny Committee	<a href="#">Overview and Scrutiny Report, 07.10.14</a> (Click)	07 October 2014
Bury Community Safety Partnership		28.10.14

**4b.** Are there any information gaps, and if so how do you plan to tackle them?

Need to monitor use of the new tools and powers to ensure they are supporting work to build community resilience, safety and wellbeing. The Joint Enforcement Team have agreed to review the use of the new powers in Bury after 6 and then 12 months from the implementation date of 20 October 2014. This will allow them to address any areas of concern and share good practice – including how the tools and powers have been used to address harassment and hate crime in the borough.

## 5. CONCLUSIONS OF THE EQUALITY ANALYSIS

<p><b>What will the likely overall effect of your policy/service plan be on equality?</b></p>	<p>The overall effect will be positive- the new measures will be utilised in Bury to address harassment and victimisation, promote community safety, resilience and wellbeing.</p>
<p><b>If you identified any negative effects (see questions 3a) or discrimination what measures have you put in place to remove or mitigate them?</b></p>	<p>None</p>
<p><b>Have you identified any further ways that you can advance equality of opportunity and/or foster good relations? If so, please give details.</b></p>	<p>To agree a communication plan (for the use of the new tools and powers) to build understanding across partners and communities. This will also help to manage community expectations.</p>
<p><b>What steps do you intend to take now in respect of the implementation of your policy/service plan?</b></p>	<p>A report regarding Bury's implementation of the new legislation will be taken through:</p> <ul style="list-style-type: none"> <li>• Senior Management Team (Communities and Wellbeing</li> <li>• Overview and Scrutiny (07.10.14).</li> <li>• Community Safety Partnership (28.10.14).</li> <li>• Cabinet (26.11.14)</li> <li>• Task and Finish groups at a Greater Manchester and Bury level will oversee implementation.</li> <li>• Work will continue with Six Town Housing, Police and other social landlords to build a local approach to the utilisation of Community Protection Notices. This will help ensure consistency in their use.</li> <li>• A review will be carried out in six and then twelve months time to address any areas of concern and ensure a continued proportionate and effective partnership response.</li> </ul>

## 6. MONITORING AND REVIEW

**If you intend to proceed with your policy/service plan, please detail what monitoring arrangements (if appropriate) you will put in place to monitor the ongoing effects. Please also state when the policy/service plan will be reviewed.**

The use of the new measures will be reviewed at 6 months and 12 months from when the powers are fully implemented (on 20<sup>th</sup> October 2014).

Progress will be monitored through Bury's Community Safety Partnership.

**COPIES OF THIS EQUALITY ANALYSIS FORM SHOULD BE ATTACHED TO ANY REPORTS/SERVICE PLANS AND ALSO SENT TO THE EQUALITY INBOX ([equality@bury.gov.uk](mailto:equality@bury.gov.uk)) FOR PUBLICATION.**

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<b>REPORT FOR DECISION</b>
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<b>DECISION OF:</b>	<b>CABINET</b>
<b>DATE:</b>	<b>26 November 2014</b>
<b>SUBJECT:</b>	<b>Review of Council-owned Garage Sites – Phase 2</b>
<b>REPORT FROM:</b>	<p><b>Councillor R Shori – Deputy Leader of the Council and Cabinet Member for Communities and Wellbeing</b></p> <p><b>Councillor S Walmsley – Cabinet Member for Resource and Regulation</b></p>
<b>CONTACT OFFICER:</b>	<p><b>Marcus Connor</b>  <b>Head of Performance &amp; Housing Strategy,</b>  <b>Department for Communities and Wellbeing</b></p> <p><b>Alex Holland</b>  <b>Head of Property &amp; Asset Management</b>  <b>Department for Resources and Regulation</b></p>
<b>TYPE OF DECISION:</b>	<b>CABINET (KEY DECISION)</b>
<b>FREEDOM OF INFORMATION/STATUS:</b>	This paper is within the public domain.
<b>SUMMARY:</b>	<p>On 28 November 2012, Cabinet approved a report on Phase 1 of the garage sites review. This report identified that the Council owned 85 garage colonies throughout the Borough, with management carried out either by the Council's Corporate Property Services or by Six Town Housing.</p> <p>In line with good practice the Council undertook a review of these assets to ensure continued operational usefulness and value for money.</p> <p>33 sites were initially identified for action, based on low occupancy rates, low rental income/future liabilities. Each of these sites was subsequently evaluated in greater depth and discussed in consultation with elected members, garage tenants and people living near to the garage sites.</p>

	<p>The report made proposals on the future use of these 33 sites, with options including continued use as a garage site, use for housing developments, open market sale and community use. These recommendations were approved by Cabinet and are now being implemented.</p> <p>Of the 52 garage sites in Phase 2 of the review, three have since been sold to adjoining properties and a housing association. The remaining 49 have recently been considered against the original review criteria, and while most plots or garages are let to tenants, the Council is starting to see evidence of declining demand.</p> <p>However, some of the sites have development potential. Recent sales of Phase 1 sites recommended for disposal have generated significant capital receipts and reduced revenue costs, and will provide new housing (much of it affordable) in the Borough.</p> <p>Due to the challenging targets for housing construction contained within the Planning Core Strategy and the considerable pressures on the number of affordable housing properties in the Borough, it is proposed that where the Council's garage sites can be used for residential development, this use should be recognised as a higher priority than the provision of garages / garage plots, the majority of which are believed to be used for informal and unauthorised storage purposes</p>
<p><b>OPTIONS &amp; RECOMMENDED OPTION</b></p>	<p>The Options for the Phase 2 garage sites are:</p> <p>Option 1 - Do nothing further. This involves no change of use for the remaining 49 sites in Phase 2 of the review. However, this is not a tenable long term solution due to the maintenance costs and management issues associated with a service declining in demand.</p> <p>Option 2 – Either redevelop directly or dispose of Phase 2 garage sites on an individual basis where the Head of Property &amp; Asset Management considers that there is potential for residential development.</p> <p>Recommendation</p> <p>Option 2 is recommended as it has the potential to increase the supply of new houses in the Borough, generate capital receipts for the Council in the event of sites being sold, and minimise longer term expenditure required on the sites.</p>

<b>IMPLICATIONS:</b>	
<b>Corporate Aims/Policy Framework:</b>	Do the proposals accord with the Policy Framework? Yes
<b>Statement by the S151 Officer: Financial Implications and Risk Considerations:</b>	This strategy seeks to address the poor rental performance of garage sites and avoid future maintenance costs.  The Council should seek to secure capital receipts (at open market value) when disposing of sites.
<b>Statement by Executive Director of Resources:</b>	This strategy is in line with the Asset Management Strategy, and seeks to optimise the Council's asset base.
<b>Equality/Diversity implications:</b>	The Equality Analysis indicates that the proposals could be favourable to older people and people with disabilities if some sites were developed for specialist housing. There is also potential to favour younger people who might be able to access any new affordable housing options on the sites.
<b>Considered by Monitoring Officer:</b>	Yes - Legal support will be provided regarding any disposals.
<b>Wards Affected:</b>	All
<b>Scrutiny Interest:</b>	Overview and Scrutiny Committee

JMH

**TRACKING/PROCESS**

**DIRECTOR: Executive Director of Adult Care Services**

Chief Executive/ Strategic Leadership Team	Executive Member/Chair	Ward Members	Partners
10/11/14			
Scrutiny Committee	Committee	Council	
	26/11/14		

**1. INTRODUCTION**

- 1.1 At the start of the review the Council owned 85 garage colonies throughout the Borough, ranging in size from single plots to larger areas capable of accommodating up to 40 vehicles.
- 1.2 Some of these sites are currently managed by the Council's Property Services team (which rents plots of land, at a cost of £55 per annum, to customers for them to

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erect their own garage). Others are managed by Six Town Housing where garages are rented to tenants, currently at a rate of £336 per annum for Council housing tenants and £404 per annum for non-Council housing tenants.

- 1.3 The previous report to Cabinet on 28 November 2012 highlighted the fact that usage of the sites was variable and anecdotally not always for the storage of vehicles as required by the terms of the tenancies.
- 1.4 Cabinet approved the recommendations of a Review Team, consisting of officers from Strategic Housing, Corporate Property Services, Planning and Six Town Housing, on 33 sites (Phase 1 of the Review) found to be the least popular or costly to run. The recommendations for these sites are currently being implemented on a phased basis. To date, 11 sites have been sold with capital receipts obtained in excess of £240,000.
- 1.5 There has also been considerable success at attracting new, affordable housing developments. To date 25 affordable houses have been built on five disused garage sites, as well as a further site part supporting the Red Bank extra care scheme. In addition to providing additional housing opportunities to those in housing need in the Borough, the developments have considerably improved the appearance of these areas (see Appendix 3), and have also brought extra Council Tax and New Homes Bonus to the Council.
- 1.6 In line with good practice, it was agreed that the remaining sites (see Appendix 1) be reviewed at some time in the future (Phase 2 of the Review).

## **2. PHASE 2**

- 2.1 Since the approval of the Phase 1 actions of the review, three of the 52 Phase 2 sites have since been sold following approaches to purchase by adjoining landowners and one being developed by a housing association.
- 2.2 In order to consider whether the remaining 49 sites have remained viable, they were reconsidered against the occupancy / financial criteria used to select the Phase 1 sites. Only two sites met the original criteria for further review (i.e. where occupancy was less than fifty percent or where annual maintenance costs exceeded income). However, in the current climate the Council needs to change. It is good practice to review the range of services that we offer and the way these are provided. This will potentially have a number of benefits for both the Council and residents of the Borough, including helping the Council to ensure that it is making the most effective use of its assets; removing problems of anti-social behaviour at sites; and reducing the liability to the Council of maintaining them.
- 2.3 Possibly as a result of interest in the sale of some of the Phase 1 garage sites and / or the successful redevelopment of former garage sites for housing, the Council has since been approached to sell a number of the 49 (Phase 2) garage sites. A full list of the Phase 2 sites can be found in Appendix 1.
- 2.4 The sale of some or all of these sites would have the following benefits for the Council:
  - Increased provision of housing in the Borough, helping the Council to meet its own annual new build targets and supporting Greater Manchester's overall delivery targets.

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- Taking pressure off the Council to release some of the Greenbelt for housing development.
- Increased income to the Council from Council Tax and New Homes Bonus.
- Increased provision of affordable housing options to meet demand from the Council's Housing Register and support those adversely affected by Welfare Reform.
- Improve the appearance of these areas (see Appendix 3 for examples of previously successfully redeveloped garage sites).
- Potential to increase investment in the Borough, such as from the Homes & Communities Agency's Affordable Homes Programme.
- One-off capital receipt – previous sales have generated between £9,000 and £58,000 per site.
- Reduction in short, medium and long term repairs and maintenance liabilities for the sites.
- Address tenancy breaches where garages appear not to be being used for the storage of vehicles (see Appendix 2 for examples).
- Direct residential redevelopment by the Council which would generate revenue income or capital receipts.

2.5 It is proposed that where the Head of Property & Asset Management considers that sites have residential redevelopment potential such sites should either be developed directly by the Council or be marketed for sale.

2.6 Any decisions made will be taken with regard to the lessons learned from implementing the recommendations of the Phase 1 review. This will ensure greater communication with tenants of and residents adjacent to the garage sites considered. By considering options for the sites on an individual basis and communicating our findings with tenants and nearby residents, those affected will be more aware of any decisions made.

### 3. FINANCIAL IMPLICATIONS

3.1 Underutilised garage sites are a lost opportunity. While the Council currently receives a rental income from the tenanted garages and plots, it is questionable whether this represents the best use of these Council assets.

3.2 Although the disposal of garage sites would result in the loss of rental income to the Council, pursuing a disposal policy for those sites with development potential will have some or all of the benefits to the Council detailed in section 2.5 above.

3.3 Disposal of the sites will also reduce the future maintenance obligations for the Council.

### 4 RISKS

4.1 The original review considered the risks associated with change and the implementation of the Phase 1 recommendations. Five key risks were identified; however these have generally not manifested themselves.

4.2 **Opposition to proposals.** There has been little opposition to the recommendation and implementation of Phase 1 of the Review. There is potentially more likelihood of opposition to any change of use of the Phase 2 sites due to the fact that they are more widely used, albeit not always for the storage of vehicles. However, any

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decision on individual Phase 2 sites will always involve informing local councillors and liaison with tenants affected.

- 4.3 **Loss of control.** The disposal of some of the Phase 1 sites has resulted in the loss of direct Council control. However, there have not been any reported problems to date, with considerable benefits being obtained in the form of capital receipts, new housing and improvement of previously run-down sites.
- 4.4 **Limited interest.** There has been considerable interest in the sites already identified for disposal, with good returns achieved at auction. Liaison with registered providers (e.g. housing associations) has already shown a continued interest in the acquisition of some of the remaining 49 sites.
- 4.5 **Obtaining permissions.** Any non-garage uses will require planning permission. However, it should be noted that the planning authority will be consulted by the Head of Property and Asset Management in arriving at an assessment of whether sites will have potential for residential development.
- 4.6 **Doing nothing.** There is a counter risk of leaving sites as they are. The Phase 1 sites were mostly disused, having a negative impact on their surrounding areas. While the Phase 2 sites seem popular at present, there is a risk that demand will continue to decline, coupled with an increasing management and maintenance cost to the Council in the longer term.

## 5 EQUALITY AND DIVERSITY

- 5.1 The Equality Analysis shows the proposal to have a potential positive impact particularly if some of the sites are developed for older / disabled client groups.
- 5.2 The development of the sites could also benefit younger households and families with affordable housing options helping people get on to the housing ladder or find more suitable accommodation.

## 6 CONCLUSIONS AND RECOMMENDATIONS

- 6.1 The Council will continue to implement the Cabinet decision on the Phase 1 sites.
- 6.2 There are considerable pressures on both the number of affordable housing properties in the Borough and the challenging targets for housing construction generally contained within the Council's emerging Core Strategy. Consequently, it is considered that where the Council's garage sites can be used for residential development, this use should be recognised as a higher priority than the provision of garages and informal storage.
- 6.3 It is anticipated that demand for off-site garage use will fall with the Council facing a significant management and maintenance liability for these sites. This is evidenced by the marked reduction in enquiries received for garages over the last few years.

Those Phase 2 sites with no residential development potential will continue to be used as garage colonies until such time as this use no longer remains financially viable or a realistic and viable alternative is identified. At that point, the remaining garage tenants and adjoining residents will be consulted on a site by site basis and a recommendation made to the Leader of the Council, the Chief Executive and Executive Director of Resources and Regulation over future use and ownership.

- 6.4 It is therefore recommended that Cabinet supports Option 2 and accepts that the Head of Property & Asset Management be permitted to dispose of Phase 2 garage sites on an individual basis initially where there is obvious potential for residential development and subsequently where viable alternative uses can be identified.

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### **List of Background Papers:-**

Report to Cabinet – Review of Council Owned Garage Sites (28 November 2012)

Presentations to Housing Services Sub Group (17 February 2010) and Economy, Environment and Transport Scrutiny Commission (3 March 2010)

Summary of Results of Consultation (November 2010)

### **Contact Details:-**

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Appendix 1

<b><u>Area</u></b>	<b><u>Ward</u></b>	<b><u>Site Address</u></b>	<b><u>Site Area</u></b>	<b><u>Occupancy Level</u></b>	<b><u>Approx Numbers Used for Cars</u></b>
Bury	Church	Back Bolton Road	0.116 acres / 469 m <sup>2</sup>	11	2
Bury	Moorside	Greymont Road	0.302 Acres / 1223 m <sup>2</sup>	25	2
Bury	Moorside	Limefield Brow	0.113 Acres / 460 m <sup>2</sup>	10	2
Bury	Unsworth	Parr Lane	0.0123 Acres / 96 m <sup>2</sup>	11	5
Bury	Redvales	Tarn Drive/Whitefield Road	.106 Acres / 432 m <sup>2</sup>	6	6
Bury	Moorside	Victor Avenue	0.092 acres / 372 m <sup>2</sup>	2	2
Bury	Elton	Toon Crescent	Single garage plot	1	1
Bury	Moorside	Danesmoor Drive	Single garage plot	1	0
Bury	Moorside	Hawk Close	0.300 Acres / 1215 m <sup>2</sup>	15	15
Bury	East	Pimhole Road	0.039 Acres / 160 m <sup>2</sup>	6	5
Bury	East	Princess Parade	0.040 Acres / 163 m <sup>2</sup>	8	8
Ramsbottom	Ramsbottom	Back Eliza Street	0.530 acres / 2185 m <sup>2</sup>	40	17
Ramsbottom	Ramsbottom	Fern Street	0.350 Acres / 1418 m <sup>2</sup>	18	5
Ramsbottom	Ramsbottom	Garnett Street	0.117 acres / 476 m <sup>2</sup>	9	5
Ramsbottom	Ramsbottom	Lancaster Avenue	0.346 Acres / 1403 m <sup>2</sup>	4	0
Ramsbottom	Ramsbottom	South Street	0.412 Acres / 1682 m <sup>2</sup>	10	6
Ramsbottom	North Manor	Hall Street	Double garage plot	2	0
Ramsbottom	North Manor	Mount Pleasant Nangreaves	Double garage plot	2	1
Ramsbottom	Ramsbottom	Lancaster Avenue 1	0.081 Acres / 328 m <sup>2</sup>	4	1
Ramsbottom	Ramsbottom	Lancaster Avenue 2	0.110 acres / 447 m <sup>2</sup>	7	7

Ramsbottom	Ramsbottom	Tagg Wood	5 small plots, 3 garages on each	15	9
Ramsbottom	North Manor	Newcombe Road	0.194 Acres / 786 m <sup>2</sup>	16	14
Tottington	Tottington	Booth Street	0.127 Acres / 513 m <sup>2</sup>	19	2
Tottington	Tottington	South Royd Street	0.031 Acres / 127 m <sup>2</sup>	2	0
Tottington	Tottington	Wesley Street	0.138 acres / 560 m <sup>2</sup>	5	3
Tottington	Tottington	Chestnut Avenue (2)	Single garage plot	1	1
Prestwich	Sedgley	Downham Gardens	0.099 acres / 2987 m <sup>2</sup>	7	3
Prestwich	Holyrood	Langley Grove	Single garage plot	1	0
Prestwich	St Mary's	Roman Road	0.140 Acres / 569 m <sup>2</sup>	1	0
Whitefield	Unsworth	Melrose Close	0.462 Acres / 1872 m <sup>2</sup>	21	3
Whitefield	Besses	Victoria (Charles St)	0.084 Acres / 342 m <sup>2</sup>	14	1
Whitefield	Besses	Victoria (Charles Walk)	0.033 Acres / 134 m <sup>2</sup>	6	4
Whitefield	Besses	Victoria (Heap St)	0.026 acres / 108 m <sup>2</sup>	4	4
Radcliffe	Radcliffe West	Allen Street	0.21 Acres/ 850 m <sup>2</sup>	9	2
Radcliffe	Radcliffe West	Belmont Road	0.35 Acres / 1416 m <sup>2</sup>	19	5
Radcliffe	Radcliffe West	Bolton Rd/Byron Avenue	0.08 Acres / 325 m <sup>2</sup>	8	2
Radcliffe	Radcliffe West	Elm Avenue	0.20 Acres / 809 m <sup>2</sup>	17	5
Radcliffe	Radcliffe East	Knowles Street	0.18 Acres / 722 m <sup>2</sup>	14	0
Radcliffe	Radcliffe West	R/O 76 Ringley Rd West	0.07 Acres / 283 m <sup>2</sup>	5	0
Radcliffe	Radcliffe East	R/O 105-119 Spring Lane	0.02 acres / 62.7 m <sup>2</sup>	4	0
Radcliffe	Radcliffe East	Spring Lane/Parsonage Street	0.10 Acres / 405 m <sup>2</sup>	4	0
Radcliffe	Radcliffe West	Chapelfield Stand Lane	0.108 Acres / 440 m <sup>2</sup>	13	6
Radcliffe	Radcliffe North	Gingham Park	0.247 acres / 1001 m <sup>2</sup>	9	5

Radcliffe	Radcliffe East	Milltown Radcliffe Central	0.064 Acres / 262 m <sup>2</sup>	5	3
Radcliffe	Radcliffe East	Dumers Lane	Single garage plot	1	0
Radcliffe	Radcliffe North	Forth Place	Single garage plot	1	1
Radcliffe	Radcliffe East	Thorpe Avenue	Single garage plot	1	0
Radcliffe	Radcliffe East	Borough Avenue	Double garage plot	2	0
Radcliffe	Radcliffe East	Stand Lane	Single garage plot	1	0
				<b>417</b>	<b>163</b>

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**Appendix 2 – Examples of apparent breaches of tenancy**



Overgrown entrances to garages indicate these may not be being used to store vehicles







Overgrown entrances to garages indicate these may not be being used to store vehicles





Satellite dish on roof of garage

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**Appendix 3 –**

**Examples Affordable Houses on Successfully Redeveloped Garage Sites**



Heathfield Square, Whitefield



Heathfield Road, Whitefield





Fir Street, Ramsbottom



Taggwood / Hillside Road, Ramsbottom



Otter Drive, Unsworth

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## Equality Analysis Form

The following questions will document the effect of your service or proposed policy, procedure, working practice, strategy or decision (hereafter referred to as 'policy') on equality, and demonstrate that you have paid due regard to the Public Sector Equality Duty.

