

# Public Document Pack

**Mike Kelly FCIQB MCIM**  
**Chief Executive**

*Our Ref* LW  
*Your Ref* OSC/LW  
*Date* 3 September 2013  
*Contact* Chris Shillitto  
*Direct Line* 0161 253 5041  
*E-mail* c.shillitto@bury.gov.uk  
*Web Site* www.bury.gov.uk

Legal & Democratic Services  
Division

Jayne Hammond LLB (Hons) Solicitor  
Assistant Director of Legal &  
Democratic Services

## **TO: All Members of Council**

**Councillors :** S Briggs (Chair), A Audin, K Audin, D Bailey, M Bailey, N Bayley, I Bevan, J Black, P Bury, G Campbell, S Carter, R Caserta, D Cassidy, J Columbine, M C Connolly, A Cummings, J Daly, E Fitzgerald, L Fitzwalter, J Frith, I Gartside, J Grimshaw, D Gunther, M Hankey, S Haroon, P Heneghan, T Holt, K Hussain, T Isherwood, M James, D Jones, J Lewis, A Matthews, S Nuttall, D O'Hanlon, N Parnell, T Pickstone, A Quinn, K Rothwell, R Shori, A Simpson, J Smith, S Smith, S Southworth, T Tariq, B Vincent, R Walker, S Walmsley, J Walton, M Wiseman and Y Wright

Dear Member/Colleague

## **Council**

You are invited to attend a meeting of the Overview and Scrutiny Committee which will be held as follows:-

<b>Date:</b>	Wednesday, 11 September 2013
<b>Place:</b>	Bury Town Hall
<b>Time:</b>	7.00 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**

The Agenda for the meeting is attached.



**Electronic service of legal documents accepted only at:**  
**E-mail:** legal.services@bury.gov.uk  
**Fax:** 0161 253 5119

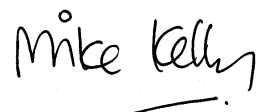
**Town Hall**  
**Knowsley Street**  
**Bury BL9 0SW**  
[www.bury.gov.uk](http://www.bury.gov.uk)

Reports are enclosed only for those attending the meeting and for those without access to the Council's Intranet or Website.

The Agenda and Reports are available on the Council's Intranet for Councillors and Officers and also on the Council's Website at [www.bury.gov.uk](http://www.bury.gov.uk) – click on **Agendas, Minutes and Forward Plan**.

Copies of printed reports can also be obtained on request by contacting the Democratic Services Officer named above.

**Yours sincerely**

A handwritten signature in black ink that reads "Mike Kelly". The signature is written in a cursive style with a horizontal line underneath the name.

**Chief Executive**

## **AGENDA**

### **1 DECLARATIONS OF INTEREST**

Members of the Council are requested to declare any interests which they have in any items or issues before the Council for determination.

### **2 MINUTES OF THE LAST MEETING** (Pages 1 - 10)

To approve as a correct record the minutes of the meeting of the Council held on 3 July 2013 in Digest 2.

### **3 MAYORAL COMMUNICATIONS AND ANNOUNCEMENTS**

To receive communications from the Mayor and any announcements by the Leader of the Council or the Chief Executive on matters of interest to the Council.

### **4 PUBLIC QUESTION TIME**

To answer questions from members of the public, notice of which has been given, on any matter relevant to the Council or its services to the community. Upto 30 minutes will be set aside for this purpose. If time permits, further questions will be invited from members of the public present.

### **5 RECOMMENDATIONS OF CABINET AND COUNCIL COMMITTEES** (Pages 11 - 38)

<b>COMMITTEE/DATE</b>	<b>SUBJECT</b>	<b>RECOMMEN</b>
1. Cabinet – 10 July 2013 – Minute CA.189	2012/2013 Treasury Management Annual Report	<b>Attac</b> <b>ee</b>
2. Cabinet – 10 July 2013 – Minute CA.190	Risk Management Annual Report 2012/2013	Attach

### **6 LEADER'S STATEMENT AND CABINET QUESTION TIME** (Pages 39 - 76)

To receive a Statement from the Leader of the Council on the work of the Cabinet and to answer written questions from Members of the Council to the Leader and Cabinet Members on any matter in relation to which the Council has powers or duties which affect the Borough, provided the necessary written notice has been given.

Verbal questions on the work of the Cabinet since the last Council meeting will be allowed subject to a limit of one question per Councillor.

7 **JOINT AUTHORITIES - REPORT BY THE COUNCIL'S REPRESENTATIVE AND QUESTIONS**

(A) A report by the Council's representative on the work of the Committee for Greater Manchester Transport, Councillor Noel Bayley.

(B) Questions (if any) on the work of the Joint Authorities to be asked by Members of the Council for which the necessary notice has been given in accordance with Council Procedure Rule 11.2.

8 **HEALTH AND WELLBEING BOARD - CONSTITUTION AND TERMS OF REFERENCE**

A report of the Leader is attached.

9 **NOTICES OF MOTION**

The following Notices of Motion have been received:-

**1. Contribution of Large Supermarkets to the Local Community**

"Council notes the important role large retail outlets, such as supermarkets, play in the local economy.

Council further notes the importance of vibrant local towns and communities and the importance of local facilities, local shops and community spaces.

Council therefore resolves to follow the example of the Scottish Parliament, the Northern Ireland Assembly and over 60 English local authorities by submitting the following proposal to the government under the Sustainable Communities Act:

'That the Secretary of State gives Local Authorities the power to introduce a local levy of 8.5% of the rate on large retail outlets in their area with a rateable annual value not less than £500,000 and requires that the revenue from this levy be retained by the Local Authority in order to be used to improve local communities in their areas by promoting local economic activity, local services and facilities, social and community wellbeing and environmental protection.' The Council notes that if this power was acquired it would present the opportunity to raise further revenue for the benefit of local communities, should the Council wish to use it."