### 1. RESPONSIBILITY

<b>Department</b>	Communities and Wellbeing	
<b>Service</b>	Business Redesign & Development	
<b>Proposed policy</b>	Review of Council-owned Garage Sites – Phase 2	
<b>Date</b>	26 <sup>th</sup> November 2014	
<b>Officer responsible for the 'policy' and for completing the equality analysis</b>	<b>Name</b>	Marcus Connor
	<b>Post Title</b>	Head of Performance & Housing Strategy
	<b>Contact Number</b>	0161 253 6252
	<b>Signature</b>	
	<b>Date</b>	24 <sup>th</sup> October 2014
<b>Equality officer consulted</b>	<b>Name</b>	Mary Wood
	<b>Post Title</b>	Principal Officer – Equalities
	<b>Contact Number</b>	0161 253 6795
	<b>Signature</b>	 29/2014
	<b>Date</b>	27 <sup>th</sup> October 2014

### 2. AIMS

<b>What is the purpose of the policy/service and what is it intended to achieve?</b>	To allow the Council to dispose of garage sites that were in Phase 2 of the Garage Review. Recommendations on the future of the Phase 1 sites were considered by Cabinet on 28 November 2012, and actions are currently ongoing to implement the recommendations on the future of these sites. However, there has since been interest from housing associations to develop a number of the Phase 2 sites (those which we initially left as they were more popular with tenants). This report seeks to allow sales of these sites should a valid business case made and the provision of new housing in the Borough be assured.
<b>Who are the main stakeholders?</b>	The Council – in particular the Directorates of Communities and Wellbeing and Resources and Regulation Six Town Housing Housing Joint Commissioning Partnership. Residents of estates near the sites. Tenants of the garages. Private developers. People obtaining the housing planned for some sites.



### 3. ESTABLISHING RELEVANCE TO EQUALITY

**3a. Using the drop down lists below, please advise whether the policy/service has either a positive or negative effect on any groups of people with protected equality characteristics. If you answer yes to any question, please also explain why and how that group of people will be affected.**

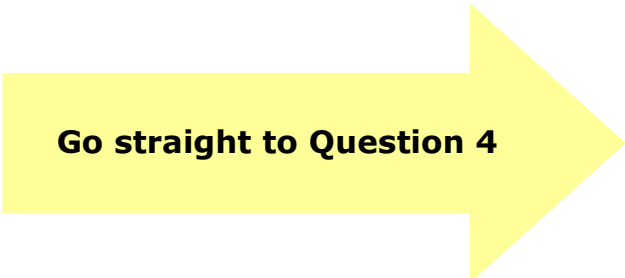
Protected equality characteristic	Positive effect (Yes/No)	Negative effect (Yes/No)	Explanation
Race	No	No	
Disability	Yes	No	As some of the proposals could include new housing for disabled customers.
Gender	No	No	
Gender reassignment	No	No	
Age	Yes	No	As some of the proposals could include new housing for older customers who the Housing Needs & Demand Assessment 2011 identified as one of the growing parts of the borough's population.
Sexual orientation	No	No	
Religion or belief	Yes	No	Some of the proposals could provide housing in areas popular with the Jewish community. While housing will not be targeted to this customer group, the sites will appeal to this customer group.
Caring responsibilities	Yes	No	As one of the options considered is proposed new housing, this could result in improved quality of life and better housing for the disabled or older people carers are responsible for.
Pregnancy or maternity	No	No	
Marriage or civil partnership	No	No	

**3b. Using the drop down lists below, please advise whether or not our policy/service has relevance to the Public Sector Equality Duty. If you answer yes to any question, please explain why.**

General Public Sector Equality Duties	Relevance (Yes/No)	Reason for the relevance
Need to eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010	No	
Need to advance equality of opportunity between people who share a protected characteristic and those who do not (eg. by removing or minimising disadvantages or meeting needs)	Yes	By increasing the amount of housing suitable for disabled or older people needing support and care as part of the housing to be developed on some of the sites.
Need to foster good relations between people who share a protected characteristic and those who do not (eg. by tackling prejudice or promoting understanding)	No	

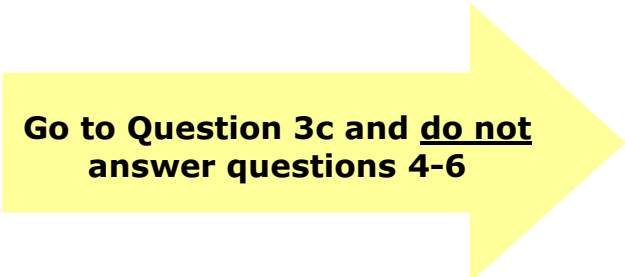
**If you answered 'YES' to any of the questions in 3a and 3b**

**Go straight to Question 4**



**If you answered 'NO' to all of the questions in 3a and 3b**

**Go to Question 3c and do not answer questions 4-6**



**3c. If you have answered 'No' to all the questions in 3a and 3b please explain why you feel that your policy/service has no relevance to equality.**

**4. EQUALITY INFORMATION AND ENGAGEMENT**

**4a.** For a service plan, please list what equality information you currently have available, **OR** for a new/changed policy or practice please list what equality information you considered and engagement you have carried out in relation to it.

Please provide a link if the information is published on the web and advise when it was last updated?

(NB. Equality information can be both qualitative and quantitative. It includes knowledge of service users, satisfaction rates, compliments and complaints, the results of surveys or other engagement activities and should be broken down by equality characteristics where relevant.)

<b>Details of the equality information or engagement</b>	<b>Internet link if published</b>	<b>Date last updated</b>
<a href="#">Liaison with communities near the garage sites will be carried out prior to sites being sold</a>		
<a href="#">Housing Needs and Demand Assessment 2011</a>	<a href="http://www.bury.gov.uk/index.aspx?articleid=2543">http://www.bury.gov.uk/index.aspx?articleid=2543</a>	
<a href="#">Report to Cabinet – Review of Council Owned Garage Sites (28 November 2012)</a>		
<a href="#">Presentations to Housing Services Sub Group (17 February 2010) and Economy, Environment and Transport Scrutiny Commission (3 March 2010)</a>		
<a href="#">Summary of Results of Consultation (November 2010)</a>		

**4b.** Are there any information gaps, and if so how do you plan to tackle them?

None.



## 5. CONCLUSIONS OF THE EQUALITY ANALYSIS

<p><b>What will the likely overall effect of your policy/service plan be on equality?</b></p>	<p>The overall effect of the recommendations on equality will be potentially positive in terms of age and disability, increasing the quality of life for disabled and older people by enhancing the housing options available to them.</p> <p>The recommendations will increase quality of life for people living near disused or underused garage sites.</p>
<p><b>If you identified any negative effects (see questions 3a) or discrimination what measures have you put in place to remove or mitigate them?</b></p>	<p>Not applicable.</p>
<p><b>Have you identified any further ways that you can advance equality of opportunity and/or foster good relations? If so, please give details.</b></p>	<p>Not applicable.</p>
<p><b>What steps do you intend to take now in respect of the implementation of your policy/service plan?</b></p>	<p>Following approval of the report recommendations by Cabinet, officers will undertake any necessary research and investigation prior to sales of any sites on an individual basis. This will include consultation with all affected stakeholders.</p>

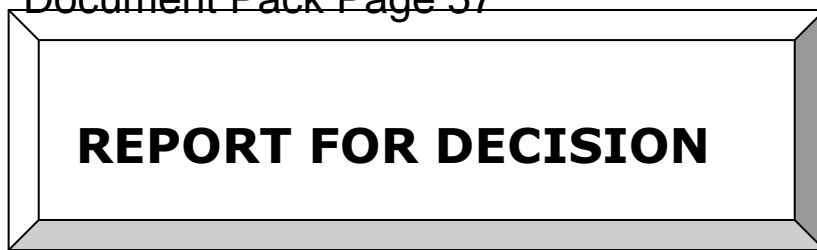
## 6. MONITORING AND REVIEW

**If you intend to proceed with your policy/service plan, please detail what monitoring arrangements (if appropriate) you will put in place to monitor the ongoing effects. Please also state when the policy/service plan will be reviewed.**

Monitoring of the recommendations of the report will be carried out by the Housing Strategy Programme Board and Housing Operations Board.

**COPIES OF THIS EQUALITY ANALYSIS FORM SHOULD BE ATTACHED TO ANY REPORTS/SERVICE PLANS AND ALSO SENT TO THE EQUALITY INBOX ([equality@bury.gov.uk](mailto:equality@bury.gov.uk)) FOR PUBLICATION.**

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<b>DECISION OF:</b>	<b>SMT &amp; SLT Cabinet Overview and Scrutiny Committee</b>
<b>DATE:</b>	<b>Monday 10 November 2014 Wednesday 26 November 2014 Wednesday 3 December 2014</b>
<b>SUBJECT:</b>	<b>Corporate Plan Progress Monitoring Report – Quarter 2 2014-15</b>
<b>REPORT FROM:</b>	<b>Leader of the Council</b>
<b>CONTACT OFFICER:</b>	<b>Sarah Marshall – Performance Officer Department for Communities and Wellbeing</b>
<b>TYPE OF DECISION:</b>	Non key decision
<b>FREEDOM OF INFORMATION/STATUS:</b>	This paper is within the public domain
<b>SUMMARY:</b>	The Corporate Plan Progress Report outlines the progress during quarter two 2014-15 for the corporate performance indicators and projects within the Bury Council Corporate Plan. The information is extracted from the Performance Information Management System (PIMS) and provided by the responsible services.
<b>OPTIONS &amp; RECOMMENDED OPTION</b>	The Cabinet and Overview & Scrutiny Committee are asked to note the contents of the report.
<b>IMPLICATIONS:</b>	
<b>Corporate Aims/Policy Framework:</b>	Do the proposals accord with the Policy Framework? Yes
<b>Statement by the S151 Officer: Financial Implications and Risk Considerations:</b>	There are no direct financial implications arising from this monitoring report. The report outlines the current forecast outturn position based upon data available at Quarter 2. Likewise the report highlights the Corporate Risk Register as at Quarter 1.
<b>Statement by Executive Director of Resources:</b>	There are no wider resource implications
<b>Equality/Diversity implications:</b>	Yes An Equality Analysis was undertaken for the Bury Council Corporate Plan 2012-15 and it

	was concluded that the Plan has a positive impact by aiming to reduce poverty and inequality. This report provides a summary of the progress made.
<b>Considered by Monitoring Officer:</b>	Yes <span style="float: right;">JH</span>
<b>Wards Affected:</b>	All
<b>Scrutiny Interest:</b>	Overview and Scrutiny Committee

**TRACKING/PROCESS**

**DIRECTOR: Executive Director, C&WB**

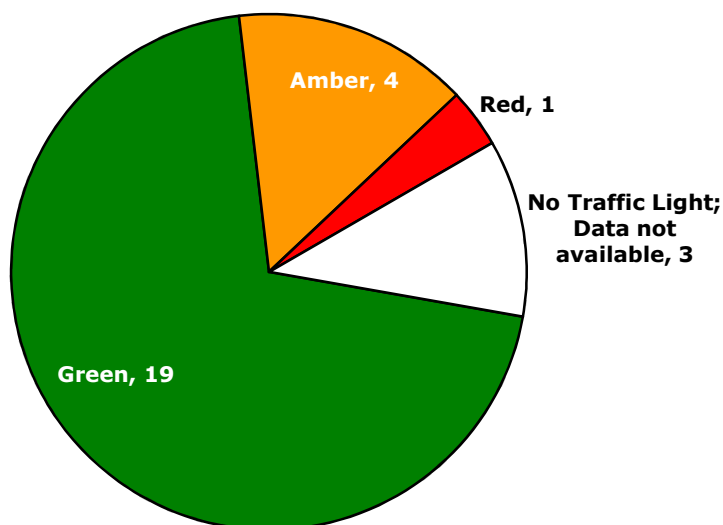
Chief Executive/ Strategic Leadership Team	Cabinet Member/Chair	Ward Members	Partners
10/11/14	26/11/14		
Scrutiny Committee	Cabinet/Committee	Council	
03/12/14			

**1.0 BACKGROUND**

1.1 The council publishes a Corporate Plan each year with progress updates reported to Cabinet and Overview & Scrutiny bi-annually. This report outlines performance against the plan for quarter 2 2014-15 and represents our position at the half way point of the current financial year.

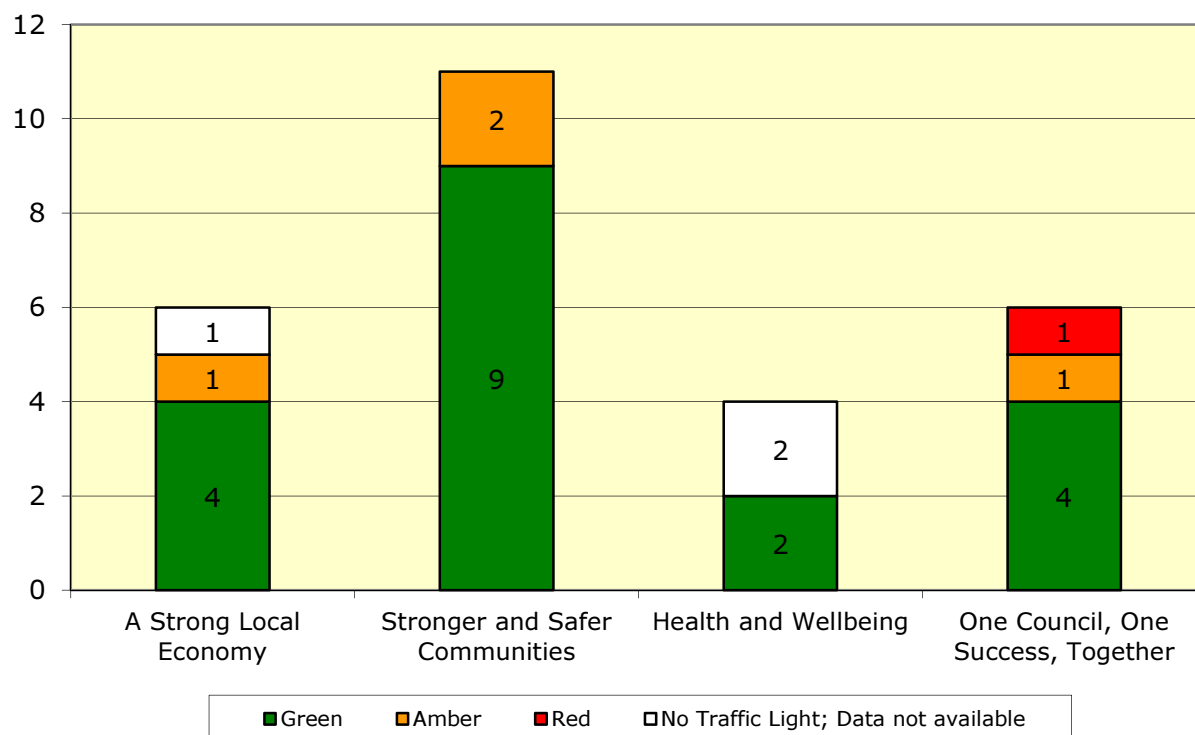
**2.0 SUMMARY**

2.1 There is evidence of good progress so far for 2014-15:



■ Green    ■ Amber    ■ Red    □ No Traffic Light; Data not available

- 2.2 Overall the Council currently reports performance against a total of 34 corporate performance indicators. For quarter 2, outcomes for 27 of these indicators were collected as some indicators are reported annually.
- 2.3 19 indicators (70% of the total) showed improvement on the previous year's outturn and/or exceeded target whilst a further 15% (the 4 indicators shown amber on the chart) were just off the pace. Given the financial situation and other challenges facing services, this level of performance is positive and demonstrates a strong commitment to service delivery in the Borough.
- 2.4 Areas of good performance and progress include:
- The proportion of working age people on out of work benefits has reduced over the past 6 months by 0.9% (reported as 3.1% at Q4 13/14, now 2.2%)
  - Our percentage of total JSA (Job Seekers Allowance) claimants that are by youths (16-24) has also reduced by 1.85% to 26.8%.
  - 35 Bury residents have been referred to the work programme leavers project. They each have a dedicated key worker whose remit is to work closely with them to identify barriers and systematically remove them so they can seriously consider employment as the next logical step.
  - It is estimated the percentage of household waste sent for reuse, recycling and composting has increased since last year from 37.27% to 46%.
  - Crime rates for Bury have improved with the rate of serious violent crimes, serious acquisitive crimes, assault with injury, incidents of ASB and repeat incidents of domestic violence all reporting a reduction since last year.
  - We have agreed our joint approach to the setting up of the Better Care Fund; our pooled budget for Health & Social Care Services in Bury from 2015.
  - Bury was successful in the Prime Ministers GP Challenge Fund which means that plans are well underway to provide longer opening hours, telephone consultations, increasing on-line access and a comparison-style website for residents.
- 2.5 1 area has not performed as expected:
- The current forecasted outturn (revenue) stands at £1.459m over budget.
- 2.6 There are 3 indicators where progress cannot be analysed. 1 of these is due to data being unavailable from an external source. 2 of the indicators are incomparable to previous outturns due to a change in method and classification.
- 2.7 Analysing the results by the Council's priority outcomes, progress has been made against all of the four priorities:



2.7 It appears in the graph above that the outcomes for indicators reported against Health and Wellbeing is weak. This is because a large proportion of the indicators for this priority are annual. Therefore, a better picture overall should be presented in the year end report.

### 3.0 CONCLUSION AND RECOMMENDATIONS

3.1 The report provides details of the progress made at quarter two 2014-15.

3.2 Overall, performance against the corporate plan is good with 19 out of 27 (70%) indicators achieving target and/or performing better than last year.

3.3 In the context of current pressures and resource limitations, efforts made to maintain performance are to be welcomed.

#### List of Background Papers:-

Bury Council Corporate Plan 2013-15

**Contact Details:-** Sarah Marshall, Performance Officer – Department for Communities and Wellbeing

Tel: 0161 253 7658

Email: [s.marshall@bury.gov.uk](mailto:s.marshall@bury.gov.uk)

# **One Council. One Plan.**

**Quarter Two 2014-15:  
Performance Report**

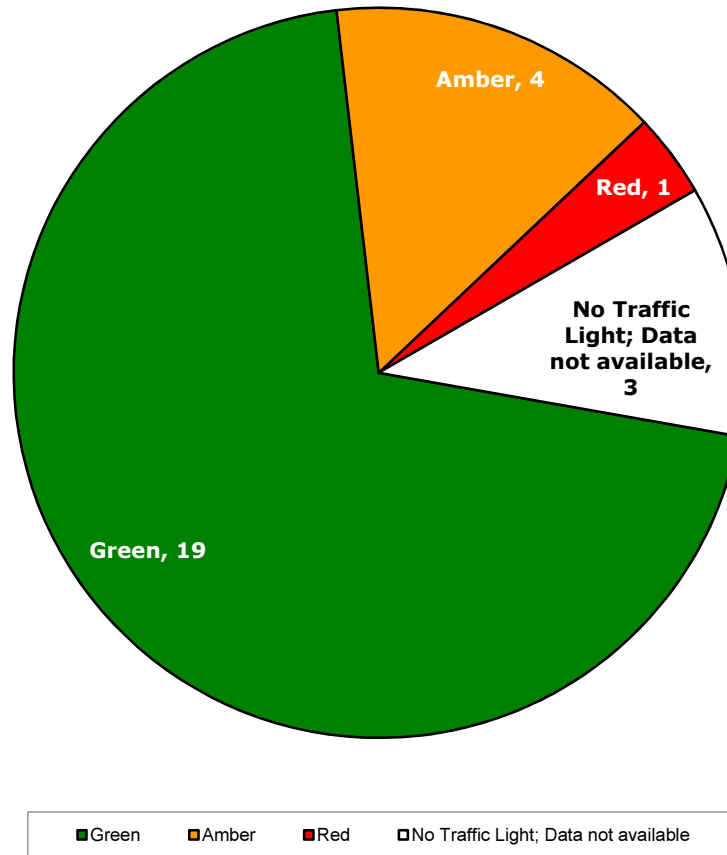
## INTRODUCTION

- 1.1 This report outlines progress during quarter two of 2014-15 for the corporate performance indicators and projects within the Bury Council Corporate Plan. The information provided is extracted from the Performance Information Management System (PIMS).
- 1.2 There are currently 34 performance indicators from PIMS and 26 projects and this report provides a summary of the overall performance of these.
- 1.3 Where data are unavailable for Quarter 2 2014-15, the report provides the latest inputted data from previous quarters.
- 1.4 Throughout this report the definitions of the colour-coding are:
  - Green – On target and/or better than 2013-14 performance
  - Amber – Within 15% of achieving target or within 15% of 2013-14 performance
  - Red – Below target or worse than we achieved in 2013-14.
  - No Traffic Light – Information not available due to various reasons.
- 1.5 The detail of this corporate performance report can be viewed or downloaded on the corporate performance information monitoring system (PIMS). If you require copies of the reports or need training on the operation of the monitoring system; *please contact Benjamin Imafidon on Ext. 6592.*



### SUMMARY

2.1 Overall the Council currently reports performance against a total of 34 corporate performance indicators. For quarter 2, outcomes for 27 of these indicators were collected as some indicators are reported annually. The chart below shows the proportion of these performance indicators that are categorised as Red, Amber and Green using the criteria set out in paragraph 1.4.



### A strong local economy

Measure	Higher/ lower is better	2013/14 Baseline	2014/15 Q2	Target	Commentary
Overall employment rate for Bury (working age)	Higher	73.90%	72.2% (Green)	70.00%	Data from July 2013 to June 2014.
Inequality gap in the achievement of a Level 3 qualification by the age of 19	Higher	20%	Annual indicator	18%	Performance data to be reported at Quarter 4 2014/15.
Percentage of 16-18 year olds by academic age who are not in education, employment or training (NEET)	Lower	5.90%	5.2% (Green)	No target available	The % shown in September 2014 is 5.2% compared to 5.4% in September 2013. Year on year comparisons are meaningless however as the Department of Education have imposed new 'currency rules' in 2014-2015 which has meant that all young people in further education had their destinations changed to not known at the end of August - previously this happened one year after the destination had been recorded. This means that the not known rate in September increased to 32.7% from 10.3% the previous year. All enrolment information has now been received from colleges so this situation will dramatically improve in October 2014.
Proportion of working age people on out of work benefits	Lower	3.1%	2.2% (Green)	Target to be set	2.2% represents claimants of JSA (September 2014 data).
Percentage of households that experience fuel poverty	Lower	10.3%	Annual indicator	10.4%	Indicator produced by Public Health England annually. Target is national average.
Percentage of work programme leavers that move into employment	Higher	0%	0% (Amber)	5% by 2016	No individuals moved into employment, which is to be expected with the client type (ESA WRAG) at this stage of the programme.

Percentage of total JSA (Job Seekers Allowance) claimants that are made by youths (16-24)	Lower	28.65%	26.8% (Green)	Target to be set	35.7% reduction in the calendar year. These figures relate to August 2014.
Proportion of people who entered the national careers service work programme that gained employment	Higher	No data available	No data available	Target to be set	Data not yet obtainable. Liaising with JCP to obtain data.

### Project Updates

#### Backing Young Bury

The scheme provides opportunities for young people including extended work experience, pre-employment training and employment skills workshops. Almost a third of all Job Seekers Allowance (JSA) claimants are aged between 16 and 24. Backing Young Bury aims to improve the learning and working opportunities for young unemployed people by working in partnership within the council and externally with our business community, colleges and training providers. We are now in the third and final year of the project, youth unemployment has decreased in Bury but there are still pockets of young people who remain far from securing employment.

#### Local Support Fund

Funding will be paid on a quarterly basis for 2014/15 and at this stage we are unsure how this will affect funding later in the year. Bury Support Fund has and continues to be an essential safety net for vulnerable, often desperate residents of Bury. The demand for help has become more and more evident as we enter the final year of funding. Moving forward we continue to ensure we prioritise those who have a genuine need for help and to prioritise those with the greatest need. The overarching approach for 2014/15 needs to be more than alleviating short term immediate need as our customers are at a higher risk due to multiple barriers. The impact Welfare Reform has had, and continues to have on our most vulnerable customers is steadily increasing. The team continue to deal with the problems and consequences on a daily basis.

#### New Horizons Programme

This programme provides support for young people aged between 19 and 25 who have learning difficulties and disabilities and offers a new opportunity to access appropriate training programmes from Bury College to meet their needs. It is reported on an annual basis and will be updated at Quarter 4.

#### Work Programme Leavers

This new project for 2014 will target those on Employment and Support Allowance (ESA WRAG Group) who have been on the work programme for 2 years and not found sustained work in order to intensely support them back into employment. Those taking part in the programme will have a personal work and well being coach to help and guide them in finding work and once they have entered into employment they will continue to receive support for 12 months. 35 Bury residents have been referred to this programme. They

each have a dedicated key worker whose remit is to work closely with the client to identify barriers and systematically remove them in order to seriously consider employment as the next logical step. There has been good progress so far to integrate the programme across the Council and partner organisations.

### **Business Engagement Programme**

The following key work areas on the work plan have been completed:

- Recruited a joint post with Business Growth Hub.
- Made in Bury Business Awards.
- Ensured Bury Council engaged actively with the Chamber of Commerce and other business networks.
- Actively promoted Business Start Up Support, the Greater Manchester Business Growth Hub and all other business support activity.

The next work plan is currently being updated with new key tasks.

### **Stronger and safer communities**

<b>Measure</b>	<b>Higher/ lower is better</b>	<b>2013/14 Baseline</b>	<b>2014/15 Q2</b>	<b>Target</b>	<b>Commentary</b>
Percentage of household waste sent for reuse, recycling and composting	Higher	37.27%	46% (Green)	60%	This figure is an estimate and awaiting verification. Maintained the level of reuse, recycling and composting in the borough from Q1.
Residual household waste – kgs per household	Lower	447.85	240 (Amber)	445	Outturn for Q2 = 120kg. This figure is an estimate and awaiting verification. Maintained the level of residual household waste per household from Q1.
Number of serious violent crime per 1,000 population	Lower	0.45	0.41 (Green)	0.88	34 incidents of serious violent crime were reported during July - Sept which equates to 0.18 per 1000 population. For the period April - Sept 76 incidents were reported equating to 0.41 per 1000 population.  Cumulative Indicator - unable to compare

					against 2013/14 year-end data.
Number of serious acquisitive crimes per 1,000 population	Lower	11.11	5.48 (Green)	12.95	521 incidents of serious violent crime were reported during the period July - Sept. equating to 2.81 per 1000 population. For the period April - Sept 1016 incidents were reported equating to 5.48 per 1000 population.  Cumulative Indicator - unable to compare against 2013/14 year-end data.
Assault with injury crime rate per 1,000 population	Lower	4.27	2.80 (Green)	6.25	303 assaults were reported during the period July - Sept which equates to 1.63 per 1000 population. For the period April - Sept 520 incidents were reported equating to 2.80 per 1000 population.  Cumulative Indicator - unable to compare against 2013/14 year-end data.
Reduction in number of incidents of ASB per 1,000 population	Lower	46.12	23.51 (Green)	49.24	This is a cumulative indicator. 2072 ASB incidents reported during July - Sept 2014 which equates to 11.19 per 1,000 population. For the period April - Sept 4352 ASB incidents were reported which equates to 23.51 per 1000 population.  Cumulative Indicator - unable to compare against 2013/14 year-end data.
Percentage rate of repeat incidents of domestic violence	Lower	27.94%	26.15% (Green)	26%	17 repeat cases were discussed during the period July - September 2014 which equates to 28.81%. 34 cases have been discussed YTD which equates to 26.15%.
Number of empty properties	Lower	1,024	1,100	No target	These figures are solely based on Council Tax

		1723 (inc. 2 <sup>nd</sup> homes)	(Amber) 2011 (inc. 2 <sup>nd</sup> homes)	required	data. Second homes have been included because the Council Tax levy has increased the number of second homes on the list and many of these should be classified as empty properties.
Number of empty properties brought back into use	Higher	66	298 (Green)	100	Total number of empty properties brought back into use higher than expected. Figures based on comparison between Council Tax data. The information provided the total number of private sector empty properties that have been empty over 6 months and are second homes.
Number of homeless preventions	Higher	727	403 (Green)	720	There has been an increase on the number of preventions recorded in quarter 2 (251) compared with quarter 1 (152). This continues to be a priority and will be monitored closely.
Number of families turned around* through SCIL programme	Higher	179	286 (Green)	385	Our total for this quarters PBR claim is 63 families and 1 Progress to Work. This takes us to 74.3% (286 families out of 385 families identified) turned around.

\*There are national and local criteria for a family to be considered complex. A family has turned around when they no longer meet these criteria.

### Project Updates

#### Homelessness Strategy

The strategy refresh will be completed in 2014 and will build on the success in recent years of initiatives such as Cold Weather Provision for rough sleepers, accommodation for single homeless and community resettlement for families.

#### Corporate Debt

No update to provide. The project work continues to embed a new approach to dealing with people in debt to ensure that every person in debt has access to free, independent debt advice and budgeting skills; affordable lending facilities; and employment opportunities including support into work.

**Digital Inclusion**

The new digital hubs are now set up and running at the Town Hall and Whittaker St. Customers can use self serve PCs on a drop in basis at the Town Hall and Whittaker St also offer DWP computer sessions, adult learning sessions and assistance from a digital coach. So far 212 customers have been supported by these services. We took part in 'go on learning week' working with the libraries, the Whittaker St Radcliffe hub and the new Town Hall hub, offering taster one hour courses to customers – we had 10 turn up for the sessions and the majority of which have come back to either the library or Whittaker St hub to continue learning and using the internet. We are currently investigating if we can offer a work club at Whittaker St and also some 'silver surfer' sessions linking with Age UK for training on the use of tablets. Further information can be found on our web page <http://www.bury.gov.uk/index.aspx?articleid=8653>

**Increase recycling, reuse and composting**

In July the Council made the decision to adopt a 'Zero Waste Strategy' for the borough and to introduce a new waste collection service in October which reflects the strategy. The new service will see Bury become the first Council in England to collect residual waste 3 weekly, whilst at the same time increasing the frequency of collection of its two dry recycling bins to 3 weekly and maintaining a 2 weekly food/garden waste collection. Preparations for the service changes include a comprehensive promotion and awareness raising campaign.

**Supporting Communities, Improving Lives**

The Council has been working with its partners to improve the lives' of families we are working with. To date 74.3% of the identified families have been turnaround. DCLG are impressed with our recent performance.

**Empty Properties**

No update to provide. The project work continues in partnership with Six Town Housing and other registered housing providers to develop approaches to bring more empty properties back into use

**Domestic Abuse Strategy**

Bury's Domestic Violence Strategy Group have commissioned New Economy to produce an in depth profile of domestic violence and abuse (DVA) in the Borough. Its primary purpose is to review all the available evidence on DVA, and to inform future priorities. Work on the Profile is due to be presented to the Community Safety Partnership at their meeting in October 2014. A wider review of the partnership model to address DVA in the Borough will follow. Both these key strands of work will inform work on the refreshed DVA Strategy.

## Health and Wellbeing

Measure	Higher/ lower is better	2013/14 Baseline	2014/15 Q2	Target	Commentary
Proportion of older people (aged 65 or over) who are still at home 91 days after discharge from hospital into reablement / rehabilitation services	Higher	81.40%	82.86% (Green)	No target available	This is the figure reported for quarter 1. And shows an increase in the proportion of older people who are maintaining their independence. Quarter 2 data is unavailable due to problems with the Adult Care data collection and reporting software (PROTOCOL). Work is ongoing to rectify these problems and data will be provided once this has been completed.
Rate of alcohol related admissions to hospital per 100,000 population	Lower	616	Annual indicator	637	Figure reported annually by Public Health England. Result available May 2015. Target reflects the England average.
Injuries due to falls in people aged 65 and over	Lower	1906	Annual indicator	2011	Figure reported annually by Public Health England. Result available May 2015. Target reflects the England average.
Proportion of carers with a completed assessment in the year	Higher	76.3%	27.6%	No target available	The method for calculating this figure has changed and therefore our outcome for quarter 2 is not comparable to the year end figure.
Permanent admissions of older people (aged 65 and over) to residential or nursing care homes per 100,000 population	Lower	720.7	164.1 (Green)	No target available	This is the figure reported for quarter 1. This figure is cumulative and is lower than that reported for quarter 1 the previous year (206). Quarter 2 data is unavailable due to problems with the Adult Care data collection and reporting software (PROTOCOL). Work is ongoing to rectify these problems and data will be provided



					once this has been completed.
Proportion of people using Social Care who receive Self-Directed Support	Higher	79.7%	Annual indicator	No target available	Outcome available at year end.
Proportion of people using social care who receive direct payments	Higher	22.8%	Annual indicator	No target available	Outcome available at year end.
Proportion of children's social care assessments completed within timescales	Higher	No data available	73.6%	No target available	As of 1 <sup>st</sup> April 2014 Children & Family (C&F) assessments are now completed instead of the initial and core assessments completed previously. This figure represents the proportion of C&F assessments completed within timescales at quarter 2.

### Project Updates

#### Affordable Warmth

No update to provide. The project work continues to work closely with other agencies, the objective is to cut fuel poverty by assisting residents to improve the energy efficiency of their homes, maximise householder income, reduce energy consumption and, where possible, help reduce the cost of energy to the consumer.

#### Early Help Strategy

Early Help is one of three key priorities for the Children & Young Peoples Trust Board. A workshop in November 2014 will assist in strengthening partnership involvement in the strategy across a range of issues. The Early Help Team, Multi-Agency Safeguarding Hub (MASH) and Early Help Panel have all been established and starting to make a positive impact in supporting family problems, and preventing escalation.

#### Integrating Health & Social Care

**Our key work streams:** Following a review of the Bury Joint Strategic Needs Assessment and the Health and Wellbeing Strategy we have determined that there are 3 key deliverables that support our vision and shared outcomes of integrated Health and Social Care. These are the main elements of our joint work programme that are currently being progressed:

1. **Ageing well** – providing a range of developments with a focus on prevention and self care

2. **Reablement and Intermediate Care services** to help people to remain as independent as possible
3. **Integrated community and primary care services** to provide support closer to home

**Better Care Fund:** We have agreed our joint approach to the setting up of the Better Care Fund – our pooled budget for Health & Social Care Services in Bury from 2015. The plan was signed off by the Health and Wellbeing Board and was submitted to NHS England on 19<sup>th</sup> September 2014. The Better Care Fund has to address national conditions that include the provision of 7 day services, data sharing, joint assessment, accountable lead professional for high risk populations and protection of social care spending. We do have a number of joint initiatives already in place in Bury and these will be reviewed to ensure that they meet our stated aims for the Better Care Fund and if not they will be decommissioned, redesigned and jointly commissioned in the future. We are currently progressing the arrangements for prioritising these reviews and associated timescales.

We have also agreed the joint metrics by which our success in aligning our services more closely will be measured. The key metric and challenge for the whole health and social care economy is to reduce the number of emergency admissions to hospital and this has an associated performance related framework. The other metrics relate to:

- Peoples experiences and satisfaction
- Reductions in permanent admissions to care homes
- Effectiveness of reablement and rehabilitation services
- Reduction in delayed transfers of care from hospital
- Reduction in emergency admissions to hospital due to falls

**A Healthier Radcliffe:** This enables us to test out our approaches to the development of integrated care services with our partners. The first stage of this project was to provide extended access to GP appointments from 8.00 am to 8.00 pm weekdays and 8.00 am to 6.00 pm at the weekends. This is now fully operational with routine and urgent appointments with a doctor available seven days a week. The scheme aims to make GP services more accessible and responsive whilst reducing the number of trips to A&E for conditions that aren't an emergency.

This innovative scheme has been made possible by the six GP practices in Radcliffe joining forces to increase access to their services to the 34,000 patients registered with them.

The second stage that we are currently working on has a focus on frail older people including those with dementia, children and complex families to develop:

- Closer integration of community services wrapped around extended primary care
- Greater access to local consultant led clinics
- Increased support for carers

- More home based care

This stage has commenced and we are planning the roll out of pilot service models in Radcliffe from November 2014 with a focus on prevention and early intervention, multi disciplinary team approach for frail older people and domiciliary medicines optimisations. The learning from this will influence the roll out of the integrated model Bury wide.

**Prime Ministers GP Challenge Fund– Easy GP:** Bury was successful in the Prime Ministers GP Challenge Fund which now means that plans are well underway to provide the following in Bury from December 2014:

- Longer opening hours available for all patients registered with a practice in Bury
- Telephone consultations offered to all patients seeking a consultation
- Increasing on-line access from 4% to 60% patients
- Developing a comparison-style website

The ultimate aim is to make services more responsive and accessible whilst reducing the number of trips to A&E for conditions that aren't an emergency by increasing the number of available appointments.

This development will give 195,000 patients greater flexibility about how they access services and the aim is to help working people and school children that might struggle to attend appointments during the day. Practices will be opening 8am to 8pm on weekdays, and 8am to 6pm at weekends to create an additional 150,000 appointments a year.

Health professionals in Bury will also be utilising the latest developments in technology as part of this project. For example, patients using smart phones will be able to order prescriptions via online applications.

### **Early Years New Delivery Model**

Bury have been a consistent partner in discussions around developing the 'Early Years New Delivery Model', which has included piloting different phases, liaising with key partners and monitoring local success.

A vast amount of work has been completed around assessment tools, interventions and pathways to support a dynamic multi-agency, however there remains significant challenges around the cost of fully delivering the model locally.

### **Health & Wellbeing Strategy**

The Health & Wellbeing Board has a duty to monitor the delivery of the Health & Wellbeing Strategy on an annual basis and also entered into a commitment to refresh the strategy. It was agreed that the board would focus on one priority per meeting and would:

- Develop a deeper understanding of that priority
- Review the actions within the priority to ensure that these are aligned with priorities of the Health & Wellbeing Board

- Review the outcomes framework for each priority
- Invite key leads to present possible key delivery mechanisms for each priority

The output from these sessions will help to update and refresh the strategy and enable a high level development plan and monitoring framework to be delivered.

### SEND Reform

From the 1<sup>st</sup> September 2014 radical changes to the Special Educational Needs (SEN) framework were implemented including the replacement of Statements of Special Educational Needs with co-ordinated Education, Health and Care (EHC) assessments and Plans, the development of a Local Offer of services, information, advice and guidance, personal budgets and emphasis on joint commissioning across statutory agencies. A multi-agency implementation group has been leading on a number of strands of work in preparation for the reforms.

## One Council, One Success, Together

### Finance Summary

Department	Budget £000	Forecast £000	Variance £000
Communities & Wellbeing	69,157	69,777	<b>+620</b>
Resources & Regulation	4,156	5,021	<b>+865</b>
Children, Young People & Culture	33,985	35,430	<b>+1,445</b>
DCN Residual	145	(172)	<b>(317)</b>
Non Service Specific	36,326	35,172	<b>(1,154)</b>
<b>TOTAL</b>	<b>143,769</b>	<b>145,228</b>	<b>+1,459</b>

The projected overspend of **£1.459m** represents approximately **1.01%** of the total net budget of £143.769m.