**In the names of Councillors D O'Hanlon and T Pickstone.**

**2. Airport Dividend**

"This Council welcomes the increased airport dividend of £400,000 as a result of the revaluation of Stansted airport. In the latest "Corporate Financial and Performance Monitoring Report April 2013-June 2013" that was approved by Cabinet on the 28<sup>th</sup> August, this sum of money is being used to reduce the Council's projected overspend position.

However, assurances were given at the Cabinet meeting on the 28th August that the current projected overspends can be seen as being "Cautious" at this early stage in the financial year and that departmental budgets should not overspend by the year end. Therefore, this Council resolves to:-

- 1) Cease using the increased airport dividend as a way of reducing the Council's projected overspend position
- 2) Distribute the £400,000 equally between the 6 township forums to allow them to decide how their share can be used to help fulfill local priorities."

**In the names of Councillors I Bevan, R Caserta, J Daly, I Gartside, D Gunther, M Hankey, K Hussain, S Nuttall, B Vincent, R Walker, J Walton, M Wiseman and Y Wright**

**10 SCRUTINY REVIEW REPORTS AND SPECIFIC ITEMS "CALLED IN" BY SCRUTINY COMMITTEES**

**11 QUESTIONS ON THE WORK OF OUTSIDE BODIES OR PARTNERSHIPS**

Questions on the work of outside bodies or partnerships on which the Council is represented to be asked by Members of the Council (if any).

**12 DELEGATED DECISIONS OF THE COUNCIL COMMITTEES**

Questions on the delegated decisions made by the Regulatory Committees and Scrutiny Committees contained in the Digest of Decisions 2 and 3 (2013/14) published since the last ordinary meeting of the Council, providing four clear working days' notice has been given of the question.

Members are asked to bring to the meeting their copy of Digests 2 and 3 (2013/14)

**Minutes of:** **AN ORDINARY MEETING OF THE COUNCIL**

**Date of Meeting:** 3 July 2013

**Present:** The Worshipful the Mayor (Councillor S Briggs), in the Chair; Councillors A Audin, K Audin, N Bayley, I Bevan, J Black, P Bury, G Campbell, S Carter, R A Caserta, D M Cassidy, M Connolly, J Daly, E FitzGerald, L Fitzwalter, J Frith, I B Gartside, J Grimshaw, D L Gunther, M Hankey, S Haroon, P Heneghan, T Holt, K Hussain, A Isherwood, M A James, D Jones, J S Lewis, A Matthews, S Nuttall, D O'Hanlon, N A Parnell, T D Pickstone, A Quinn, K Rothwell, R Shori, A Simpson, S Smith, J Smith, S Southworth, T Tariq, R E Walker, S Walmsley, J F Walton, M J Wiseman and Y Wright

**Apologies for Absence:** Councillors D Bailey, M Bailey, Columbine, A J Cummings and B Vincent

**Public attendance:** 13 members of the public attended the meeting

**C.139 BRIEFING BY THE POLICE AND CRIME COMMISSIONER FOR GREATER MANCHESTER**

Mr Tony Lloyd, the Police and Crime Commissioner for Greater Manchester, addressed Members on issues relating to his role since he assumed office in November. Mr Lloyd then invited questions from Members and addressed the following issues:-

- Violent incidents as a result of heavy drinking;
- The future of Ramsbottom Police Station;
- Appointment of Deputy Commissioner;
- Tackling gang crime;
- Dispatching Service;
- Government cuts in Police expenditure;
- Tackling cannabis misuse;
- Goals, Achievements and measuring performance.

The Mayor thanked Mr Lloyd for attending the meeting and invited him to address Members on a future occasion.

**C.140 DECLARATIONS OF INTEREST**

1. Councillor Connolly declared an interest in any item which related to staffing as his partner is an employee of Bury Council.
2. Councillor Jones declared an interest in any item which related to staffing as his wife is an employee of Bury Council.
3. Councillor Noel Bayley declared a prejudicial interest in Minute C.149(2), Notices of Motion (2), Town Centre for Parking, as he is employed as an officer with responsibility for car parking at a neighbouring local authority.

4. Councillors Walker declared a personal interest in Minute C.149(2), Town Centre Car Parking, as a regular church goer in Bury Town Centre.

#### **C.141 MINUTES**

##### **RESOLVED:**

That the minutes of the Annual Meeting of the Council held on 14 May 2013 be signed by the Mayor as a true and correct record.

#### **C.142 MAYORAL COMMUNICATIONS**

The Mayor called for a short silence to mark the passing of Fusilier Lee Rigby and Mr Ted Selby.

#### **C.143 PUBLIC QUESTION TIME**

The Mayor reported that there were no written questions from members of the public. Questions were invited from members of the public present and the following issues were raised:-

<b>Issue</b>	<b>Questioner</b>	<b>Answered By</b>
1. Policy regarding the siting and installation of wind turbines	Mr A Walkden	Councillor Connolly
2. Support for festivals	Mr O'Brien	Councillor Connolly

#### **C.144 RECOMMENDATIONS OF CABINET AND COUNCIL COMMITTEES**

The Mayor reported that there were no matters for consideration under this item.

#### **C.145 LEADER'S STATEMENT AND CABINET QUESTION TIME**

##### **(a) Written questions (Notice given)**

The Leader of the Council, Councillor Connolly, made a statement on the work undertaken by him since the date of the last Council meeting. The Leader and the relevant Cabinet Members answered questions raised by Councillors on the following issues:

<b>No.</b>	<b>Issue</b>	<b>Questioner</b>	<b>Answered by (and action)</b>
1.	Zero Hours Contracts particularly in respect of care for the elderly and vulnerable in their homes	Councillor James	Councillor Shori
2.	Commissioning of NHS Services	Councillor Pickstone	Councillor Shori



3.	Involvement of Trade Unions in budget setting process	Councillor Gartside	Councillor John Smith
4.	Take up of grey bins	Councillor Jones	Councillor Isherwood
5.	Equal Pay	Councillor O'Hanlon	Councillor John Smith
6.	Children's Centre Budget	Councillor Caserta	Councillor Campbell
7.	Car Parking near schools	Councillor Heneghan	Councillor Isherwood
8.	15 minute care slots	Councillor Pickstone	Councillor Shori
9.	Mondi Paper Mill, Ramsbottom	Councillor Bevan	Councillor Isherwood
10.	"Bedroom Tax"	Councillor Simpson	Councillor John Smith
11.	Uncollected income and bad debt	Councillor O'Hanlon	Councillor John Smith
12.	Car Parking Allowances	Councillor Daly	Councillor Holt
13.	Anti Social Behaviour	Councillor FitzGerald	Councillor Walmsley
14.	20 mph Zones	Councillor Nuttall	Councillor Isherwood
15.	School Food Waste Recycling	Councillor Haroon	Councillor Isherwood
16.	Welfare Budget Cuts	Councillor Caserta	Councillor John Smith
17.	Walking Rainbow Event	Councillor Holt	Councillor Walmsley
18.	Unadopted Roads and Footpaths	Councillor Bevan	Councillor Isherwood
19.	Fair Deal for Bury	Councillor Quinn	Councillor Connolly
20.	Leisure Centre at Knowsley Place	Councillor Daly	Councillor Lewis
21.	Maternity Unit at Fairfield Hospital	Councillor Tariq	Councillor Connolly
22.	Grass Cutting in Council Parks	Councillor Nuttall	Councillor Lewis

Due to the lack of time to answer questions 8 to 22 inclusive, the Leader gave an undertaking that copies of the answers to those questions will be circulated to all Councillors. The Leader also gave an under taking to make these available on the Council Web Site.

**(b) Oral questions on the work of the Cabinet since the last Council meeting (without Notice)**

23.	Provision of Credit Unions	Councillor Quinn	Councillor Connolly
24.	Meeting with Secretary of State for Communities and Local Government	Councillor Walker	Councillor Connolly
25.	Plan for Change Review of Libraries	Councillor Pickstone	Councillor Connolly

26	Powers to be adopted by the Secretary of State for Communities and Local Government to curb Council Tax Increases	Councillor James	Councillor Connolly
27.	Statement by Leader of Labour party relating to economy	Councillor Gartside	Councillor Connolly
28.	Anti-Social Behaviour – Spiking of drinks	Councillor Tariq	Councillor Connolly
29.	Funding for Sport for Women	Councillor Ann Audin	Councillor Connolly
30.	Support for local businesses	Councillor Daly	Councillor Connolly

#### **C.146 JOINT AUTHORITIES – REPORTS BY THE COUNCIL’S REPRESENTATIVE AND QUESTIONS**

- (a) Councillor Matthews, the Council’s representative, on the Greater Manchester Fire and Rescue Authority, gave a verbal report on the work of the Authority to all Members of the Council.
- (b) The following question had been received in accordance with Council Procedure Rule 11.2.

<b>No.</b>	<b>Issue</b>	<b>Questioner</b>	<b>Answered by</b>
1.	Disposal of plastics through the residual waste stream	Councillor Pickstone	Councillor Quinn (Representative on the Greater Manchester Waste Disposal Authority)
2.	Issues relating to signalling on the Metrolink System	Councillor Pickstone	Councillor Noel Bayley (Representative on the Committee for Greater Manchester

			Transport)
3.	Implementation of smart ticketing across Greater Manchester	Councillor O'Hanlon	Councillor Noel Bayley (Representative on the Committee for Greater Manchester Transport)

### C.147 BURY LOCAL PLAN – PUBLICATION CORE STRATEGY

A report of the Cabinet Member for Environment was submitted which sought approval to the final Publication Core Strategy for a further six week period of statutory consultation, in order to establish stakeholder views on the content.

It was moved by Councillor Isherwood and seconded by Councillor Southworth that the report be approved.

It was moved by Councillor Gartside and seconded by Councillor Walker as an amendment that the report be approved subject to the following:-

#### **"1) Delete:-**

All reference to Gin Hall throughout the Core Strategy in relation to being suitable for employment land.

#### **2) On page 141, under paragraph 4.5.32 Delete :-**

"As such, the policy framework that seeks to protect Other Protected Open Land has not been carried forward in the Local Plan, although it should be noted that other policy constraints exist on some of these sites."

#### **Replace with :-**

"As such, the policy framework that seeks to protect other Protected Open Land shall be carried forward in the Local Plan, and it should be noted that other policy constraints also exist on some of these sites."

#### **3) On page 168 delete :-**

"Along the western boundary, north eastern boundary and north of the Irwell Valley along the M60 corridor - where there are opportunities to harness wind energy;"

#### **Replace with :-**

" Suitable areas in the borough where there are opportunities to harness wind energy whilst avoiding undue harm to the natural environment or amenity of residents. Such opportunities should also be consistent with all other local and national planning policies and in line with Government guidance whilst taking into consideration the wishes of the local community. Additionally, all key stakeholders should be involved in the creation of a "Wind Turbine" policy for Bury setting out acceptable separation distances of wind turbines from residential properties based upon the size of the wind turbine."

#### **4) On page 23 under Objective 1 delete:-**

The word "Encouraging"

**And replace with**

"Prioritising the effective use of land by reusing land that has been previously developed"

**Delete :-**

The word "limiting"

**Page 62 4.3.92 Within the other EGAs, development will only be allowed for Business (B1), General Industrial (B2) and Warehousing (B8) uses.**

**Add :-** Within the Ramsbottom EGA there may also be scope for the introduction of limited tourism-related uses where this would support the role and function of Ramsbottom town centre.

**Delete –**

Appropriate built waste management facilities may also be acceptable within any EGA identified through the Greater Manchester Joint Waste Development Plan Document.

**Page 199 – Sustainable Waste Management**

**4.5.203** "with existing and potential mineral extraction sites (i.e. at Pilsworth)"

**Add** - but not Fletcher Bank, Shuttleworth

**Page 203 – under "Improving and Managing the Borough's Environment"**

**MINERAL RESOURCES:** "Manage mineral resources at Fletcher Bank Quarry"

**Add** – "but prohibit further built development""

Prior to the vote on the amendment, in excess of the required eight Councillors requested that voting be recorded to show how each Member cast their vote, in accordance with Council Procedure rule 17.5.