### Performance Indicators

Measure	Higher/ lower is better	2013/14 Baseline	2014/15 Q2	Target	Commentary
Percentage Council Tax collected	Higher	96.97%	55.79%	96.5%	This is a cumulative indicator. Slightly down

			(Green)		on last year, but still within % target, increase in amount of cash collected from same point last year.
Percentage of business rates collected	Higher	94.23%	96% (Green)	96.5%	This is a cumulative indicator. Collection during Quarter 2 has been steady, the target for the end of Quarter 2 being 56.00%
Average time taken in calendar days to process Housing Benefit/Council Tax new claims.	Lower	22.6	19.59% (Green)	26	Performance for Q2 and current year performance remains excellent and well within targets, however, performance is expected to dip over the remaining two quarters in the year with ongoing issues with Universal Credit and DWP new initiative of right time information trial from September 14 to end of March 15.
Forecast outturn (Revenue) (council -wide)	Lower	£406,000	+£1.459m (Red)	No target set	Projected full year overspend of £1.459m as at 30 September.
Forecast outturn (Capital) (council -wide)	Lower	£5,000	-£701k (Green)	No target set	Forecast at month 6 is £701k under spend.
Number of FTE days lost due to sickness absence	Lower	9.82	10.06 (Amber)	9.2	Decreased slightly from previous quarter. We are continuing to:- <ul style="list-style-type: none"> <li>- Update our Redeployment Policy.</li> <li>- Review the Managing Attendance Policy.</li> <li>- Refresh Work Life Balance Policies.</li> <li>- Improve and increase our employee benefits including salary sacrifice schemes.</li> <li>- Continue with a programme of work to increase employee engagement.</li> <li>- Work on guidance around employees with Cancer.</li> <li>- Update our exit interview arrangements.</li> </ul>
Percentage of employees satisfied with Bury Council as an employer	Higher	60.4%	Annual indicator	75%	The next available figure relating to this will be available quarter 4 2014/15 depending

					upon when we agree to next carry out the survey.
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**Project Updates**

**Departmental Restructures**

The number of departments has already been reduced from four to three. Further work has been, and will continue to be, undertaken to determine appropriate structures and working practices to meet the challenges going forward. A series of proposals will be brought forward throughout the year on changes to services, alternative service models and reductions in activity as we seek to manage demand, address needs and maintain jobs within the resources available.

**Partnership, Governance & Accountability**

The issues facing local people cut across organisational boundaries and these inter-dependencies need to be managed. Team Bury has reviewed its processes to improve accountability and agreed to a new partnership structure based on the three key priorities of stronger economy, stronger and safer communities and health and well being. Each priority has been assigned to a single partnership body, and they will be held accountable for defining and delivering success in their respective areas. Training has been provided on Outcome Based Accountability to encourage a fresh look at improving performance and to support partners to focus on those areas that will make a positive difference to local people. Over the coming quarter, work will be undertaken to develop robust work plans, review the number and purpose of sub groups and support partners to fulfill their new roles.

**Digital By Default**

The project has now been defined in several stages. During Q2, we negotiated a contact with Socitm to provide consultancy support during the lifetime of the project. This will include overseeing the development of the new website and transformation to transactional on-line services. During Q2, the governance and scope of the project was signed off and structures put in place to take forward the operational work.

**Medium Term Financial Strategy**

The Medium Term Financial Strategy (MTFS) was approved by Cabinet on 18 December 2013 and covered the 2015/16 and 2016/17 financial years. It sets out the budget assumptions underpinning the draft budget forecasts for those years and provides a strategic overview of the challenges that the Council faces in the light of further and significant Government funding reductions announced as part of the 2013 Spending Review. The Government's announcement of the 2015/16 settlement is expected in late November / early December 2014. No information has been received from the Government in connection with the 2016/17 settlement although indications may be given after the General Election if the Treasury holds a summer Spending Review. As such the current budget

preparation process concentrates primarily on 2015/16.

The MTFS is updated to take account of changing economic and other circumstances e.g. inflation and interest rates, demographic changes, demand for services, technological and legislative changes, government funding announcements etc. The MTFS has therefore informed the approach the Council is taking for setting its budget for 2015/16 taking account of departmental spending requirements, increases in transport and waste levies to be paid, and funding expectations from government grants, council tax and retained business rates income. A set of proposed savings in order to address the funding gap for 2015/16 will be presented to employees and members of the public throughout November and December. The 2015/16 budget will ultimately be set at the Council meeting on 25 February, 2015. Future years will be addressed as and when government announcements are made via spending reviews, Chancellor statements and settlement announcements.

### **Employee Engagement Strategy**

Employee engagement is a useful measure of how satisfied employees are within their organisation. Engagement influences the performance and commitment of the workforce. Higher levels of engagement are linked to improved productivity, which in turn helps organisations deliver their outcomes. The council's survey aims to identify stronger areas of engagement and areas where specific action needs to be taken to improve engagement within teams, the purpose of our work around employee engagement is to ensure that we support our workforce in key areas to build on positive outcomes and behaviours.

### **LGA Peer Review Action Plan**

Following a positive Peer Review, an action plan has been developed to maintain our improvement journey. This will be updated on a regular basis to monitor progress.

## Risk

Risk management is a systematic approach to assessing risks and opportunities surrounding achievement of core strategic, departmental and operational objectives. The council has a well established approach to risk management which assesses the likelihood and potential impact of a wide range of risks & opportunities. Risk Registers are compiled for all activities and projects, and are subject to review on a quarterly basis. The quarter 2 update against the register will become available following review from CRMG on 19<sup>th</sup> November 2014. Risk Registers are reported to all levels of management, and to elected members.

The following risks / opportunities have been identified that the council faces in meeting its own priorities and in contributing towards the council's corporate priorities and community ambitions:

Ref	Risk Event	Risk Owner	Impact (New)	Likelihood (New)	Quarter 1 Status	Quarter 2 Status	Quarter 3 Status	Quarter 4 Status	Measures
01	The <u>potential</u> liability facing the Council in respect of Equal Pay significantly weakens the Council's financial position	Mike Owen / Guy Berry	1	1	1				Risk further reduced as most cases have now been settled. To remain on register till exercise complete.
02	There is no robust financial strategy or change management strategy to address effectively the significant funding reductions that the Council faces.	Steve Kenyon	3	3	9				Draft allocations for 2015/16 have been reiterated as part of a DCLG consultation exercise; however final figures are unlikely to be available until December 2014.  2015/16 budget options are currently being developed jointly by Cabinet and SLT.  There is no funding data available beyond 2015/16 at this stage.
03	The budget strategy fails to address the Council's priorities and emerging issues,	Mike Owen/Steve	3	2	6				Income pressures were largely addressed



	e.g. demographic and legislative changes	Kenyon						in 2013/14 budget. Demand pressures remain a risk and will continue to be monitored / managed through Star Chamber process. 2013/14 Outturn showed a £406k underspend.
04	The budget strategy does not reflect, or respond to, national policy developments, e.g. Council Tax Support scheme and changes to the Business Rates regime	Mike Owen/Steve Kenyon	4	2	8			Risk reduced as new arrangements have been in place now for 12 months. However, risk remains high given volatility, and influence from factors which are beyond the control of the Council (e.g. appeals).
05	The Council's asset base is not operated to its maximum effect to deliver efficiency savings and ensure priorities are fulfilled. Ineffective use of assets presents both a financial and a performance risk.	Mike Owen	2	1	2			Asset Management Plan now in place; office accommodation moves took place Summer 2013 and further moves are taking place to reflect the new Departmental Structure.
08	The Council fails to manage the expectations of residents, service users & other stakeholders in light of funding reductions	Mike Owen	3	2	6			Widespread consultation took place re: Budget / Plan for Change. Early release of some 2015/16 budget options to allow for consultation and ensure April 2015 implementation.
09	The Government's changes to Council Tax Benefit impact adversely upon the Public / Vulnerable People. Also budgetary risk to the Council in the event of claimant numbers rise	Mike Owen	3	3	9			Impact on residents being managed through Welfare Reform Board. Budgetary impact continues to be assessed through monthly monitoring / Star Chamber process.
	Changes resulting from the wider Welfare	Mike Owen	3	3	9			Welfare Reform Board coordinating action

10	reform agenda impact adversely upon the public / vulnerable people.								<p>plan with partner organizations (e.g. Six Town, CAB).</p> <p>Whilst impact on individuals can have significant implications, this is being mitigated where possible.</p>
11	That the scale and pace of Public Sector reform impacts adversely upon key Council Services, compounded by the loss of capacity following staff leaving the Council (420+ since 2010)	Mike Kelly	4	2	8				<p>Workforce Development Plan now in place to ensure continuity / succession planning.</p> <p>Risk will be closely monitored as the Council-wide restructure takes effect.</p>

<b>REPORT FOR DECISION</b>
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<b>DECISION OF:</b>	<b>CABINET OVERVIEW &amp; SCRUTINY COMMITTEE COUNCIL</b>
<b>DATE:</b>	<b>26 NOVEMBER 2014 3 DECEMBER 2014 10 DECEMBER 2014</b>
<b>SUBJECT:</b>	<b>TREASURY MANAGEMENT STRATEGY – MID YEAR REVIEW 2014/15</b>
<b>REPORT FROM:</b>	<b>LEADER OF THE COUNCIL &amp; CABINET MEMBER FOR FINANCE</b>
<b>CONTACT OFFICER:</b>	<b>STEPHEN KENYON, ASSISTANT DIRECTOR OF RESOURCES (FINANCE AND EFFICIENCY)</b>
<b>TYPE OF DECISION:</b>	<b>COUNCIL</b>
<b>FREEDOM OF INFORMATION/STATUS:</b>	The report is within the public domain
<b>SUMMARY:</b>	<p>This mid year report has been prepared in compliance with CIPFA's Code of Practice, and covers the following:</p> <ul style="list-style-type: none"> <li>• An economic update for the 2014/15 financial year to 30 September 2014</li> <li>• A review of the Treasury Management Strategy Statement and Annual Investment Strategy</li> <li>• The Council's capital expenditure (prudential indicators)</li> <li>• A review of the Council's investment portfolio for 2014/15</li> <li>• A review of the Council's borrowing strategy for 2014/15</li> <li>• A review of any debt rescheduling undertaken during 2014/15</li> <li>• A review of compliance with Treasury and Prudential Limits for 2014/15</li> </ul>

<p><b>OPTIONS &amp; RECOMMENDED OPTION</b></p>	<p>It is recommended that, in accordance with CIPFA's Code of Practice on Treasury Management, the report be noted. That the Counterparty investment limit for Barclays be increased from £10m to £15m to reflect that Barclays will be the Authority's main banker from 2015.</p>
<p><b>IMPLICATIONS:</b></p>	
<p><b>Corporate Aims/Policy Framework:</b></p>	<p>Do the proposals accord with the Policy Framework? Yes</p>
<p><b>Statement by the S151 Officer: Financial Implications and Risk Considerations:</b></p>	<p>Treasury Management is an integral part of the Council's financial framework and it is essential that the correct strategy is adopted in order to ensure that best value is obtained from the Council's resources and that assets are safeguarded.</p>
<p><b>Statement by Executive Director of Resources and Regulation:</b></p>	<p>There are no additional resource implications. Treasury management activities so far have produced a projected underspending for the year of £0.5m. This will help to support other areas of the Council's budget that are under pressure from user demand or economic conditions.</p>
<p><b>Equality/Diversity implications:</b></p>	<p>No</p>
<p><b>Considered by Monitoring Officer:</b></p>	<p>Yes</p>
<p><b>Wards Affected:</b></p>	<p>All</p>
<p><b>Scrutiny Interest:</b></p>	<p>Overview &amp; Scrutiny Committee</p>

**TRACKING/PROCESS**

**DIRECTOR: STEVE KENYON**

Chief Executive/ Strategic Leadership Team	Cabinet Member/Chair	Ward Members	Partners
Yes	Yes	N/a	N/a
Scrutiny Commission		Committee	Council
Overview & Scrutiny Committee			

## 1.0 BACKGROUND

- 1.1 The Council operates a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operations ensure this cash flow is adequately planned, with surplus monies being invested in low risk counterparties, providing adequate liquidity initially before considering optimising investment return.

The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer term cash flow planning to ensure that the Council can meet its capital spending obligations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses, and on occasion any debt previously drawn may be restructured to meet Council risk or cost objectives.

As a consequence treasury management is defined as:

"The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks".

- 1.2 The Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management (revised 2011) was adopted by this Council on 24 February 2010.

The primary requirements of the Code are as follows:

1. Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council's treasury management activities.
2. Creation and maintenance of Treasury Management Practices which set out the manner in which the Council will seek to achieve those policies and objectives.
3. Receipt by the full council of an annual Treasury Management Strategy Statement - including the Annual Investment Strategy and Minimum Revenue Provision Policy - for the year ahead, a **Mid-year Review Report** and an Annual Report (stewardship report) covering activities during the previous year.
4. Delegation by the Council of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions.
5. Delegation by the Council of the role of scrutiny of treasury management strategy and policies to a specific named body. For this Council the delegated body is: Overview & Scrutiny Committee.

- 1.3 This report fulfils the requirement to produce a mid-year review.

## 2.0 ECONOMIC UP-DATE (from Treasury Advisors)

### 2.1 Economic Performance to date

- 2.1.1 After UK GDP quarterly growth of 0.7%, 0.8% and 0.7% in quarters 2, 3 and 4 respectively in 2013, (2013 annual rate 2.7%), and 0.7% in Q1, 0.9% in Q2 and a

first estimate of 0.7% in Q3 2014 (annual rate 3.1% in Q3), it appears very likely that growth will continue through 2014 and into 2015. The manufacturing sector has also seen growth though the latest figures indicate a weakening in the future trend rate of growth. For any recovery to become more balanced and sustainable in the longer term, it needs to move away from dependence on consumer expenditure and the housing market to exporting, and particularly of manufactured goods, both of which need to substantially improve on their recent lacklustre performance.

- 2.1.2 Growth has resulted in unemployment falling faster through the initial threshold of 7%, set by the Monetary Policy Committee (MPC) last August, before it said it would consider any increases in Bank Rate. The MPC has, therefore, subsequently broadened its forward guidance by adopting five qualitative principles and looking at a much wider range of about eighteen indicators in order to form a view on how much slack there is in the economy and how quickly slack is being used up. Most economic forecasters are expecting growth to peak in 2014 and then to ease off a little, though still continue, in 2015 and 2016.
- 2.1.3 There has been a fall in inflation (CPI), reaching 1.5% in May and July, the lowest rate since 2009. Forward indications are that inflation is likely to fall further in 2014 to possibly near to 1%. Overall, markets are expecting that the MPC will be cautious in raising Bank Rate as it will want to protect heavily indebted consumers from too early an increase in Bank Rate at a time when inflationary pressures are also weak. A first increase in Bank Rate is therefore expected in Q1 or Q2 2015 and they expect increases after that to be at a slow pace to lower levels than prevailed before 2008 as increases in Bank Rate will have a much bigger effect on heavily indebted consumers than they did before 2008.
- 2.1.4 Forecasts for the increase in Government debt by £73bn over the next five years, as announced in the 2013 Autumn Statement, and by an additional £24bn, as announced in the March 2014 Budget.
- 2.1.5 First quarter GDP figures for the US were depressed by exceptionally bad winter weather, but growth rebounded in Q2 to 4.6% (annualised). The U.S. faces similar debt problems to those of the UK, but thanks to reasonable growth, cuts in government expenditure and tax rises, the annual government deficit has been halved from its peak without appearing to do too much damage to growth, although the weak labour force participation rate remains a matter of key concern for the Federal Reserve when considering the amount of slack in the economy and monetary policy decisions
- 2.1.6 The Eurozone is facing an increasing threat from weak or negative growth and from deflation. In September, the inflation rate fell further, to reach a low of 0.3%. However, this is an average for all EZ countries and includes some countries with negative rates of inflation. Accordingly, the ECB took some rather limited action in June to loosen monetary policy in order to promote growth. In September it took further action to cut its benchmark rate to only 0.05%, its deposit rate to -0.2% and to start a programme of purchases of corporate debt. However, it has not embarked yet on full quantitative easing (purchase of sovereign debt). Concern in financial markets for the Eurozone subsided considerably during 2013. However, sovereign debt difficulties have not gone away and major issues could return in respect of any countries that do not dynamically address fundamental issues of low growth, international

uncompetitiveness and the need for overdue reforms of the economy, (as Ireland has done). It is, therefore, possible over the next few years that levels of government debt to GDP ratios could continue to rise for some countries. This could mean that sovereign debt concerns have not disappeared but, rather, have only been postponed.

2.1.7 Japan is causing considerable concern as the increase in sales tax in April has suppressed consumer expenditure and growth. In Q2 growth was -1.8% q/q and -7.1% over the previous year. The Government is hoping that this is a temporary blip. As for China, Government action in 2014 to stimulate the economy appeared to be putting the target of 7.5% growth within achievable reach but recent data has raised fresh concerns. There are also major concerns as to the creditworthiness of much bank lending to corporates and local government during the post 2008 credit expansion period and whether the bursting of a bubble in housing prices is drawing nearer.

## 2.2 Interest rate Forecasts and Outlook

2.2.1 The Council’s treasury advisor, Capita Asset Services, has provided the following forecast:

	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18
Bank rate	0.50%	0.50%	0.75%	0.75%	1.00%	1.00%	1.25%	1.25%	1.50%	1.50%	1.75%	2.00%	2.25%	2.50%
5yr PWLB rate	2.50%	2.70%	2.70%	2.80%	2.90%	3.00%	3.10%	3.20%	3.30%	3.40%	3.50%	3.50%	3.50%	3.50%
10yr PWLB rate	3.20%	3.40%	3.50%	3.60%	3.70%	3.80%	3.90%	4.00%	4.10%	4.10%	4.20%	4.20%	4.30%	4.30%
25yr PWLB rate	3.90%	4.00%	4.10%	4.30%	4.40%	4.50%	4.60%	4.70%	4.70%	4.80%	4.80%	4.90%	4.90%	5.00%
50yr PWLB rate	3.90%	4.00%	4.10%	4.30%	4.40%	4.50%	4.60%	4.70%	4.70%	4.80%	4.80%	4.90%	4.90%	5.00%

Capita Asset Services undertook a review of its interest rate forecasts on 24th October. During September and October, a further rise in geopolitical concerns, principally over Ukraine but also over the Middle East, plus fears around Ebola, and an accumulation of dismal growth news in most of the ten largest economies of the world and on the growing risk of deflation in the Eurozone, had caused a flight from equities into safe havens like gilts and depressed PWLB rates. However, there is much volatility in rates as news ebbs and flows in negative or positive ways. This latest forecast includes a first increase in Bank Rate in quarter 2 of 2015.

2.2.2 PWLB forecasts are based around a balance of risks. However, there are potential upside risks, especially for longer term PWLB rates, as follows: -

- Further investor confidence that robust world economic growth is expected, causing a flow of funds out of bonds and into equities.
- UK inflation being significantly higher than in the wider EU and US, causing an increase in the inflation premium inherent to gilt yields.

2.2.3 Downside risks currently include:

- The situation over Ukraine poses a major threat to EZ and world growth if it was to deteriorate into economic warfare between the West and Russia where Russia resorted to using its control over gas supplies to Europe.

- Fears generated by the potential impact of Ebola around the world.
- UK economic growth is currently dependent on consumer spending and the unsustainable boom in the housing market. The boost from these sources is likely to fade after 2014.
- A weak rebalancing of UK growth to exporting and business investment causing a weakening of overall economic growth beyond 2014.
- Weak growth or recession in the UK's main trading partners - the EU and US, inhibiting economic recovery in the UK.
- A return to weak economic growth in the US, UK and China causing major disappointment in investor and market expectations.
- A resurgence of the Eurozone sovereign debt crisis caused by ongoing deterioration in government debt to GDP ratios to the point where financial markets lose confidence in the financial viability of one or more countries and in the ability of the ECB and Eurozone governments to deal with the potential size of the crisis.
- Recapitalising of European banks requiring more government financial support.
- Lack of support by populaces in Eurozone countries for austerity programmes, especially in countries with very high unemployment rates e.g. Greece and Spain, which face huge challenges in engineering economic growth to correct their budget deficits on a sustainable basis.
- Italy: the political situation has improved but it remains to be seen whether the new government is able to deliver the austerity programme required and a programme of overdue reforms. Italy has the third highest government debt mountain in the world.
- France: after being elected on an anti austerity platform, President Hollande has embraced a €50bn programme of public sector cuts over the next three years. However, there could be major obstacles in implementing this programme. Major overdue reforms of employment practices and an increase in competitiveness are also urgently required to lift the economy out of stagnation.
- Monetary policy action failing to stimulate sustainable growth in western economies, especially the Eurozone and Japan.
- Heightened political risks in the Middle East and East Asia could trigger safe haven flows back into bonds.
- There are also increasing concerns that the reluctance of western economies to raise interest rates significantly for some years, plus the huge QE measures which remain in place (and may be added to by the ECB in the near future), has created potentially unstable flows of liquidity searching for yield and therefore heightened the potential for an increase in risks in order to get higher returns. This is a return of the same environment which led to the 2008 financial crisis.

### **3.0 TREASURY MANAGEMENT STRATEGY STATEMENT AND ANNUAL INVESTMENT STRATEGY UP-DATE**



The Treasury Management Strategy Statement (TMSS) for 2014/15 was approved by the Council on 19 February 2014.

There are no policy changes to the TMSS; the details in this report update the position in the light of the updated economic position and budgetary changes already approved.

#### 4.0 THE COUNCIL'S CAPITAL POSITION (PRUDENTIAL INDICATORS)

This part of the report is structured to update:

- The Council's capital expenditure plans;
- How these plans are being financed;
- The impact of the changes in the capital expenditure plans on the prudential indicators and the underlying need to borrow; and
- Compliance with the limits in place for borrowing activity.

#### 4.1 Prudential Indicator for Capital Expenditure

This table shows the revised estimates for capital expenditure and the changes since the capital programme was agreed at the Budget

<b>Capital Expenditure</b>	<b>2014/15 Original Estimate £m</b>	<b>2014/15 Revised Estimate £m</b>
<b>Non-HRA</b>	12.270	15.937
<b>HRA</b>	12.014	13.816
<b>Total</b>	<b>24.284</b>	<b>29.753</b>

The increase of the revised estimate over the original estimate is due to slippage from 2013/14 of £16.126m offset by estimated project reprofiling to 2015/16 of £10.655m

#### 4.2 Changes to the Prudential Indicators for the Capital Financing Requirement, External Debt and the Operational Boundary

The table shows the Capital Financing Requirement, which is the underlying external need to incur borrowing for a capital purpose. It also shows the expected debt position over the period. This is termed the Operational Boundary.

	<b>2014/15 Original Estimate £m</b>	<b>2014/15 Revised Estimate £m</b>
<b>Prudential Indicator - Capital Financing Requirement</b>		
CFR – non HRA	125.551	125.104
CFR – HRA existing	40.531	40.531
Housing Reform Settlement	78.253	78.253
<b>Total CFR</b>	<b>244.335</b>	<b>243.888</b>
<b>Prudential Indicator - External Debt / the Operational Boundary</b>		
Borrowing	244.300	243.900
Other long term liabilities	7.000	7.000
<b>Total</b>	<b>251.300</b>	<b>250.900</b>

### 4.3 Limits to Borrowing Activity

- 4.3.1 The first key control over the treasury activity is a prudential indicator to ensure that over the medium term, net borrowing (borrowings less investments) will only be for a capital purpose. Gross external borrowing should not, except in the short term, exceed the total of CFR in the preceding year plus the estimates of any additional CFR for 2014/15 and next two financial years. This allows some flexibility for limited early borrowing for future years. The Council has approved a policy for borrowing in advance of need which will be adhered to if this proves prudent.
- 4.3.2 The Assistant Director of Resources reports that no difficulties are envisaged for the current or future years in complying with this prudential indicator.
- 4.3.3 A further prudential indicator controls the overall level of borrowing. This is the Authorised Limit which represents the limit beyond which borrowing is prohibited, and needs to be set and revised by Members. It reflects the level of borrowing which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. It is the expected maximum borrowing need with some headroom for unexpected movements. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003.

<b>Authorised Limit for External Debt</b>	<b>2014/15 Original Indicator £m</b>	<b>2014/15 Revised Indicator £m</b>
Borrowing	279.300	278.900
Other long term liabilities	7.000	7.000
<b>Total</b>	<b>286.300</b>	<b>285.900</b>

### 5.0 INVESTMENT PORTFOLIO 2014/15

- 5.1 In accordance with the Code, it is the Council's priority to ensure security of capital and liquidity, and to obtain an appropriate level of return which is consistent with the Council's risk appetite. As set out in Section 2, it is a very difficult investment market in terms of earning the level of interest rates commonly seen in previous decades as rates are very low and in line with the 0.5% Bank Rate. Indeed, the Funding for Lending scheme has reduced market investment rates even further. The potential for a prolonging of the Eurozone

sovereign debt crisis, and its impact on banks, prompts a low risk and short term strategy. Given this risk environment, investment returns are likely to remain low.

5.2 The Council held £59.1m of investments as at 30 September 2014 (£45.0m at 31 March 2014) and the investment portfolio yield for the first six months of the year is 0.62% against Capita’s suggested investment earnings rate for returns on investments placed, for periods up to three months in 2014/15, of 0.42%.

5.3 The investments held as at 30 September were:-

<b>Type of Investment</b>	<b>£ Million</b>
Call Investments (Cash equivalents)	12.8
Fixed Investments (Short term investments)	46.3
<b>Total</b>	<b>59.1</b>

5.4 The Assistant Director of Resources confirms that the approved limits within the Annual Investment Strategy were not breached during the first six months of 2014/15.

5.5 The Council’s budgeted investment return for 2014/15 is £0.5m, and performance for the year to date is in line with the budget.

5.6 The current investment counterparty criteria selection approved in the TMSS is meeting the requirement of the treasury management function.

5.7 The Council is currently changing it’s transactional banking from the Co-operative Bank to Barclays Bank. The Council’s current counterparty investment limit for Barclays is £10m. It is requested that this be increased to £15m to reflect that Barclays will now be the Authority’s main banker. This is purely a precautionary measure, as overnight balances will be cleared as near to nil as possible.

5.8 The Cabinet have recently approved a “Property Investment Strategy” which aims to increase investment income by investing in property rather than investing with financial institutions where returns are low at present. Additional borrowing may need to be undertaken to finance property acquisitions; each investment will be subject to a robust business case and also non-financial factors (e.g. ethical stance) will be considered.

**6.0 BORROWING**

6.1 The Council’s capital financing requirement (CFR) for 2014/15 is £242.9m. The CFR denotes the Council’s underlying need to borrow for capital purposes. If the CFR is positive the Council may borrow from the PWLB or the market (external borrowing) or from internal balances on a temporary basis (internal borrowing). The balance of external and internal borrowing is generally driven by market conditions. The table below shows the Council has borrowings of £210.9m and has utilised £32m of cash flow funds in lieu of borrowing. This is a prudent and cost effective approach in the current economic climate but will require ongoing monitoring in the event that upside risk to gilt yields prevail.

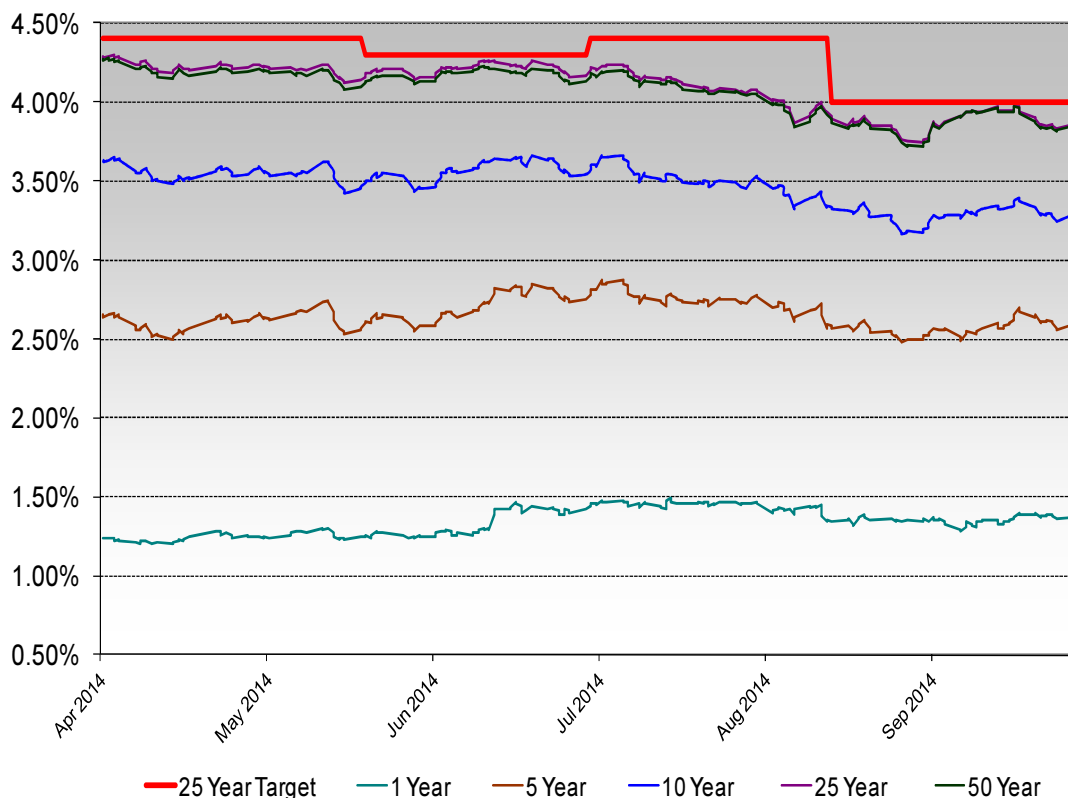
		30th Sept 2014		
		Principal		Avg. Rate
		£000	£000	
<b>Fixed rate funding</b>				
	PWLB Bury	146,362		
	PWLB Airport	4,078		
	Market Bury	57,500	207,940	
<b>Variable rate funding</b>				
	PWLB Bury	0		
	Market Bury	0	0	
<b>Temporary Loans / Bonds</b>		3,003	3,003	
<b>Total Debt</b>			<b>210,943</b>	<b>3.96%</b>
<b>Total Investments</b>			<b>59,100</b>	<b>0.62%</b>

6.2 Due to the overall financial position and the underlying need to borrow for capital purposes (the capital financing requirement – CFR), new temporary external borrowing of £3m was undertaken from the market:

Lender	Rate	Amount	Start Date	End Date
Police Authority	0.40	3m	07/07/2014	31/03/2015

It is anticipated that no further borrowing will be undertaken during this financial year.

6.3 The graph below shows the movement in PWLB certainty rates for the first six months of the year to 30.09.14:



**7.0 DEBT RESCHEDULING**

7.1 Debt rescheduling opportunities have been limited in the current economic climate and consequent structure of interest rates. No debt rescheduling was undertaken during the first six months of 2014/15.

**Councillor Mike Connolly**  
**Leader of the Council and Cabinet Member for Finance**

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**List of Background Papers:-**

None

**Contact Details:-**

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**NOTICE OF KEY DECISION**



**MEETING:** **CABINET  
OVERVIEW & SCRUTINY COMMITTEE**

**DATE:** **26 NOVEMBER 2014  
3 DECEMBER 2014**

**SUBJECT:** **CORPORATE FINANCIAL MONITORING REPORT –  
APRIL 2014 TO SEPTEMBER 2014**

**REPORT FROM:** **LEADER OF THE COUNCIL AND CABINET MEMBER  
FOR FINANCE**

**CONTACT OFFICER:** **STEVE KENYON, ASSISTANT DIRECTOR OF  
RESOURCES & REGULATION (FINANCE &  
EFFICIENCY)**

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**TYPE OF DECISION:** **CABINET (KEY DECISION)**

**FREEDOM OF INFORMATION/STATUS:** This paper is within the public domain

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**SUMMARY:** The report informs Members of the Council's financial position for the period April 2014 to September 2014 and projects the estimated outturn at the end of 2014/15.

It sets out a proposed series of measures to curb spend in 2014/15 and proposes that this continues into 2015/16, as detailed in paragraph 3.7 on page 4.

The report also includes Prudential Indicators in accordance with CIPFA's Prudential Code.

**OPTIONS & RECOMMENDED OPTION** Members are asked to note the financial position of the Council as at 30 September 2014, and to approve the s151 officer's assessment of the minimum level of balances.

Members are also asked to approve the series of measures to curb spend in 2014/15 and 2015/16, to be implemented with effect from 1 December 2014.

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**IMPLICATIONS:**

**Corporate Aims/Policy Framework:**

Do the proposals accord with Policy Framework? Yes.

**Statement by the s151 Officer:**

The report has been prepared in accordance with all relevant Codes of Practice. There may be risks arising from remedial action and the proposed series of measures taken to address the budget position; these will be identified by Directors at the quarterly Star Chamber meetings.

**Statement by Executive Director of Resources & Regulation:**

Successful budget monitoring provides early warning of potential major overspends or underspends against budgets which Members need to be aware of.

This report draws attention to the fact that, based on the most prudent of forecasts, several budget hotspots exist which will need remedial action.

Members and officers will be examining these areas in more detail at the Star Chambers.

This report is particularly significant as it informs Members of the baseline financial position from which the Council sets its 2015/16 budget.

**Equality/Diversity implications:**

No

**Considered by Monitoring Officer:**

Budget monitoring falls within the appropriate statutory duties and powers and is a requirement of the Council's Financial Regulations to which Financial Regulation B: Financial Planning 4.3. (Budget Monitoring and Control) relates. The report has been prepared in accordance with all relevant Codes of Practice.

**Are there any legal implications?**

Yes

**Wards Affected:**

All

**Scrutiny Interest:**

Overview & Scrutiny Committee

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**TRACKING/PROCESS****ASSISTANT DIRECTOR: Steve Kenyon**

Chief Executive/ Strategic Leadership Team	Cabinet	Overview & Scrutiny Committee	Council	Ward Members	Partners
<b>10/11/14</b>	<b>26/11/14</b>	<b>03/12/14</b>			

**1.0 INTRODUCTION**

- 1.1 This report informs Members of the forecast outturn for 2014/15, based upon current spend for the period 1 April 2014 to 30 September 2014, in respect of the revenue budget, capital budget and the Housing Revenue Account.
- 1.2 Projections are based on current trends, information, and professional judgement from service managers and finance staff.
- 1.3 The revenue budget projections highlight the fact that budget pressures do still exist in some key areas and it will be necessary to continue to examine options for improving the situation further. A series of measures has been proposed to curb spend in 2014/15 and these are detailed in paragraph 3.7 on page 4.

**2.0 BUDGET MONITORING PROCESSES**

- 2.1 Reports are presented quarterly to facilitate close monitoring of spend and implementation of action plans during the year.
- 2.2 Reports are also presented to the Strategic Leadership Team on a monthly basis and detailed monitoring information is also discussed at Star Chamber meetings during the year.
- 2.3 It is intended that improvements will continue to be made to the budget monitoring process, building on the significant developments implemented over the past few years.

**3.0 SUMMARY OF REVENUE BUDGET POSITION**

- 3.1 The table below outlines the annual budget and forecast outturn based upon known factors and the professional views of service managers as at month 6:

<b>Department</b>	<b>Budget £000</b>	<b>Forecast £000</b>	<b>Variance £000</b>
Communities & Wellbeing	69,157	69,777	<b>+620</b>
Resources & Regulation	4,156	5,021	<b>+865</b>
Children, Young People & Culture	33,985	35,430	<b>+1,445</b>
DCN Residual	145	(172)	<b>(317)</b>
Non Service Specific	36,326	35,172	<b>(1,154)</b>
<b>TOTAL</b>	<b>143,769</b>	<b>145,228</b>	<b>+1,459</b>

- 3.4 The projected overspend of **£1.459m** represents approximately **1.01%** of the total net budget of £143.769m.

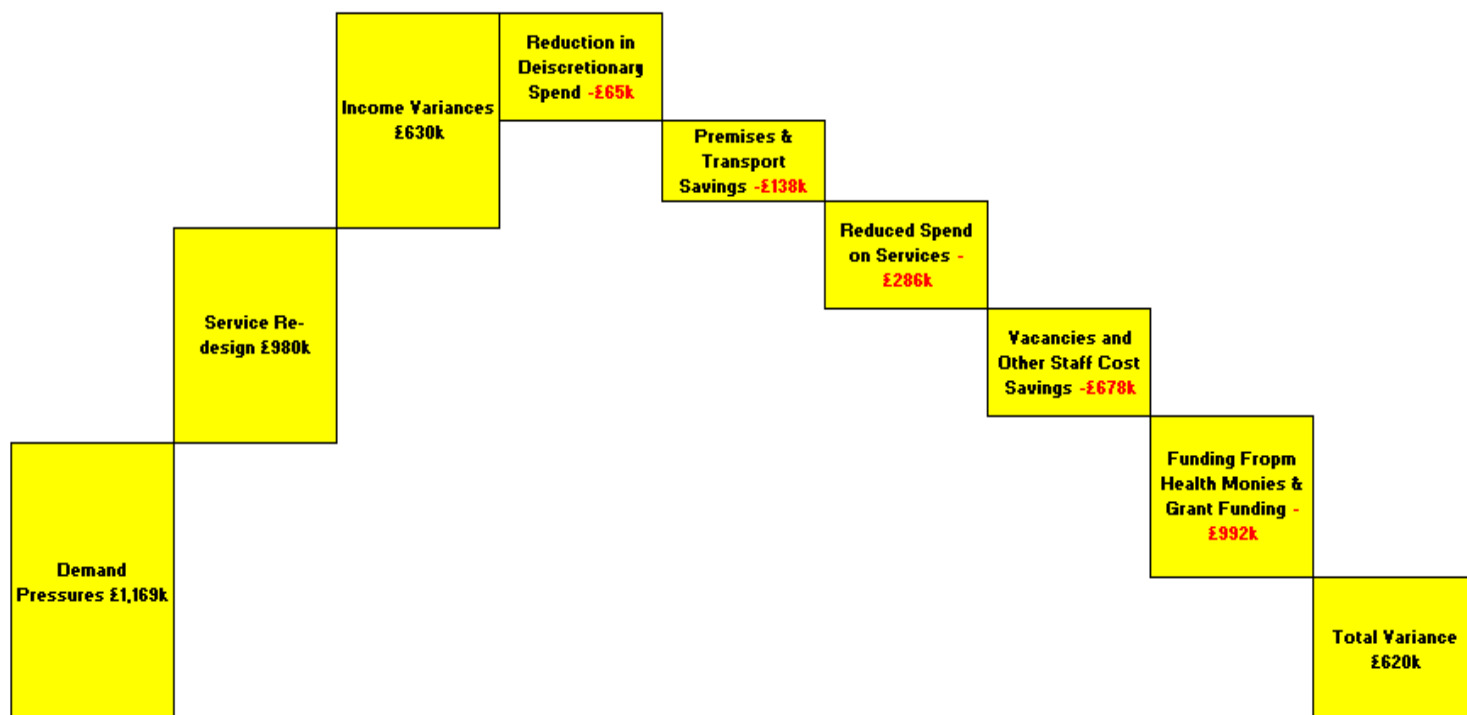
- 3.5 Members need to be aware that financial reporting involves an element of judgement, and this particularly applies to the treatment of budget pressures. Often an area of overspending identified at this point in the year will resolve itself before the end of the year following appropriate remedial action.
- 3.6 However it is felt appropriate to alert Members to potential problems at this stage so that they can monitor the situation and take ownership of the necessary remedial action and this is the basis on which the report is written.
- 3.7 In the light of the severity of the financial position a number of management actions are proposed to be implemented from 1 December, 2014. These include:
- Freeze on external recruitment (exceptions to be signed off by Head of Human Resources & Organisational Development); internal recruitment will continue to support the redeployment process.
  - Relaunch Work Life Balance options around reduced hours / purchase of leave;
  - Cease all but essential spend on stationery, office equipment etc.;
  - Any spend >£500 to be signed off by Executive Director.
- 3.8 In addition, Executive Directors have also been asked to;
- Review the use of all casual / agency staff / consultants
  - Review arrangements for overtime / additional hours
  - Review training commitments
  - Review spend on IT / Communications
- 3.9 It is anticipated that implementation of these measures will restrict spend in the final third of the financial year and ease the pressure on the 2014/15 budget.
- 3.10 It is also proposed that these measures continue into 2015/16 and are reviewed upon examination of the Q1 position.