The result of the vote was as follows:-

For the Amendment

**Councillors I Bevan, R Caserta, J Daly, J Gartside, D Gunther, M Hankey, K Hussain, S Nuttall, R Walker, J Walton, M Wiseman and Y Wright**

Against the Amendment

**Councillors A Audin, K Audin, N Bayley, J Black, P Bury, G Campbell, S Carter, D M Cassidy, M Connolly, E FitzGerald, L Fitzwalter, J Frith, J Grimshaw, S Haroon, P Heneghan, T Holt, A Isherwood, M A James, D Jones, J S Lewis, A K Matthews, N A Parnell, A Quinn, K Rothwell, R Shori, S Smith, J Smith, S Southworth, T Tariq and S Walmsley**

**The Worshipful the Mayor, Councillors D O’Hanlon and T D Pickstone**

**The Mayor declared the Amendment lost.**

It was moved by Councillor Fitzwalter and seconded by Councillor Bury as a further amendment that the report be approved subject to the following:-

**“Page 199 – Sustainable Waste Management**

**4.5.203** “with existing and potential mineral extraction sites (i.e. at Pilsworth)”

**Add** - but not Fletcher Bank, Shuttleworth

**Page 203 – under “Improving and Managing the Borough’s Environment”**

**MINERAL RESOURCES:** “Manage mineral resources at Fletcher Bank Quarry”

**Add** – “but prohibit further built development”

The amendment on being put, with 43 voting for and three abstaining was declared carried.

The substantive motion on being put with 31 voting for and 15 abstaining was declared carried and it was:-

**RESOLVED:**

1. That the Publication Core Strategy, and the supporting documentation, together with the proposed measures outlined in this report to receive representations, be approved subject to the following amendment:-

**Page 199 – Sustainable Waste Management**

**4.5.203** “with existing and potential mineral extraction sites (i.e. at Pilsworth)”

**Add** - but not Fletcher Bank, Shuttleworth

**Page 203 – under “Improving and Managing the Borough’s Environment”**

**MINERAL RESOURCES:** “Manage mineral resources at Fletcher Bank Quarry”

**Add** – “but prohibit further built development”

2. That the Director of Communities and Neighbourhoods, in consultation with the Cabinet Member for Environment, be authorised to approve any subsequent **minor** revisions to the Core Strategy document in the light of representations received or other minor matters requiring a revision such as a change in circumstances, ahead of the Core Strategy being submitted to the Secretary of State and being subject to Examination.

A joint report of the Leader and Cabinet Member for Adult Care, Health and Housing was submitted, which presented for adoption the Health and Wellbeing Strategy.

It was moved by Councillor Shori and seconded by Councillor Black that the report and recommendations be approved.

On being put the recommendation was unanimously carried and it was:-

**RESOLVED:**

That the Joint Health and Wellbeing Strategy be adopted as part of the Council's Policy Framework, as a matter of local choice, and the Constitution be amended accordingly.

**C.149 AMENDMENTS TO THE COUNCIL CONSTITUTION – CABINET MEMBER PORTFOLIOS**

A report of the Leader was submitted which presented role descriptions for Cabinet Members and Deputy Cabinet Members.

It was moved by Councillor Connolly and seconded by Councillor John Smith that the report and recommendations be approved.

On being put, with 31 voting for, 14 against and the Worshipful the Mayor abstaining, it was:-

**RESOLVED:**

1. That the revisions to the Council's Constitution as set out in this report and its appendices be approved.
2. That any further necessary consequential amendments be delegated to the Assistant Director of Legal and Democratic Services, in consultation with the Leader.

**C.149 NOTICES OF MOTION**

Two Notices of Motion have been received in accordance with Council Procedure Rule 12:

**1. Alcohol Pricing Policy**

A Motion had been received and set out in the Summons in the names of:-

**Councillors A Audin, K Audin, N Bayley, J Black, P Bury, G Campbell, S Carter, D M Cassidy, J Columbine, M Connolly, A J Cummings, E FitzGerald, L Fitzwalter, J Frith, J Grimshaw, S Haroon, P Heneghan, T Holt, A Isherwood, M A James, D Jones, J S Lewis, A K Matthews, N A Parnell, A Quinn, K Rothwell, R Shori, A Simpson, S Smith, J Smith, S Southworth, T Tariq and S Walmsley.**

"With no rationale or explanation on why the Government has decided to renege on its commitment on minimum pricing, this Council concludes that the intense lobbying from the alcohol producers has been prioritised over public health.

This Council recognises the public health benefits and reduced pressure on health and social care minimum unit pricing could bring and asks the Government to reconsider its u-turn on this policy."

**The motion on being put with 31 voting for and 15 abstentions was declared carried**

## **2. Town Centre Car Parking**

A motion had been received and set out in the Summons in the names of:-

**Councillors I Bevan, R Caserta, J Daly, I Gartside, D Gunther, M Hankey, K Hussain, S Nuttall, B Vincent, R Walker, J Walton, M Wiseman and Y Wright**

"This Council appreciates the financial burdens placed on this Borough by the calamitous state of the nation's finances created by the previous Labour Government. However, we also understand the needs of businesses in our town centre to attract shoppers and improve our local economy.

We therefore propose to allow free parking for an hour in all Council "Pay and Display" areas within our town centre. We also propose to reverse all Council Sunday car parking charges in our town centre.

The shortfall from parking income can be accommodated within the Council's "Golden Financial Rules" by utilising on-going efficiency savings in the revenue budget."

**The motion on being put with 12 voting for, 30 against and 3 abstentions was declared lost.**

The Mayor called upon the Leader to move the Closure Motion in accordance with Council Procedure Rule 9.