## **4.0 SERVICE SPECIFIC FINANCIAL MONITORING**

### **4.1 COMMUNITIES AND WELLBEING**

- 4.1.1 The current projected overspend for Communities and Wellbeing is **£0.620m**, which is 0.89% of the Department's net budget of £69.157m
- 4.1.2 Reasons for major variations are illustrated in the chart overleaf;

Month 6 Cost Bridge



4.1.3 Further details by service area are outlined below, along with remedial action being taken.

Theme	ACS/C&N	Variance £'000	Reason	Action Being Taken
<b>Demand Pressures</b>	Adult Care	+1,169	Demand pressures: Care in the Community budgets particularly around Domiciliary Care, Residential Care and Self Directed Support Budgets (+£992k). Deprivation of Liberty Safeguards (+£120k). Reablement Service (+£45k). Other small demand pressures on individual budgets (+£12k).	A range of preventative strategies continue to be introduced to manage this demand, such as reablement, triage, improved screening, 'signposting', and crisis response as well as a programme of training for front line staff around efficient support package planning. In addition, all existing high & medium cost care packages are kept under regular review.
	Communities & N'hoods	0		
	<b>Sub Total</b>	<b>+1,169</b>		

<b>Service redesign</b>	Adult Care	+781	<p>A number of service areas have yet to achieve 14/15 savings target against specific schemes:</p> <p>Business and Development (+£489k).                      Finance (+£89k).                      Workforce (+£22k).                      Operations (+£181k).</p>	<p>An Action plan is being developed by senior management for each of the service areas, ensuring the savings targets are achieved during 2014/15 at least on a temporary basis in the first instance, with longer term plans to achieve full year effect from 2015/16 onwards.</p>
	Communities & N'hoods	+199	<p>Civic Halls savings from self management and extra income target not likely to be achieved based on current projections (+£39k).</p> <p>Delay in new Leisure Centres project (+£91k).</p> <p>Savings target on communities not yet identified (+£9k).</p> <p>Sports Development savings not identified (+£60k).</p>	<p>Continue to market &amp; promote service and assess income &amp; profitability of activities/events.</p> <p>Saving expected in future years if project proceeds.</p> <p>Review levels of spend.</p> <p>Offset by underspends if possible or use other savings transferred to reserves to offset cost pressure in short term.</p>
	<b>Sub Total</b>	<b>+980</b>		
<b>Income variances</b>	Adult Care	+83	<p>Adult learning grant reduction (+£30k).</p> <p>Internal Recruitment agency additional income expectation (-£22k).</p> <p>Shortfall in Supporting People Income (+£75k).</p>	<p>Planned reduction in spending levels in line with the grant receivable.</p> <p>This is a good news story for CWB and the hope is that further income can be generated from increased activity of the internal recruitment agency.</p> <p>Supporting People recovery action plan is being developed by senior management team.</p>

	Communities & N'hoods	+547	<p>Adult learning grant reduction (+£30k).</p> <p>Difficulty in meeting beverage service/café income target (+£56k).</p> <p>Civic Halls surplus below target (+£92k).</p> <p>Shortfall on pest control income reduced to (+£10k).</p> <p>Leisure income not meeting targets, including income lost during closure of Radcliffe Pool for repairs (+£274k).</p> <p>Transport Services income forecast to exceed budget (-£114k).</p> <p>Shortfalls on bulky waste income (+£48k) and trade waste income (+£145k).</p> <p>Other variances (+£6k).</p>	<p>Reduce spend levels.</p> <p>Offset as much as possible by reducing spend.</p> <p>Continue to market &amp; promote service and assess income &amp; profitability of activities/events.</p> <p>Continue to review service to see if remaining deficit can be eradicated.</p> <p>Offset as much as possible by reducing spend. Savings to date are shown below.</p> <p>Use to offset other overspends.</p> <p>Offset by underspends elsewhere in the service.</p>
	<b>Sub Total</b>	<b>+630</b>		
<b>Reduced Discretionary Spend</b>	Adult Care	0		
	Communities & N'hoods	-65	<p>Shortfall of income on Exam fees in adult learning (+£22k).</p> <p>Reduced spend at Leisure Centres (-£72k).</p> <p>Forecast underspend on caddy liners, after budget saving target taken into account (-£112k).</p> <p>Forecast overspend on budget for bulking up waste at Fernhill and costs of disposing of leaf clearance waste (+£78k).</p> <p>Other variances, including forecast extra waste collection costs (+£19k).</p>	<p>Use net savings to offset overspends.</p> <p>Monitor service and review arrangements as required.</p> <p>Overspends are offset by forecast savings on staff costs.</p>
	<b>Sub Total</b>	<b>-65</b>		

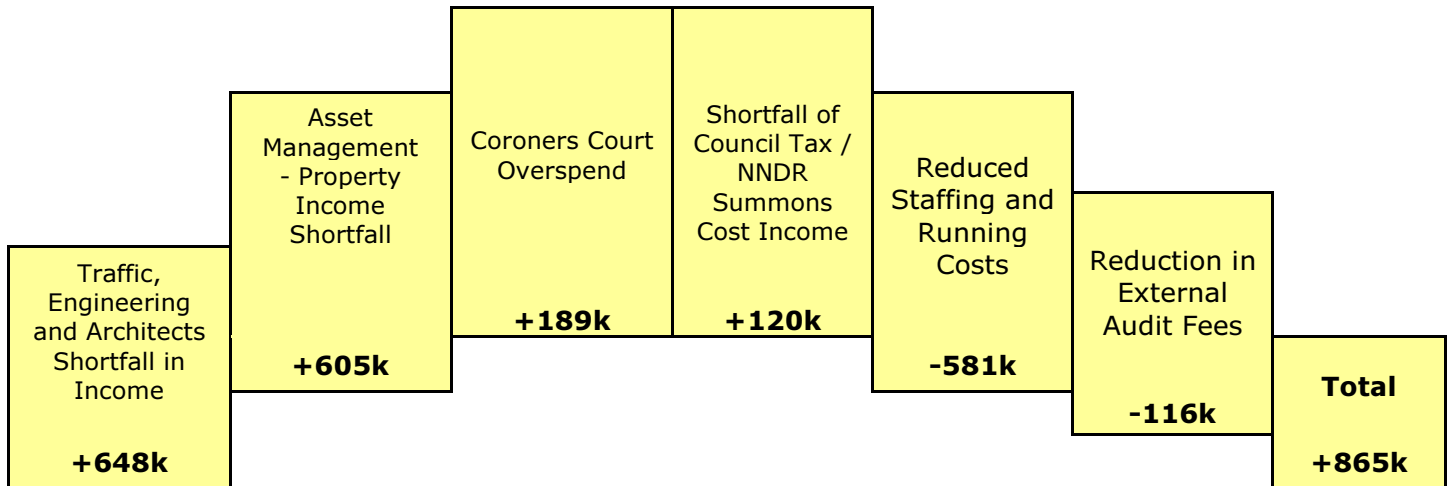
<b>Reduced Spend on Services</b>	Adult Care	-286	<p>Reduce spend activity on Carers services budget (-£175k).</p> <p>The non start of 2 schemes within preventing homelessness budgets (-£20k).</p> <p>Underspend on Utilities (-£27k).</p> <p>Commissioning Contracts (-£26k).</p> <p>Mental Health Home treatment service (-£38k).</p>	Forecast underspends may be used to offset pressure within other areas of adult care service budgets.
	Communities & N'hoods	0		
	<b>Sub Total</b>	<b>-286</b>		
<b>Premises &amp; transport cost savings</b>	Adult Care	0		
	Communities & N'hoods	-138	Underspends on transport repairs, hire & leasing costs (-£126k) plus (-£12k) other minor variances.	Use savings to offset overspends.
	<b>Sub Total</b>	<b>-138</b>		
<b>Vacancies and Other Staff Cost Savings</b>	Adult Care	-388	<p>The following service areas are reporting underspends largely as a result of staffing vacancies:</p> <p>Business and Development (-£236k).</p> <p>Commissioning (-£89k).</p> <p>Workforce (-£18k).</p> <p>Operations (-£45k).</p>	Forecast underspend will be used to offset pressure within other areas of adult care service budgets.
	Communities & N'hoods	-290	<p>Savings on adult learning staffing, to offset lower income levels (-£22k).</p> <p>Reduced spend on Leisure Centre staff during closures (-£100k).</p> <p>Extra costs of grounds seasonal staff kept on as grass cutting extended due to warm weather conditions (+£25k).</p> <p>Savings from secondments in park ranger service and pest control (-£17k).</p> <p>Transport salary savings - reduced overtime/standby, vacancies &amp; flexible</p>	Use savings to offset overspends.

			retirements (-£16k). Underspendings on waste management employees (-£141k). Savings from industrial action across all services (-£19k).	
	<b>Sub Total</b>	<b>-678</b>		
<b>Funding from Health Monies &amp; Grant Funding</b>	Adult Care	-992	Funding to support the demand pressures of the Care in the Community budgets (-£992k).	Utilisation of historic underspends from Adult Care Specific Grants and a contribution of the Health monies towards the demand pressures within Community Care are ensuring that the net expenditure is balanced in year.
	Communities & N'hoods	0		
	<b>Sub Total</b>	<b>-992</b>		

**4.2 RESOURCES AND REGULATION**

4.2.1 The Resources & Regulation Department is forecasting an overall overspend of **£0.865m**, or 20.8% of a net budget of £4.156m.

4.2.2 Reasons for major variations are illustrated in the chart below;



4.2.3 Reasons for major variations are illustrated in the table below;

Activity	Variance £'000	Reason	Action Being Taken
Shortfall in Income	+648		
	Made up of:		
Traffic & Engineering	+444	Estimated shortfalls in income relating to on and off-street parking and parking fines (+£218k), Greater Manchester Road Activities Permit Scheme (GMRAPS) (+£97k), coring (£30k), bus lane enforcement (+£29k), traffic management severance pay (+£15k) and delayed savings from Engineering management restructure (+£55k).	<p>Monitor income levels, adjust expenditure and targets where possible and review staff resources allocated to GMRAPS.</p> <p>Severance pay and management restructure delayed savings are one-offs to achieve planned savings longer term.</p>
Architects	+204	Estimated shortfall in income target due to the reduction in tender levels that reflect the economic climate, this reduces the overall fees chargeable for the same amount of input. There has been a reduction in large projects and increases in time charge activity; this limits the potential for surplus income. The projection is in line with outturn for the past few years.	<p>Reduce expenditure through efficiencies and increase fee levels where possible.</p> <p>Proportion of budgeted surplus is not sustainable against the current expenditure level.</p>



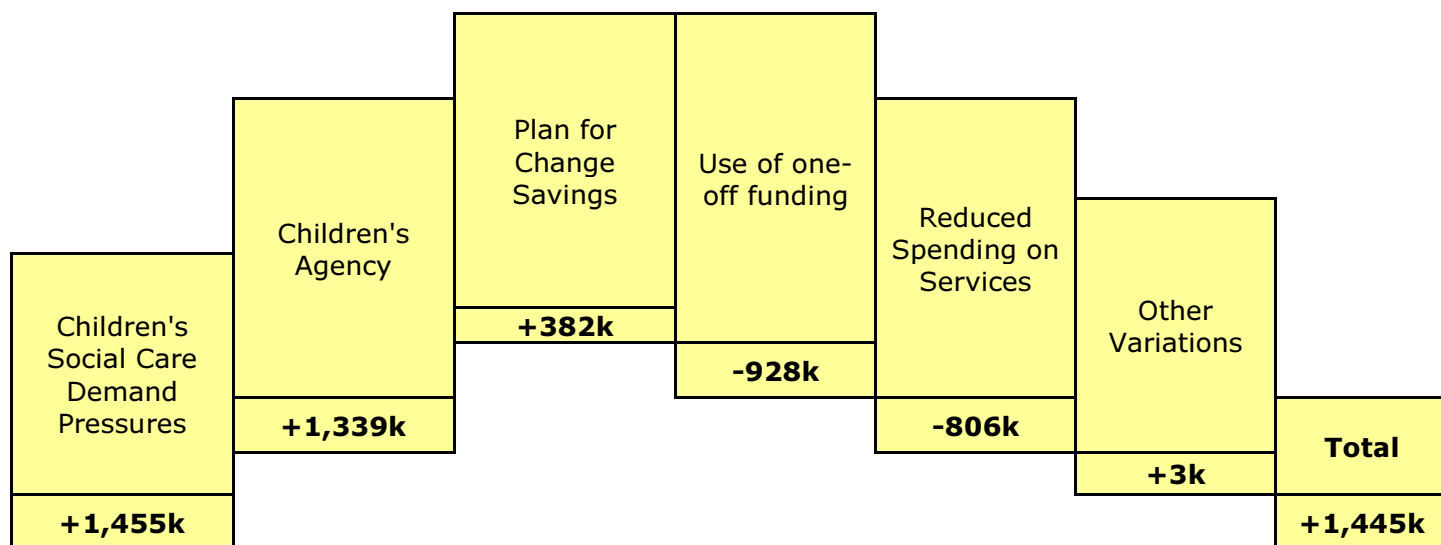
<p>Property Services Shortfall in Income</p>	<p>+605</p>	<p>Shortfall in income due to reduced occupancy levels.</p> <p>Should all of the properties within the non-operational property portfolio be let, the level of current market rents is such that the income budgets would still not be achieved.</p>	<p>Although most of the units at Bradley Fold that were vacated in 2011/12 have now been re-let, rents are significantly lower than what were achieved before the economic downturn. A number of units which were previously let have now been demolished owing to their poor condition. and business cases are being looked at for redevelopment viability.</p> <p>The accounts for the Mill Gate Centre have been scrutinised in detail to ensure that all monies properly due to the Council are being paid and this will be an ongoing process.</p> <p>A report was approved by Cabinet on 3<sup>rd</sup> September which proposed the acquisition of secure property investments and the disposal of poorly performing assets. This would increase revenue income to the Council and achieve greater returns than monies currently held in other investments.</p>
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Coroners Court Costs	+189	The projected overspend is primarily on salaries due to the need to deal with an increase in the number of inquests and the need to clear backlog.	A restructure of the service is due with a view to returning to within budget.
Summons Costs	+120	Summons costs income for council tax and business rates are forecast to under-recover against historically over-inflated income budget targets.	Internal measures being taken to improve the income recovery rate.
Reduced Staffing and Running Costs	-581	Vacant posts not filled and tightening of controllable expenditure across the department.  Salaries savings in Internal Audit and Accountancy (£91k), Customer Support & Collections (£147k), reduced use of locums (£85k), HR (£76k), Mayoral Costs (£14k), Planning & Development (£69k) plus savings on Members Allowances (£81k), Admin Buildings (£69k), Community Safety (£50k) and Depot /Stores (£35k). These are offset by projected overspends within Municipal Elections (£84k) and Register of Electors (£52k).	To be used to assist in reducing the estimated overspend within the department in 2014/15 and part included within the 2015/16 savings.
External Audit Fees	-116	Lower than budgeted costs received from KPMG.	To be used to assist in reducing the estimated overspend within the department in 2014/15 and to be included as part of the 2015/16 savings.

### 4.3 CHILDREN'S, YOUNG PEOPLE AND CULTURE

4.3.1 The overall Children's, Young People & Culture budget is currently projecting an overspend of **£1.445m**, or 4.25% based on net budget of £33.985m.

4.3.2 Reasons for major variations are illustrated in the chart below;



4.3.3 Further details of the major variations are provided in the table below:

Activity	Variance £'000	Reason	Action Being Taken
Social Care Demand Pressures	+1,455		
	Made up of:		
Leaving Care	+480	Spending on housing and further education of 19+ students who have now left our care.	The overspend remains at similar levels to the previous year due to housing costs. Additional costs are expected for the void costs for properties earmarked for the HEN Project.
Advice & Assessment	+596		Overspend due to agency social workers currently forecast for the full year, 2 agency Social workers are covering sickness/maternity, 13 are above establishment and have been brought in to bring caseload numbers into line with Ofsted recommended quotas.
Safeguarding	+68		The overspend is predicted due to agency social workers covering vacancies, this could reduce if they are successful in recruiting.

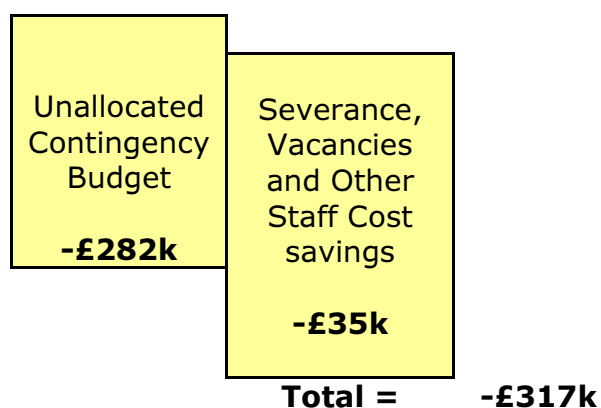
Children & Young people in Care	+62		Forecast overspending of £62,000 due to an establishment shortfall, honorarium and Agency staff to cover sickness.
Fostering & Adoption	+249		The overspend is due to the payments to carers. The number of carers has increased from 76 in 2013 to 89 in April 2014, plus there has been an increase in the number of looked after children. The overspend has reduced due to more accurate information regarding the payments to carers.
Demand pressures - Children's Agency Placements	+1,339	Continuing increased Demand	<p>A range of preventative strategies have been /are being introduced to try to minimise future spending, with all high and medium cost care packages being rigorously reviewed. It is estimated that during the forthcoming months this overspend will continue to reduce the cost burden on this highly volatile budget.</p> <p>However, there is no guarantee that the total expenditure will be reduced as unknown future demand pressures could have a significant impact on the budget.</p> <p>Children, Young People &amp; Culture constantly strive to minimise the costs of each placement, which are amongst the lowest in the north-west, but it is extremely difficult to contain a budget that is subject to such significant and variable demand pressures.</p>

Plan for Change Savings	+382		
	Made up of:		
Home to School and College pupils & students with SEN	+310	The demand for SEN Transport is similar to last year.	The transport schedules for the 2014-15 academic year have now been calculated resulting in a forecast overspend. These additional costs are partially offset by savings on bus escorts
Libraries	+22		School library services have ceased however there are still associated service costs.
School Crossing Patrol	+50		Plan for Change savings 2013/14 not implemented.
Use of previous year's monies	-928	Previous years' underspending of external grant monies brought forward	Prior year grant balances being used to offset overspending elsewhere within the department.
Reduced Spending on Services	-806		
	Made up of:		
School Attendance	-120		Higher than anticipated buy-back income and penalty notice income.
Youth Service	-75		Savings identified on youth projects used to offset the shortfall on salaries.
Children's centres and Early Help	-117		General efficiencies and reduced spending
Management & Administration	-494		General efficiencies and reduced spending, coupled with continued innovative use of external funding Additionally savings on early retirement/pension costs and additional buy-back income on traded services.
Other	+3		Minor variances

#### 4.4 COMMUNITIES AND NEIGHBOURHOODS - RESIDUAL

4.4.1 There is a projected underspend of £0.317m on former DCN costs against a budget of £145,000.

4.4.2 The main reasons are shown in the chart below:



4.4.3 Further details are provided in the table below;

Activity	Variance £'000	Reason	Action Being Taken
Severance, vacancies and other staff cost variances.	-282	Salary savings of £80k in 2014/15 from approved VER/VES applications.  Savings of £2k from industrial action.  Provision in budget for severance costs (£200k) currently uncommitted.	Full year impact of savings from approved VES will be used in 2015/16 to reduce the need to make alternative cuts in services.  Budget may be required later in the year if further VER/VES applications are received and approved.
Uncommitted contingency budget	-35	Budget set aside to meet unforeseen costs. Underspend reduced as £70,000 transferred to Communities & Wellbeing to offset savings target in Leisure Services.	Use remaining budget to offset other overspends.

#### 4.5 NON-SERVICE SPECIFIC

4.5.1 There is a forecast net underspend of **£1.154m**, or 3.18% based on net budget of £36.326m. This relates primarily to the Council's Treasury Management activity (see Section 8.0, page 20 for further details), reduced forecast for use of provisions (£0.9m) and a slightly higher than expected airport dividend (£84k) offset by increased annual subscription costs and contributions (£130k).

## 5.0 CAPITAL BUDGET

### 5.1 Capital Programme

5.1.1 The revised estimated budget for the Capital Programme 2014/15 at the end of September, Month 6, is shown in the table below:

2014/15	£m
Original Capital Programme	24.284
Approved Slippage from 2013/14	16.126
In Year Adjustments and Contributions	0.485
<b>Revised Capital Allocation at Quarter 2</b>	<b>40.895</b>
Estimated re-profiled projects into 2015/16	(10.441)
<b>Revised working budget for Year at Qtr 2</b>	<b>30.454</b>

5.1.2 The expenditure and funding profile for the Capital Programme together with a detailed breakdown of the Original Approved Programme, the Revised Estimate, Forecast Outturn, Actual Spend up to end of Month 6, and the estimated under/over-spend of the capital programme for 2014/15, is shown in Appendix A.

5.1.3 Members should note that given the complexity and size of some of the larger schemes currently in the Council's Capital Programme the information received from budget holders can vary significantly from one quarterly report to the next and should be read in this context.

5.1.4 At the end of Quarter 2, a total of **£10.441m** of the 2014/15 budget has been identified for re-profiling to 2015/16. Most of this amount is attributed to Children's Services Projects where the schemes are funded mainly by grants from Department of Education to a total of £7.337m.

5.1.5 The Urban Renewal scheme on the Radcliffe Empty Property Pilot is indicated to slip £0.418m into 2015/16 due to time limited grant allocation from HCA that will support the 2014/15 budget. The remainder is attributable to Highways schemes with a total of £0.833m for the Street Lighting Invest to Save scheme, £0.219m for the Traffic Calming schemes and a further £0.475m on the A56 Prestwich Village Corridor Improvements. Further details are awaited from Transport for Greater Manchester on the proposed delivery of Radcliffe Town Centre Bus Station Relocation and at Quarter 2 it is expected that £0.900m (being the Council contribution towards the overall cost) will slip into 2015/16.

### 5.2 Expenditure

5.2.1 The Forecast Outturn as at Month 6 is **£29.753m** and Budget Managers have reported that they expect to spend up to this amount by 31 March 2015.

5.2.2 The actual expenditure incurred at the end of Month 6 totals **£7.784m**.

5.2.3 The main areas that have recorded expenditure in the second quarter are:

- Property Redevelopment Schemes £0.711m
- Children’s, Young People and Culture £2.216m
- Older People schemes £0.278m
- Urban Renewal (Disabled Facilities Grants) £0.305m
- Highways Maintenance £0.727m
- Housing Public Sector £2.514m

### 5.3 Variances

5.3.1 Appendix A provides details of variances for each scheme based on information received from budget managers showing a projected underspend for the Programme of £0.701m at Month 6.

5.3.2 This amount is the balance of several larger schemes in the programme that are in the process of finalising details. Any schemes forecasted to overspend are monitored and analysed with remedial action taken if required as soon as the scheme’s details for expenditure and funding availability are finalised.

### 5.4 Funding

5.4.1 The funding profile included in Appendix A shows the resources available to cover the capital programme during 2014/15.

5.4.2 The principal source of funding for Capital schemes approved for the 2014/15 programme is from external resources together with resources unspent and carried forward from previous years.

5.4.3 The position of the capital receipts and borrowing as at the end of Month 6 is reported below. The figures in the table show the total funding requirement for the revised estimated capital programme inclusive of potential slippage into 2015/16 and the expected resources to be supported by the Council as at the end of Quarter 2 of the year.

<b>2014/15 Use of Council Resources for Capital Investment</b>	<b>£m</b>
Revised Capital Programme allocation for the year	40.895
Use of external funding and contributions	35.549
<b>Balance of programme relying on Council resources</b>	<b>5.346</b>
Use of Capital receipts and earmarked reserves	0.905
Use of Prudential Borrowing (2014/15 approved Invest to Save schemes)	0.886
Use of Prudential Borrowing (2013/14 schemes brought forward)	3.555
<b>Total Council Resources used to support the Capital Budget for Year</b>	<b>5.346</b>

### 5.5 Capital Programme Monitoring

5.5.1 The programme is monitored closely during the year by the Capital Programme Monitoring Group and Management Accountancy with an aim to deliver schemes on cost and time with minimum potential slippage into 2015/16.



## 6.0 HOUSING REVENUE ACCOUNT

- 6.1 The Housing Revenue Account (HRA) relates to the operation of the Council's housing stock and can be viewed as a landlord account. It is required by statute to be accounted for separately within the General Fund and is therefore effectively ring-fenced.
- 6.2 The latest estimates show a projected surplus (working balance carried forward) of £1.000m at the end of 2014/15. The projected outturn shows a working balance carried forward of £0.706m. See Appendix B.
- 6.3 There are a number of variations that contribute to the projected outturn position however the only area where the variance exceeds 10% and £50k is Interest receivable – on balances. The projected reduction in income of £0.079m reflects the lower rate of interest achieved in the last financial year and the projected reduction in the working balance for the current year.
- 6.4 The two main impacts on the HRA year-end balance are normally **void levels** and the **level of rent arrears**, but levels of **Right to Buy sales** can also be a major influence on the resources available.

### **Voids:**

The rent loss due to voids for April to September was on average 2.24% compared to a void target level set in the original budget of 1.8%. If this level continues for the rest of the year there would be a reduction in rental income of around £0.130m; the projection of rental income in Appendix B has been calculated on this basis.

Six Town Housing have started a review looking at the voids processes and the various factors affecting demand.

### **Arrears:**

The rent arrears at the end of September totalled £0.980m, an increase of 15.2% since the end of March. Of this total £0.413m relates to former tenants and £0.567m relates to current tenants.

The Council is required to make a provision for potential bad debts. The contribution for the year is calculated with reference to the type of arrear, the amount outstanding on each individual case and the balance remaining in the provision following write off of debts.

Based on the performance to the end of September, projected for the full year, this provision would require an additional contribution of £0.238m to be made.

The 2014/15 HRA estimates allow for additional contributions to the provision totalling £0.614m, £0.184m for uncollectable debts and £0.430m to reflect the potential impact that welfare benefit changes could have on the level of rent arrears. Therefore there is a potential underspend of £0.376m. The projected outturn has not been amended to reflect this as the impact of further benefit changes needs to be assessed and the level of rent arrears is volatile.

### **Right to Buy Sales:**

From April 2012 the maximum Right to Buy discount increased from £26,000 to £75,000.

This has resulted in an increase in the number of applications and ultimately sales. There were 13 sales in 2012/13 and this increased to 40 sales last year.

The forecast for 2014/15 was set at 42, this being the level of sales assumed for Bury in the Government’s self-financing valuation.

From July 2014 the maximum Right to Buy discount increased from £75,000 to £77,000 and the maximum percentage discount on houses increased from 60% to 70% (in line with the discounts allowed on flats). These changes may increase the number of applications and sales but it is too early after the changes to quantify this.

The number of sales has a direct effect on the resources available to the HRA – the average full year rent loss for each dwelling sold is around £3,800.

6.5 There have been 19 sales in the period April to September. Currently the number of sales is not expected to differ significantly from the forecast. The rental income projections will be revised at the end of the third quarter should the level of applications and sales suggest this is necessary.

## 7.0 PRUDENTIAL INDICATOR MONITORING

7.1 It is a statutory duty for the Council to determine and keep under review the “Affordable Borrowing Limits”. The authority’s approved Prudential Indicators (affordability limits) for 2014/15 is outlined in the approved Treasury Management Strategy Statement.

7.2 The authority continues to monitor the Prudential Indicators on a quarterly basis and Appendix C shows the original estimates for 2014/15 (approved by Council on 19 February 2014) with the revised projections as at 30 September 2014. The variances can be seen in the Appendix together with explanatory notes. The Prudential Indicators were not breached during the first six months of 2014/15.

## 8.0 TREASURY MANAGEMENT

### 8.1 Investments:

8.1.1 At the 30th September 2014 the Council’s investments totalled £59.1 million and comprised:-

Type of Investment	£ Million
Call Investments (Cash equivalents)	12.8
Fixed Investments (Short term investments)	46.3
<b>Total</b>	<b>59.1</b>

8.1.2 All investments were made in line with Sector’s suggested credit worthiness matrices and the approved limits within the Annual Investment Strategy were not breached during the first quarter of 2014/15.

8.1.3 The Council has earned the following return on investments:  
 Quarter 1 0.67%

Quarter 2 0.57%

8.1.4 This figure is higher than Sector’s suggested budgeted investment earnings rate for returns on investments, placed for periods up to three months in 2014/15, of 0.50%

**8.2 Borrowing:**

8.2.1 Due to the overall financial position and the underlying need to borrow for capital purposes (the capital financing requirement – CFR), new temporary external borrowing of £3m was undertaken in the quarter to 30<sup>th</sup> September 2014.

Lender	Rate	Amount	Start Date	End Date
Police Authority	0.40	3m	07/07/2014	31/03/2015

8.2.2 At 30th September 2014 the Council’s debts totalled £210.943 million and comprised:-

	30th Sept 2014		
	Principal		Avg. Rate
	£000	£000	
<b>Fixed rate funding</b>			
PWLB Bury	146,362		
PWLB Airport	4,078		
Market Bury	57,500	207,940	
<b>Variable rate funding</b>			
PWLB Bury	0		
Market Bury	0	0	
<b>Temporary Loans / Bonds</b>	3,003	3,003	
<b>Total Debt</b>		<b>210,943</b>	<b>3.96%</b>

8.2.3 The overall strategy for 2014/15 is to finance capital expenditure by running down cash/investment balances and taking shorter term borrowing rather than more expensive longer term loans. With the reduction of cash balances the level of short term investments will fall. Given that investment returns are likely to remain low for the financial year 2014/15, then savings will be made by running down investments and taking shorter term loans rather than more expensive long term borrowing.

8.2.4 It is anticipated that no further borrowing will be undertaken during this financial year.

**9.0 MINIMUM LEVEL OF BALANCES**

9.1 The actual position on the General Fund balance is shown in the following table:

	£m
<b>General Fund Balance 31 March 2014 per Accounts</b>	<b>11.580</b>
Less : Minimum balances to be retained in 2014/15	-4.500
Less : Contribution towards cost of Equal Pay	-1.500
Less : Forecast overspend	-1.459
<b>Available balances at 1 April 2014</b>	<b>4.121</b>

- 9.2 Based on the information contained in this report, on the risk assessments that have been made at both corporate and strategic level, on the outturn position for 2014/15 and using information currently to hand on the likely achievement of savings options, it is clear that there is no reason to take the minimum level of balances above the existing level of £4.500m.
- 9.3 In light of the above assessment it is recommended that the minimum level of balances be retained at **£4.500m**.
- 9.4 Members are advised that using available balances to fund ongoing expenditure would be a breach of the Council's Golden Rules. Likewise, Members are advised that the Authority faces significant funding reductions in the future, and balances are likely to be required to fund one-off costs of service transformation.

## **10.0 EQUALITY AND DIVERSITY**

- 10.1 There are no specific equality and diversity implications.

## **11.0 FUTURE ACTIONS**

- 11.1 Budget monitoring reports will continue to be presented to the Strategic Leadership Team on a monthly basis and on a quarterly basis to the Cabinet; Overview & Scrutiny Committee; and Audit Committee.
- 11.2 Q1 Star Chamber meetings have already been held and Q2 meetings are scheduled to take place in November 2014.

**Councillor Mike Connolly,  
Leader of the Council and Cabinet Member for Finance**

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### **List of Background Papers:-**

Finance Working Papers, 2014/15 held by the Assistant Director of Resources & Regulation (Finance & Efficiency).

### **Contact Details:-**

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Month 6 - 2014/15

		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)		
		2014/15 Original Estimate	Revised Estimate Before Reprofile	Reprofiled to Future Years	Revised Estimate After Reprofile Col.4-Col.5	Forecast Outturn 2014/15	Month 06 Actual	Year End Variance / (Underspend) or Overspend Col.5-Col.4	Month 6 Variance / (Underspend) or Overspend Col.6-Col.5		Notes
		£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's		
Children, Young People & Culture	Support Services		84		84	94	56	10	(39)	K	
Children, Young People & Culture	DFES - Devolved Formula	500	1,757	(1,099)	658	658	469	0	(189)	J	Spent to takes place over a 3yr rolling programme allocated directly to the budget
Children, Young People & Culture	NDS Modernisation	3,926	11,614	(5,904)	5,711	5,711	1,415	-	(4,296)	J	
Children, Young People & Culture	Access Initiative		62	(28)	34	34	9	0	(25)	K	
Children, Young People & Culture	Targetted Capital Funds		130		130	130	25	0	(106)	K	
Children, Young People & Culture	New Sports Hall - Derby	321	127		127	127	105	0	(22)	K	
Children, Young People & Culture	Children Centres		44	(34)	10	10	0	0	(10)	K	
Children, Young People & Culture	Free School Meal Capital Grant	356	356	(101)	255	255	70	0	(185)	K	
Children, Young People & Culture	Early Education Fund		321	(171)	150	150	26	0	(124)	K	
Children, Young People & Culture	16-19 Demographic Growth Fund	274	447		447	447	0	0	(447)	K	
Children, Young People & Culture	Libraries/Adult Education		109		109	109	42	0	(68)	K	
Communities & Wellbeing	Contaminated Land		31	(22)	9	9	6	0	(3)	K	
Communities & Wellbeing	Air Quality		19	(9)	10	10	10	0	-	K	
Communities & Wellbeing	Improving Info. Management		37		37	36	0	(1)	(36)	K	
Communities & Wellbeing	Learning Disabilities		148		148	183	183	35	(1)	L	reserves to cover slight overspend
Communities & Wellbeing	Mental Health		0		0	0	(41)	0	(41)	K	variance to clear in Mth7
Communities & Wellbeing	Older People	448	548		548	284	278	(263)	(7)	L	Retention and project allocations values by Mth9
Communities & Wellbeing	Empty Property Strategy	199	604	(418)	186	166	16	(20)	(150)	L	Cabinet approved use of commuted sums beyond Radcliffe from 2014/15 onwards
Communities & Wellbeing	GM Green Deal and ECO Deliver Partnership		1,200		1,200	0	0	(1,200)	-	L	Require some slippage; to review position at q3
Communities & Wellbeing	Disabled Facilities Grant	652	989		989	989	305	0	(685)	K	Requires increasing budget to 14/15 - low/variable referral rates
Communities & Wellbeing	Waste Management		337		337	337	0	0	(337)	K	
Communities & Wellbeing	Parks		2		2	2	0	0	(2)	K	
Communities & Wellbeing	Outdoor Tennis Courts Refurbishment		2		2	2	0	0	(2)	K	
Resources & Regulation	Traffic Management Schemes	205	519	(219)	300	300	35	0	(265)	K	
Resources & Regulation	Public Rights of Way	23	40		40	40	1	0	(39)	K	Need to prioritise schemes
Resources & Regulation	Planned Maintenance	1,233	1,582		1,582	1,546	566	(36)	(980)	L	Final fees and retentions details by qtr3
Resources & Regulation	Bridges	445	479		479	429	162	(50)	(268)	L	Land purchase planned / may slip
Resources & Regulation	Street Lighting LED Invest to Save	1,046	1,574	(833)	741	741	99	0	(642)	K	
Resources & Regulation	Traffic Calming and Improvement	500	608	(563)	45	35	35	(10)	0	L	
Resources & Regulation	Planning Environmental Projects	237	603		603	603	35	0	(568)	K	
Resources & Regulation	Planning Development Projects	206	330		330	330	45	0	(286)	K	
Resources & Regulation	Corporate ICT Projects		140	(140)	0	0	0	0	0	K	
Resources & Regulation	Townside Fields - Joint Venture		5		5	5	274	0	269	K	
Resources & Regulation	Depot & Operational Premises		83		83	91	88	8	(3)	K	
Resources & Regulation	Opportunity Land Purchase		109		109	109	0	0	(109)	K	
Resources & Regulation	Demolition of the Rock Fire Station		94		94	94	1	0	(93)	K	
Resources & Regulation	Inwell Street Redevelopment		0		0	53	54	53	0	L	fees only/ long term scheme covered by future capital receipt
Resources & Regulation	Bradley Fold		33		33	33	0	0	(33)	K	
Resources & Regulation	Demolition of Former Police HQ, Inwell Street		22		22	22	19	0	(3)	K	
Resources & Regulation	Bury Market - New Toilets		187		187	215	188	28	(27)	L	more details by qtr3
Resources & Regulation	Radcliffe Town Centre Redevelopment	700	874		874	873	264	(1)	(609)	K	
Resources & Regulation	The Rock Fire Station Redevelopment		4		4	4	0	0	(4)	K	
Resources & Regulation	Radcliffe TC Bus Station Relocation	1,000	1,000	(900)	100	100	64	0	(36)	K	
Resources & Regulation	New Leisure Centre at Knowsley Street		0		0	79	79	79	-	L	fees only/ long term scheme covered by future capital receipt
Resources & Regulation	Bury Open Market extension to polycarbonate roofing		0		0	17	17	17	0	L	details to funding stream awaited
Resources & Regulation	18 Haymaket Street		99		99	99	0	0	(99)	K	
Resources & Regulation	Tile Street Refuse Removal		120		120	120	24	0	(96)	K	
Resources & Regulation	Acquisition of 88 Hollins Lane		0		0	0	0	0	0	K	
Resources & Regulation	Property Management / Sale of Assets		0		0	250	241	250	(9)	L	Offset at year end against realised sales.
Resources & Regulation	ELR Trust		0		0	5	5	5	(0)	K	Trust to meet expenditure as incurred
Housing Public Sector	Disabled Facilities Adaptations	534	557		557	557	137	0	(420)	K	
Housing Public Sector	Major Repairs Allowance Schemes	7,361	8,744		8,744	9,140	2,377	396	(6,763)	L	Over programming in the event of delays and to ensure full allocation
Housing Public Sector	Major Repairs Allowance Schemes	4,119	4,119		4,119	4,119	(1)	0	(4,119)	J	over budget
<b>Total Bury Council controlled programme</b>		<b>24,284</b>	<b>40,895</b>	<b>(10,441)</b>	<b>30,454</b>	<b>29,753</b>	<b>7,784</b>	<b>(701)</b>	<b>(22,670)</b>		

Funding position:

Capital Receipts	205	905	(219)	686	686
Reserve / Earmarked Capital Receipts		320	-	320	365
General Fund Revenue	699	1,295	-	1,295	1,289
Housing Revenue Account		4,653	-	4,653	4,653
Capital Grants/Contributions	9,780	20,514	(10,222)	10,292	10,291
HRM/MRA Schemes	12,014	8,767	-	8,767	8,767
Supported Borrowing	-	-	-	-	-
Unsupported Borrowing	1,586	4,441	-	4,442	3,702
		-	-	-	-
	<b>24,284</b>	<b>40,895</b>	<b>(10,441)</b>	<b>30,454</b>	<b>29,753</b>

Key for budget monitoring reports

Projected Overspend (or Income Shortfall)

	a major problem with the budget	more than 10% and above £50,000
	a significant problem with the budget	more than 10% but less than £50,000
	expenditure/income in line with budget	
	a significant projected underspend (or income surplus)	more than 10% but less than £50,000

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April 2014 - September 2014 Monitor

	2014/15 Original Estimate	2014/15 Latest Estimate	2014/15 Projected Outturn	2014/15 Variation Over/(Under)
	£	£	£	£
<b>INCOME</b>				
Dwelling rents	30,187,600	30,187,600	30,086,000	101,600
Non-dwelling rents	220,800	220,800	206,200	14,600
Heating charges	71,600	71,600	73,700	(2,100)
Other charges for services and facilities	904,100	904,100	928,800	(24,700)
Contributions towards expenditure	53,900	53,900	53,900	0
<b>Total Income</b>	<b>31,438,000</b>	<b>31,438,000</b>	<b>31,348,600</b>	<b>89,400</b>
<b>EXPENDITURE</b>				
Repairs and Maintenance	0	0	0	0
General Management	739,100	739,100	781,800	42,700
Special Services	752,300	752,300	750,900	(1,400)
Rents, rates, taxes and other charges	50,000	50,000	90,000	40,000
Increase in provision for bad debts - uncollectable debts	184,400	184,400	184,400	0
Increase in provision for bad debts - impact of Benefit Reforms	430,400	430,400	430,400	0
Cost of Capital Charge	4,530,300	4,530,300	4,493,000	(37,300)
Depreciation/Impairment of fixed assets - council dwellings	7,361,500	7,361,500	7,361,500	0
Depreciation of fixed assets - other assets	40,500	40,500	41,900	1,400
Debt Management Expenses	40,700	40,700	41,000	300
Contribution to/(from) Business Plan Headroom Reserve	(358,000)	(358,000)	(358,000)	0
<b>Total Expenditure</b>	<b>13,771,200</b>	<b>13,771,200</b>	<b>13,816,900</b>	<b>45,700</b>
<b>Net cost of services</b>	<b>(17,666,800)</b>	<b>(17,666,800)</b>	<b>(17,531,700)</b>	<b>135,100</b>
Amortised premia / discounts	(14,600)	(14,600)	(14,600)	0
Interest receivable - on balances	(164,200)	(164,200)	(84,700)	79,500
Interest receivable - on loans (mortgages)	(1,900)	(1,900)	(1,000)	900
<b>Net operating expenditure</b>	<b>(17,847,500)</b>	<b>(17,847,500)</b>	<b>(17,632,000)</b>	<b>215,500</b>
<b>Appropriations</b>				
Appropriation relevant to Impairment	0	0	0	0
Revenue contributions to capital	4,652,500	4,652,500	4,664,500	12,000
<b>(Surplus) / Deficit before ALMO/SHU payments</b>	<b>(13,195,000)</b>	<b>(13,195,000)</b>	<b>(12,967,500)</b>	<b>227,500</b>
<b>Payments to Six Town Housing / Transfers re Strategic Housing Unit excluded from above</b>				
Six Town Housing Management Fee	12,875,000	12,875,000	12,941,400	66,400
Contribution to SHU Costs	320,000	320,000	320,000	0
<b>Total</b>	<b>13,195,000</b>	<b>13,195,000</b>	<b>13,261,400</b>	<b>66,400</b>
<b>(Surplus) / Deficit after ALMO/SHU payments</b>	<b>0</b>	<b>0</b>	<b>293,900</b>	<b>293,900</b>
<b>Working balance brought forward</b>	<b>(1,000,000)</b>	<b>(1,000,000)</b>	<b>(1,000,000)</b>	<b>0</b>
<b>Working balance carried forward</b>	<b>(1,000,000)</b>	<b>(1,000,000)</b>	<b>(706,100)</b>	<b>293,900</b>

key for budget monitoring reports	
Projected Overspend (or Income Shortfall) of	
	a major problem with the budget - more than 10% and above 50K
	a significant problem with the budget - more than 10% but less than 50K
	expenditure/income on line with budget
	a significant projected underspend (or income surplus) - more than 10% but under 50K
	a major projected underspend (or income surplus) - more than 10% and above 50K

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The table below shows the prudential indicators as derived from the Treasury Management Strategy Report for 2014/15 and the Original Budget for 2014/15 as approved at Council in February 2014. The Original Budget for 2014/15 is compared with the Forecast Outturn for 2014/15 as at 30<sup>th</sup> September 2014.