The Leader moved and it was:

### **RESOLVED:**

That the whole of the remaining business before the Council be approved.

### **THE WORSHIPFUL THE MAYOR**

**(NOTES:** The meeting started at 7.00 pm and ended at 10.30 pm)

**(NOTE:** There were no scrutiny review reports or specific items "called in" by the Overview and Scrutiny Committee

There were no questions on the work of outside bodies or partnerships and there were no questions relating to Regulatory or Scrutiny Committees

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**REPORT FOR DECISION**

<b>Agenda Item</b>	
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**MEETING:** **CABINET  
OVERVIEW & SCRUTINY COMMITTEE  
COUNCIL**

**DATE:** **10 JULY 2013  
4 SEPTEMBER 2013  
11 SEPTEMBER 2013**

**SUBJECT:** **2012/13 TREASURY MANAGEMENT ANNUAL  
REPORT**

**REPORT FROM:** **DEPUTY LEADER AND CABINET MEMBER FOR  
FINANCE & CORPORATE AFFAIRS**

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

**ANDREW BALDWIN, HEAD OF FINANCIAL  
MANAGEMENT**

**TYPE OF DECISION:** **COUNCIL**

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

**SUMMARY:** **PURPOSE/SUMMARY:**

The Council undertakes Treasury Management Activities in accordance with the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management, which requires that the Council receives an annual strategy report by 31 March for the year ahead and an annual review report of the previous year by 30 September. This report is the review of Treasury Management activities during 2012/13.

**OPTIONS & RECOMMENDED OPTION** It is recommended that, in accordance with CIPFA's Code of Practice on Treasury Management, the report be noted.

**IMPLICATIONS:**

<b>Corporate Aims/Policy</b>	Do the proposals accord with the Policy
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**Statement by Executive Director of Resources:**

As set out in the report and the comment of the Assistant Director of Resources (Finance and Efficiency) below.

**Statement by Assistant Director of Resources (Finance and Efficiency):**

This report provides information on the Council's debt, borrowing, and investment activity for the financial year ending on 31<sup>st</sup> March 2013 in conformity with the CIPFA Code of Practice for Treasury Management. The successful management of the Council's borrowing and investments is central to the Council's financial strategy, both in the short term and in ensuring a balanced debt profile over the next 25 to 60 years.

The overall strategy for 2012/13 was to finance capital expenditure by taking out short term temporary borrowing rather than more expensive long term loans. The taking out of longer term loans (1 to 10 years) to finance capital spending will only then be considered if required by the Council's underlying cash flow needs. With the reduction of cash balances the level of short term investments will fall.

Debt decreased by £1.927m during the year, to £203.694 million at 31<sup>st</sup> March 2013 compared to £205.621 million at 31<sup>st</sup> March 2012. The average borrowing rate fell from 4.56% to 4.43% due to fall out of high coupon rate debt and new short term loans. Investments at 31 March 2013 stood at £17.456 million, compared to £23.881 million the previous year. The average rate of return on investments was 1.67% in 2012/13 compared to 1.39% in 2011/12.

**Equality/Diversity implications:**

No - (see paragraph 8.1, page 9)

**Considered by Monitoring Officer:**

Yes. The presentation of an annual report on Treasury Management by 30<sup>th</sup> September of the following financial year is a requirement of the Council's Financial Regulations 5.7, as part of the Council's Financial Procedure Rules and Budget and Policy framework, relating to Risk Management and Control of Resources: Treasury Management.

**Are there any legal implications?**

No

**Staffing/ICT/Property:**

There are no direct staffing, ICT or property implications arising from this report.

**Wards Affected:**

All

**Scrutiny Interest:**

Overview & Scrutiny Committee

**TRACKING/PROCESS**

**DIRECTOR: MIKE OWEN**

Chief Executive/ Strategic Leadership Team	Cabinet Member/Chair	Ward Members	Partners
	Yes 10/7/13		
Overview & Scrutiny Committee		Committee	Council
4/9/13			11/9/13

**1.0 BACKGROUND**

1.1 The Chartered Institute of Public Finance and Accountancy’s Code of Practice on Treasury Management 2009 was adopted by this Council on 24 February 2010 and this Council fully complies with its requirements. The primary requirements of the Code are the: -

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 Council of an annual strategy report for the year ahead and an annual review report of 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.

1.2 Treasury management in this context is defined as:

“The management of the local authority’s 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. ”

1.3 This **Annual Treasury Report** covers:

- the Council’s current treasury position;
- overview of the 2012/13 strategy;
- economic review for 2012/13
- borrowing outturn for 2012/13
- investment outturn for 2012/13
- compliance with treasury limits and Prudential Indicators;

- 2.1 The Council's debt and investment position at nominal values for the beginning and the end of 2012/13 was as follows:

	31st March 2012 Principal £'000	Average Interest Rate	31st March 2013 Principal £'000	Average Interest Rate
Fixed Rate Funding:				
- PWLB	161,362		153,862	
- Market	39,000		39,000	
- Local Bonds	3		3	
Variable Rate Funding:				
- Temporary Loans	0		6,000	
- PWLB	0		0	
- Market	0		0	
Bury MBC Debt	200,365		198,865	
Airport Debt	5,256		4,829	
<b>Total Debt</b>	<b>205,621</b>	<b>4.56%</b>	<b>203,694</b>	<b>4.43%</b>
<b>Total Investments</b>	<b>23,881</b>	<b>1.39%</b>	<b>17,456</b>	<b>1.67%</b>

### 3.0 OVERVIEW OF THE STRATEGY FOR 2012/13

- 3.1 The strategy for 2012/13 was to finance capital expenditure by taking out temporary loans at lower rates of interest than more expensive long term loans. These loans would be postponed as long as it is prudent to do so. One PWLB loan of £7.5m was repaid in the year and, in line with the strategy, has not yet been replaced. All other borrowing in the year comprised temporary short term loans. As investment returns were low during 2012/13, savings were made by running down investments to finance capital expenditure.
- 3.2 As a result of 3.1 above, the Council was able to lower the average interest rate on debt from 4.56% to 4.43% and was able to achieve an average interest rate on investments of 1.67% for 2012-13 (which compares with Sector's target rate of 0.90%).
- 3.3 Due to poor investment returns, investment balances were kept low during the year and consequently there was a reduction in exposure to counterparty and interest rate risk on the investment portfolio.

### 4.0 ECONOMIC REVIEW FOR 2012/13

- 4.1 The financial year 2012/13 continued the challenging investment environment of previous years, namely low investment returns and continuing heightened levels of counterparty risk. The original expectation for 2012/13 was that Bank Rate would start gently rising from quarter 4 of 2014. However, economic growth in the UK was flat during the year due to the UK austerity programme, weak consumer confidence and spending, a lack of rebalancing of the UK economy to exporting and weak growth in our biggest export market - the EU. The UK coalition government maintained its policy stance against a background of warnings from two credit rating agencies that the UK could lose

AAA credit rating. Moody's followed up this warning by actually downgrading the rating to AA+ in February 2013 and Fitch then placed their rating on negative watch, after the Budget statement in March. Key to retaining the AAA rating from Fitch and S&P will be a return to strong economic growth in order to reduce the national debt burden to a sustainable level, within a reasonable timeframe. Weak UK growth resulted in the Monetary Policy Committee increasing quantitative easing by £50bn in July to a total of £375bn. Bank Rate therefore ended the year unchanged at 0.5% while CPI inflation fell from 3% at the start of the year to end at 2.8% in March, with projections of a fall to below 2% pushed back to quarter 1 of 2016. The EU sovereign debt crisis was an ongoing saga during the year with first Greece and then Cyprus experiencing crises which were met with bailouts after difficult and fraught negotiations.

- 4.2 **Gilt yields** oscillated during the year as events in the ongoing Eurozone debt crisis ebbed and flowed, causing corresponding fluctuations in safe haven flows into / out of UK gilts. This, together with a further £50bn of QE in July and widely expected further QE still to come, combined to keep PWLB rates depressed for much of the year at historically very low levels.
- 4.3 **Investment rates.** The Funding for Lending Scheme, announced in July 2012, resulted in a flood of cheap credit being made available to banks and this has resulted in money market investment rates falling sharply in the second half of the year. However, perceptions of counterparty risk have improved after the ECB statement in July 2012 that it would do "whatever it takes" to support struggling Eurozone countries. This has resulted in some return of confidence to move away from only very short term investing.

**5.0 BORROWING OUTTURN FOR 2012/13**

- 5.1 The Council's ability to borrow is determined by the cumulative capital financing requirement (CFR). When the cumulative CFR is compared to outstanding debt the difference is the amount of headroom still available to borrow. At the end of 2012/13 debt stood at £203.694m and the CFR at £250.017m. Therefore, in theory, further borrowing of £46.323 could be taken to finance past and present capital expenditure.
- 5.2 An analysis of movements at nominal values on loans during the year is shown below:

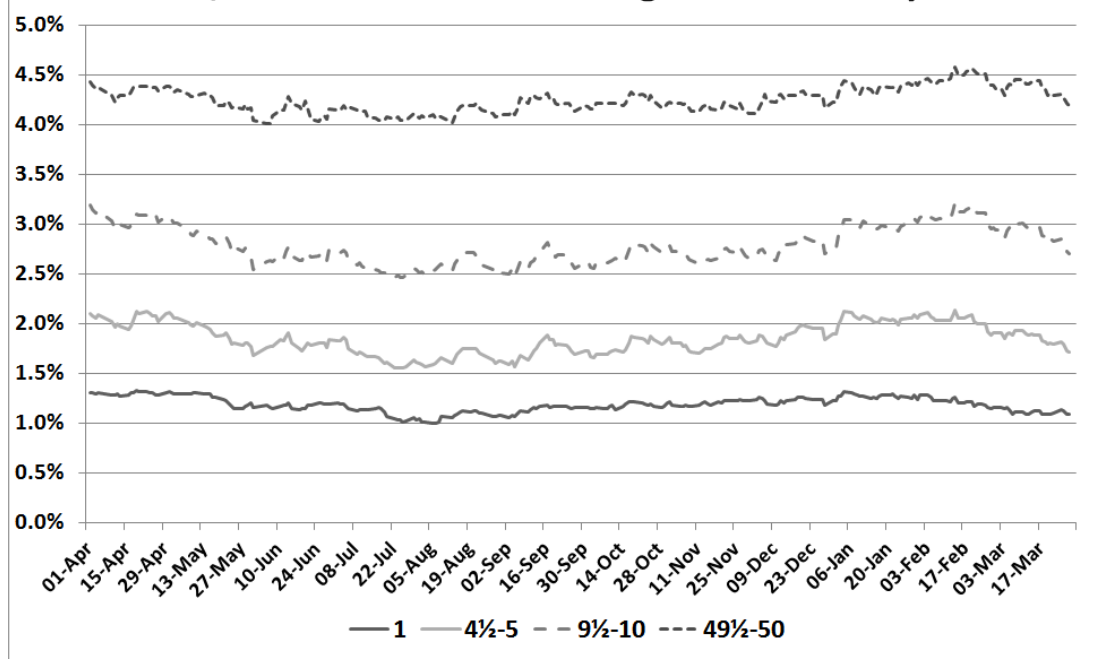
	<b>Balance at</b>	<b>Loans</b>	<b>Loans</b>	<b>Balance</b>
	<b>31.3.12</b>	<b>Raised</b>	<b>Repaid</b>	<b>31.03.13</b>
	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
PWLB	161,362	0	(7,500)	153,862
Market	39,000	0	0	39,000
Temporary Loans	0	8,000	(2,000)	6,000
Other loans	<u>3</u>	<u>0</u>	<u>0</u>	<u>3</u>
<b>Bury MBC Debt</b>	<b>200,365</b>	<b>8,000</b>	<b>(9,500)</b>	<b>198,865</b>
<b>Airport PWLB Debt</b>	<b><u>5,256</u></b>	<b><u>0</u></b>	<b><u>(427)</u></b>	<b><u>4,829</u></b>
Total Debt	<b><u>205,621</u></b>	<b><u>8,000</u></b>	<b><u>(9,927)</u></b>	<b><u>203,694</u></b>