CAPITAL EXPENDITURE	Original Budget 2014/15	Forecast Outturn at 30 Sept 14	Variance	Notes
	£'000	£'000		
<b>Estimate of Capital Expenditure</b>				
Non-HRA	12,270	15,937	29.89%	1
HRA existing expenditure	12,014	13,816		
<b>TOTAL</b>	<b>24,284</b>	<b>29,753</b>		
<b>Estimate of Capital Financing Requirement (CFR)</b>				
Non-HRA	125,551	125,104	(0.36%)	2
HRA existing expenditure	40,531	40,531		
HRA reform settlement	78,253	78,253		
	<b>244,335</b>	<b>243,888</b>		3

AFFORDABILITY	Original Budget 2014/15	Forecast Outturn at 30 Sept 14	Variance	Notes
	£'000	£'000		
Estimate of incremental impact of capital investment decisions				
Increase in council tax (band D, per annum)	-£1.72	£0.00		4
Increase in housing rent per week	£0.00	£0.00		5
Ratio of Financing Costs to net revenue stream				
Non-HRA	3.14%	3.12%	(0.93%)	6
HRA	14.18%	14.18%	0.00%	6
Net External Borrowing only to support the CFR in Medium Term	£'000	£'000		
Net External borrowing over medium term	201,361	201,361		7
Total CFR over Medium Term	242,057	243,888		7
Net External Borrowing < Total CFR	TRUE	TRUE		

EXTERNAL DEBT	Original Budget 2014/15	Forecast Outturn at 30 Sept 14	Variance	Notes
	£'000	£'000		
Authorised limit of external debt				
Borrowing	200,000	199,600		8
Other long term liabilities	7,000	7,000		
HRA reform settlement	79,300	79,300		
<b>TOTAL</b>	<b>286,300</b>	<b>285,900</b>	0.00%	
Operational boundary				
Borrowing	165,000	164,600		8
Other long term liabilities	7,000	7,000		
HRA reform settlement	79,300	79,300		
<b>TOTAL</b>	<b>251,300</b>	<b>250,900</b>	0.00%	

TREASURY MANAGEMENT	Original Budget 2014/15	Forecast Outturn at 30 Sept 14	Variance	Notes
Upper limit for fixed interest rate exposure Net principal re fixed rate borrowing / investments	140%	140%	0%	9
Upper limit for variable rate exposure Net principal re variable rate borrowing / investments	-40%	-40%	0%	9
Upper limit for total principal sums invested for > 364 days	£10 m	£10 m		10
Maturity structure of fixed rate borrowing at 30	Upper/lower limit	Actual		
Under 12 months	40% - 0%	7.02%		
12 months and within 24 months	35% - 0%	2.89%		
24 months and within 5 years	40% - 0%	8.29%		
5 years and within 10 years	50% - 0%	6.70%		
10 years and above	90% - 30%	75.10%		

Notes to the Prudential Indicators:

1. The original budget shows the approved Capital Programme expenditure of £24,284,000. The forecast outturn of £29,753,000 is higher than budget because of slippage from 2013/14.
2. Following the Government announcement to reform the system of financing Council housing, the Authority had to pay the Department for Communities and Local Government £78.253m on the 28<sup>th</sup> March 2012. The Council financed this expenditure by PWLB loans.
3. Capital Financing Requirement relates to all capital expenditure – i.e. it includes relevant capital expenditure incurred in previous years. The Capital financing requirement reflects the authority’s underlying need to borrow.
4. The finance costs related to the increases in capital expenditure impact upon Council tax. The increase in Council Tax reflects the level of borrowing to be taken in 2014/15 to finance current and previous years’ capital expenditure.
5. There is no direct impact of capital expenditure on housing rents as the housing rent is set according to Government formula.
6. The ratios for financing costs to net revenue stream for both General Fund and HRA have remained relatively stable.
7. To ensure that borrowing is only for a capital purpose and therefore show that the authority is being prudent this indicator compares the level of borrowing and capital financing requirement (CFR) over the medium term. The level of borrowing will always be below the CFR.
8. The authorised limit and operational boundary are consistent with the authority’s plans for capital expenditure and financing. The authorised limit is the maximum amount that the authority can borrow.
9. The variable and fixed limits together look at the whole portfolio and will therefore together always show 100% exposure. Variable interest

rate limit can be positive or negative as investments under 364 days are classed as variable and are credit balances which are offset against debit variable loans. The smaller the balance of investments, the more likely the variable limit will be positive as the variable loan debit balance will be higher than the credit investment balance offset against it.

10. Principal sums invested for periods longer than 364 days have been set at £10 million. The investment balance is estimated to be cash flow driven, however if the opportunity arises that surplus investment balances are available then advantage will be taken of favourable rates.

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**DECISIONS MADE AT THE JOINT MEETING OF THE  
GREATER MANCHESTER COMBINED AUTHORITY AND THE AGMA EXECUTIVE  
BOARD HELD ON 31 OCTOBER 2014**

**Decisions published on 6 November 2014 and will come into force from 4:00pm on the 13 November 2014, subject to call-in, except for any urgent decisions.**

The process for call in of decisions is set out as an Appendix to this note, extracted from AGMA's constitution. The address for the purposes of the schedule is that of the AGMA Secretary, c/o GMIST, Manchester City Council, P.O. Box 532, Town Hall, Manchester, M60 2LA; or by contacting [j.gaskell@agma.gov.uk](mailto:j.gaskell@agma.gov.uk)

**The reports detailed in this note can be accessed at the AGMA website via the following link:- <http://www.agma.gov.uk/calendar/index.html>. Any report not available on the web site will be available for Scrutiny Pool members from the GMCA Secretary on request, on a private and confidential basis.**

**1. AGMA REVENUE BUDGET MONITORING UPDATE 2014/15 (agenda item 5)**

Members received a report from Richard Paver, AGMA Treasurer, presenting the 2014/15 forecast revenue outturn position as at end of September 2014.

**RESOLVED/-**

1. To note the report and the current revenue outturn forecast for 2014/15 which is projecting an underspend of £2,194,000.
2. To note and approve the revisions to the revenue budget plan 2014/15 as identified in paragraph 2.1 of the report.
3. To note the position on reserves as highlighted in paragraph 3.1 of the report.

**2. EARLY YEARS PSR DEVELOPMENT FUND INVESTMENT (agenda item 6)**

Members received a report from Donna Hall, Chief Executive, Wigan Council, supplementary to the AGMA budget monitoring report which provided an update on the £314k investment funding received from DCLG to support the Further and Faster implementation of Early Years (EY), seeking approval to the proposed options for investment of funding to help overcome some of the challenges of implementation of the EY new delivery model.

In addition the report proposed a potential match for the DCLG funding from the GM PSR Development Fund to enable GM achieve even greater outcomes and progress towards implementation.

**RESOLVED/-**

1. To note the investment of £314k from DCLG to support the implementation of Early Years.
2. To agree the proposed areas for this investment as detailed in the report.

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3. To approve the proposal to match the DCLG funding through the GM PSR Development Fund in order to achieve even greater outcomes.

### **3. BUSINESS RATES POOLING 2015/16 (agenda item 7)**

Members received a received a report from Richard Paver, AGMA Treasurer, informing the meeting of the proposal to submit an outline proposal for the operation of a Business Rates Pool covering the 10 GM Districts and Cheshire East for the 2015/16 financial year.

The meeting was informed that all Districts have now signed off and agreed to enter into the pooling agreement. It was noted that Cheshire West had also expressed an interest in joining the pool in the future.

#### **RESOLVED/-**

1. To note the report and that the individual districts, via their S151 Officers, have signed and agreed to enter into a Business Rates Pooling agreement for 2015/16.
2. To note that a further report will be submitted in December on the then assessed position and outlining a process to reach a final decision on pooling for 2015/16.
3. To note that a final decision on whether to confirm participation in the Business Rates Pool for 2015/16 will need to be taken by individual districts at the time of the consultation on the provisional 2015/16 Settlement.

**EXTRACT FROM THE GMCA CONSTITUTION**

**PART 5B - SCRUTINY ARRANGEMENTS FOR GMCA, TFGMC AND TFGM**

**5. Call in of decisions**

**5.1 Call in of decisions of GMCA and TfGMC**

- (a) Members of the Scrutiny Pool appointed under this Protocol will have the power to call in:-
- (i) any decision of the GMCA;
  - (ii) any major or strategic decision of the TfGMC which is taken by the TfGMC in accordance with the delegations set out in Part 3 Section B II of this Constitution.

**5.2 Publication of Notice of Decisions**

- (a) When:-
- (i) a decision is made by the GMCA; or
  - (ii) a major or strategic decision is made by the TfGMC in accordance with the delegations set out in Part 3, Section B II of this Constitution;
- the decision shall be published, including where possible by electronic means, and shall be available normally within 2 days of being made. It shall be the responsibility of the Secretary to send electronic copies of the records of all such decisions to all members of the Scrutiny Pool within the same timescale.
- (b) The notices referred to at subparagraph 5.2(a) above will bear the date on which they are published and will specify that the decision will come into force, and may then be implemented, as from 4.00 pm on the fifth day after the day on which the decision was published, unless 5 members of the Scrutiny Pool object to it and call it in.

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**DECISIONS MADE BY THE GREATER MANCHESTER COMBINED AUTHORITY**  
**MEETING HELD ON 31 OCTOBER 2014 AND RECONVENED**  
**ON 3 NOVEMBER 2014**

**Decisions published on 6 November 2014 and will come into force from 4:00pm on the 13 November 2014, subject to call-in, except for any urgent decisions.**

The process for call in of decisions is set out as an Appendix to this note, extracted from the Greater Manchester Combined Authority (GMCA) Constitution. The address for the purposes of the schedule is that of the GMCA Secretary, c/o Manchester City Council, PO Box 532, Town Hall, Manchester, M60 2LA; or by contacting [j.gaskell@agma.gov.uk](mailto:j.gaskell@agma.gov.uk)

The reports detailed in this note can be accessed at the AGMA website via the following link: - <http://www.agma.gov.uk/calendar/index.html> Any report not available on the web site will be available for Scrutiny Pool members from the GMCA Secretary on request, on a private and confidential basis.

**1. REVENUE BUDGET MONITORING 2014/15 (agenda item 6a)**

The Combined Authority received a report from Richard Paver, GMCA Treasurer, which informed Members of the 2014/15 forecast revenue outturn position as at the end of September 2014.

**RESOLVED/-**

1. To note the report and the latest revenue forecast for 2014/15 currently projecting a contribution to general reserves of £115,000 arising primarily from additional income.
2. To note the latest revenue forecast for TfGM currently projecting an underspend of £330,000 as detailed in section 2 of the report.

**2. CAPITAL BUDGET MONITORING 2014/15 (agenda item 6b)**

The Combined Authority received a report from Richard Paver, GMCA Treasurer, providing an update in relation to the Greater Manchester Combined Authority 2014/15 capital expenditure programme.

**RESOLVED/-**

1. To note the current 2014/15 forecast compared to the 2014/15 capital budget agreed by GMCA in January 2014.
2. To approve both the budget increase in relation to 2014/15 Minor Works Capital Programme and scheme allocations, as detailed in section 6 of the report.
3. To note the current position for the Growing Places Fund and Regional Growth Fund as described in paragraphs 7.1 – 7.6 of the report.
4. To note the current position for the Empty Homes Programme as described in paragraphs 7.7 – 7.9 of the report.

**3. METROLINK TRAFFORD PARK LINE TRANSPORT AND WORKS ACT ORDER APPLICATION (agenda item 7)**

The Combined Authority received a report from Jon Lamonte, Chief Executive of TfGM, providing an update in relation to the Metrolink Trafford Park Line (TPL) scheme alignment and seeking Members for approval to submit the associated Transport and Works Act Order application.

**RESOLVED/-**

1. Note the result of the recent public consultation on Trafford Park Line (TPL) scheme.
2. To approve the refinement of the alignment of the TPL scheme along a section of Trafford Wharf Road in the vicinity of the Manchester Ship Canal.
3. To approve the submission of the associated Transport and Works Act Order (TWAO) application for the TPL scheme in November 2014.
4. To note the cost and funding requirement to progress the Metrolink Trafford Park scheme through the TWAO application is included within the funds previously approved by GMCA in October 2013, with delegated authority to the Chief Executive and the Finance and Corporate Services Director of TfGM, in consultation with the GMCA Treasurer, to progress the contractual arrangements.
5. To request officers to provide an explanation of the rationale for the position of stops on the route by the November 2014 meeting of the GMCA. In the meantime the works to progress the Order should continue so not to delay the scheme overall.

**4. GREATER MANCHESTER INVESTMENT FUND PERFORMANCE REPORT (agenda item 8)**

The Combined Authority received a report from Eamonn Boylan, Chief Executive, Stockport MBC providing Members with an update on the status of the Greater Manchester Investment Fund (GMIF).

**RESOLVED/-**

To note the report.

**ITEMS CONSIDERED UNDER PART B OF THE AGENDA**

**5. GREATER MANCHESTER INVESTMENT FUND PERFORMANCE (agenda item 11)**

The Combined Authority received a report from Eamonn Boylan, Chief Executive, Stockport MBC providing a summary of investments to date from the Greater

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Manchester Investment Fund, together with a summary of funding requests that have not been progressed.

### **RESOLVED/-**

To note the report.

### **6. METROLINK - PORT SALFORD (agenda item 12)**

The Combined Authority received a report from Jon Lamonte, Chief Executive, TfGM, on the proposed approach for the future Metrolink extension to Port Salford.

### **RESOLVED/-**

To note the approach for the review of the Metolink Port Salford extension, and that a further report be brought back to the GMCA early 2015.

## **DECISIONS MADE BY THE GREATER MANCHESTER COMBINED AUTHORITY RECONVENED MEETING HELD ON 3 NOVEMBER 2014**

### **1. GREATER MANCHESTER AGREEMENT: DEVOLUTION TO THE GMCA AND TRANSITION TO A DIRECTLY ELECTED MAYOR OF GREATER MANCHESTER (agenda item 9A)**

The Combined Authority received a report from Sir Howard Bernstein, Head of Paid Service, GMCA, setting out the proposals for a staged approach to the evolution of Greater Manchester (GM) governance arrangements, in return for the devolution of significant additional functional and fiscal responsibilities by Government.

### **RESOLVED/-**

1. To endorse the following principles which have guided GM's approach to governance changes and its approach to devolution:
  - a) GM should continue to position itself at the forefront of the debate about fiscal and functional devolution given the ambitions it has to continue to grow the GM economy and to reform public services. GM should be at the heart of the economic revival of the North of England to remain key to re-balancing the national economy
  - b) GM's ultimate ambition should be to exercise significant influence, if not control, over all public spending in Greater Manchester which currently is estimated at £22bn per annum. The focus of this policy approach should be on responsibilities being assumed from National Government to enable local government and local members to be better able to discharge their existing functions. It was accepted however that this overall ambition will take some years to achieve

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- c) In this context, a Road Map is required to enable new functions and fiscal responsibilities to be transferred from National Government for discharge at GM level building upon the existing Combined Authority model which has a track record of achievement in GM
  - d) New arrangements are proposed to strengthen the relationships between local authorities and the GMCA, and between the GMCA and Chief Executives. An agreed set of governance protocols set out the core relationship between the GMCA, local authorities and partners: what the GMCA does for localities and what local authorities bring to the GMCA and AGMA
  - e) Governance change is also necessary if GM is to achieve its devolution ambitions. It is right that if we are to become responsible for more national functions and resources there must be direct accountability for the way these new responsibilities are discharged. It is also the case that if we are to commence the delivery of a Road Map we need additional political and executive capacity to embrace new opportunities now which are possible without new legislation
  - f) In return for significant additional responsibilities GM should move as soon as possible to a full-time appointed Mayor becoming the 11th member of the GMCA and the development of the Cabinet model involving all Leaders with clear portfolio responsibilities. This will require delegation of appropriate powers to the full-time appointed Mayor and to Portfolio Leaders to underpin accountability and efficiency. It will also require the appointment of a full-time Head of Paid Service, in addition to full-time Section 151 and Monitoring Officers
  - g) In return for legislation in the next Parliament on new functional responsibilities and access to resources, GM should commit itself to a directly elected Mayor who will Chair the CA and a Cabinet including 10 Leaders with portfolio responsibilities. This will require new powers to the directly elected Mayor and other powers to the GMCA
  - h) This evolutionary approach will enable GM to strengthen leadership and executive capacity in the quickest possible time, absorb the potential for enhanced responsibilities in the short term and create the platform for maximum devolution over time
2. To endorse the Greater Manchester Agreement: Devolution to the GMCA and the transition to a directly elected Mayor, (Annex B to the report) which sets out the additional powers and responsibilities (and budgets) which will be delivered by Government in return for the governance changes GM will be obliged to deliver.
  3. To invite all GM authorities, the GM LEP and the BLC to submit comments on the above principles and the Devolution Agreement by the 15<sup>th</sup> January 2015.
  4. To authorise the Head of Paid Service, in conjunction with the GM Wider Leadership Team, to bring back a further report at the end of January 2015 on the comments received and to enable the GMCA to finalise more detailed proposals, which will be the subject of a public consultation and submission to the Secretary of State seeking his support for the laying of the necessary Orders to give effect to the transitional arrangements as soon as possible.

**EXTRACT FROM THE GMCA CONSTITUTION**

**PART 5B - SCRUTINY ARRANGEMENTS FOR GMCA, TFGMC AND TFGM**

**5. Call in of decisions**

**5.1 Call in of decisions of GMCA and TfGMC**

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**5.2 Publication of Notice of Decisions**

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  - (i) a decision is made by the GMCA; or
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the decision shall be published, including where possible by electronic means, and shall be available normally within 2 days of being made. It shall be the responsibility of the Secretary to send electronic copies of the records of all such decisions to all members of the Scrutiny Pool within the same timescale.

- (b) The notices referred to at subparagraph 5.2(a) above will bear the date on which they are published and will specify that the decision will come into force, and may then be implemented, as from 4.00 pm on the fifth day after the day on which the decision was published, unless 5 members of the Scrutiny Pool object to it and call it in.

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