- 5.3 The approach during 2012/13 was to take advantage of rates when they were at their lowest and identify debt rescheduling opportunities. Unfortunately, there were no opportunities to make savings through debt rescheduling in 2012/13.
- 5.4 In line with the strategy, the Council delayed borrowing as long as possible by running down short term investments. When it was time to borrow, temporary short term loans were taken in preference to more expensive long term loans. One PWLB loan was repaid in the year, and, in line with the strategy, has not yet been replaced. By maintaining borrowing at short term rates, the Council was able to minimise any corresponding risk from holding short term investments. As the year progressed further borrowing was kept to a minimum and cash balances were used to finance new capital expenditure. Therefore counterparty risk incurred on investments was minimised. This also maximised treasury management budget savings as investment rates were much lower than most new borrowing rates.
- 5.5 The active monitoring of the debt portfolio, the full year effect of previous rescheduling of loans, and the taking of new loans at historically low rates, have decreased the average Interest rate on the debt held over time:

<b>Year</b>	06/07	07/08	08/09	09/10	10/11	11/12	12/13
<b>Average Interest Rate on Debt</b>	5.50%	5.40%	5.33%	4.98%	4.81%	4.56%	4.43%

- 5.6 From 2006/07 the average interest rate falls over time due to rescheduling of loans to lower interest rates and the borrowing of new loans at historically low levels.
- 5.7 The Council’s policy on the fall out of debt has been to establish a debt profile where the amount of debt due to be refinanced each year is stable and large scale financing in any one year avoided. Market LOBO (Lenders Option Borrower’s Option) loans are recorded in accordance with the regulations set down in the Prudential Code which states “the maturity of borrowing should be determined by reference to the earliest date on which the lender can require payment”.
- 5.8 PWLB borrowing rates - the graph overleaf shows how PWLB rates remained close to historically very low levels during the year.

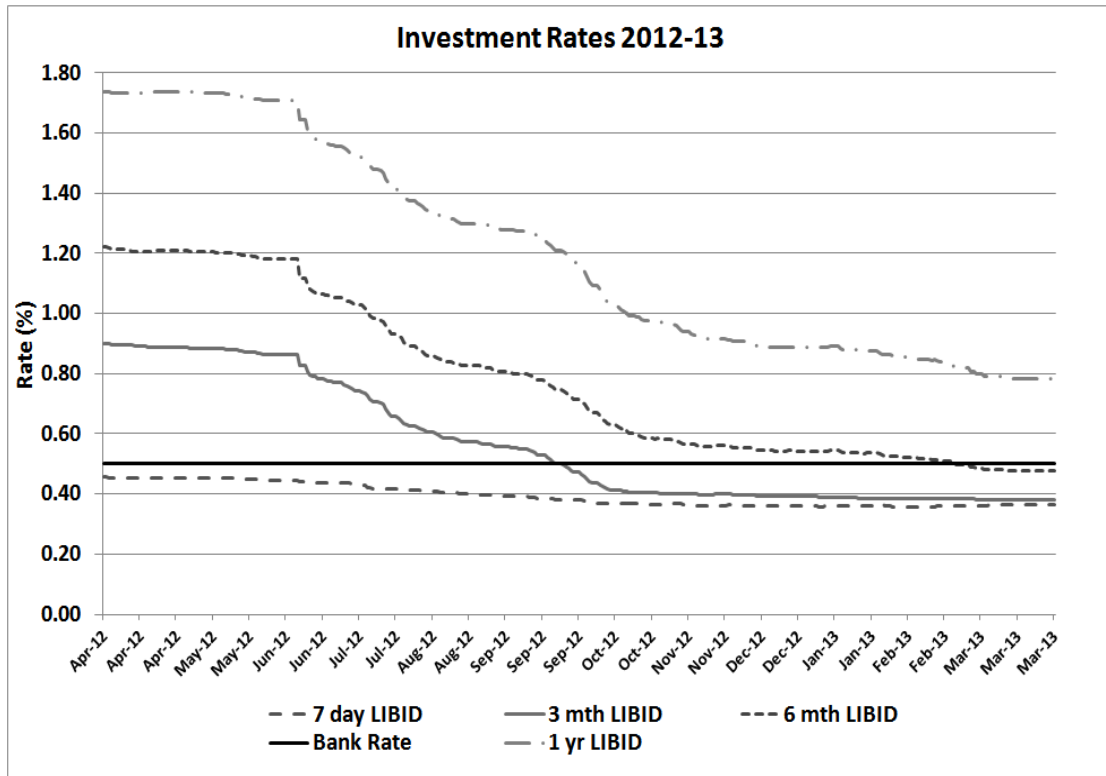
## 2012/13 PWLB new borrowing rates 1 to 50 years



## 6.0 INVESTMENT OUTTURN FOR 2012/13

- 6.1 The Council manages its investments in-house (with advice from Sector) with the overall objective to balance risk with return and the overriding consideration being the security of the available funds.
- 6.2 Surplus funds have been invested with institutions listed in the Council's approved lending list. When making investment decisions, the Council has regard to the Guidance on Local Government Investments issued by the DCLG and CIPFA's Treasury Management Code of Practice.
- 6.3 Institutions in which investments were made did not have any difficulty in repaying investments and interest in full during the year, reflecting the sound risk management activities undertaken by the treasury team.
- 6.4 The investment strategy for 2012/13 approved by Council in February 2012 forecast the bank rate to stay flat at 0.50% throughout the year. The average rate on investments for the year was 1.39% which is significantly in excess of Sector's initial target rate of 0.90%.
- 6.5 The strategy also recognised that the Council's funds would be mainly cash-flow driven. The Council would seek to utilise business reserve accounts and short dated deposits in order to benefit from the compounding of interest.
- 6.6 Investments at 31 March 2013 stood at £17.456 (£23.881m at 31 March 2012), whilst the average for the year was £35.416m (£44.187m at 31 March 2012). The decrease in the weighted average investments from 2011/12 to 2012/13 reflects the strategy to run down investments in the second half of the year to fund capital expenditure rather than borrow to fund capital spending.
- 6.7 Total interest earned on investments in the financial year was £0.589m compared to £0.597m in 2011/12. This reflects the fact that investment returns were poor throughout the year. Consequently cash balances were used to finance new capital expenditure to maximise budget savings as investment rates were much lower than new borrowing rates.

6.8 In terms of investment rates in 2012/13, the Bank Rate remained at its historic low of 0.5% throughout the year and it has now remained unchanged for four years. Market expectations of the start of monetary tightening were pushed back during the year to early 2015 at the earliest. The Funding for Lending Scheme resulted in a sharp fall in deposit rates in the second half of the year.



**7.0 COMPLIANCE WITH TREASURY LIMITS**

7.1 During the financial year the Council operated within the treasury limits and Prudential Indicators set out the Council’s Treasury Policy Statement and annual Treasury Management Strategy Statement. The outturn for the Prudential Indicators is shown in Appendix 1.

**8.0 EQUALITY AND DIVERSITY**

8.1 There are no specific equality and diversity implications.

**9.0 FUTURE ACTIONS**

9.1 Treasury Management Updates and Prudential Indicators for 2013/14 will be presented on a quarterly basis to the Cabinet and the Overview & Scrutiny Committee.

**10.0 CONCLUSION**

10.1 It is recommended that Members note the treasury management activity that has taken place during the financial year 2012/13.



***Background documents:***

*Unaudited Final Accounts Bury MBC 2012/13*

*CIPFA Treasury Management Code of Practice in the Public Services*

*CIPFA The Prudential Code for Capital Finance in Local Authorities*

*Sector's Annual Treasury Management Report 2012-13*

*Financial markets and economic briefing papers*

***For further information on the details of this report and copies of the detailed variation sheets, please contact:***

Mr S. Kenyon, Assistant Director of Resources (Finance and Efficiency), Tel. 0161 253 6922, E-mail: [S.kenyon@bury.gov.uk](mailto:S.kenyon@bury.gov.uk), or

Mr. A Baldwin, Head of Financial Management, Tel. 0161 253 5034,  
E-mail: [A.Baldwin@bury.gov.uk](mailto:A.Baldwin@bury.gov.uk)

The key objectives of the Prudential Indicators are to ensure that the Council's capital investment plans and treasury management decisions are affordable, prudent and sustainable or in exceptional cases to highlight if this is not achievable. The prudential indicators for 2012/13 were not breached and were kept within their limits.

The table below shows the Prudential Indicators for 2012/13.

<b>CAPITAL EXPENDITURE</b>	<b>Original Budget 2012/13</b>	<b>Actual Outturn 2012/13</b>	<b>Variance</b>
	<b>£'000</b>	<b>£'000</b>	
<b>Estimate of Capital Expenditure</b>			
Non-HRA	8,041	18,253	126.99%
HRA	6,905	7,156	3.64%
Housing Reform settlement	0	0	
<b>TOTAL</b>	<b>14,946</b>	<b>25,409</b>	
<b>Estimate of Capital Financing Requirement (CFR)</b>			
Non-HRA	133,705	131,233	(1.85%)
HRA existing expenditure	40,887	40,531	(0.87%)
Housing Reform settlement	79,258	78,253	(1.27%)
	<b>253,850</b>	<b>250,017</b>	

<b>AFFORDABILITY</b>	<b>Original Budget 2012/13</b>	<b>Actual Outturn 2012/13</b>	<b>Variance</b>
Estimate of incremental impact of capital investment decisions			
Increase in council tax (band D, per annum)	£1.44	£0.00	
Increase in housing rent per week	£0.00	£0.00	
Ratio of Financing Costs to net revenue stream			
Non-HRA	2.55%	3.40%	(33.33%)
HRA	6.25%	15.44%	(147.04%)
Net External Borrowing only to support the CFR in Medium Term	<b>£'000</b>	<b>£'000</b>	
Net External borrowing over medium term	217,014	203,694	
Total CFR over Medium Term	255,212	250,017	
Net External Borrowing < Total CFR	TRUE	TRUE	

<b>EXTERNAL DEBT</b>	<b>Original Budget 2012/13</b>	<b>Actual Outturn 2012/13</b>	<b>Variance</b>
	<b>£'000</b>	<b>£'000</b>	
Authorised limit of external debt			
Borrowing	214,500	214,500	0.00%
Other long term liabilities	7,400	7,400	0.00%
Housing Reform Settlement	79,300	79,258	
<b>TOTAL</b>	<b>301,200</b>	<b>301,158</b>	

Operational boundary			
Borrowing	189,400	189,400	0.00%
Other long term liabilities	7,400	7,400	0.00%
Housing Reform Settlement	79,300	79,258	
TOTAL	276,100	276,058	

<b>TREASURY MANAGEMENT</b>	<b>Original Budget 2012/13</b>	<b>Actual Outturn 2012/13</b>	<b>Variance</b>
Upper limit for fixed interest rate exposure Net principal re fixed rate borrowing / investments	140%	140%	0%
Upper limit for variable rate exposure Net principal re variable rate borrowing / investment	-40%	-40%	0%
Upper limit for total principal sums invested for 364 days	£10 m	£10 m	
Maturity structure of fixed rate borrowing 2012/13	Upper/lower limit	Actual	
Under 12 months	10% - 0%	7.00%	
12 months and within 24 months	35% - 0%	2.97%	
24 months and within 5 years	40% - 0%	6.07%	
5 years and within 10 years	50% - 0%	6.88%	
10 years and above	90% - 30%	77.08%	

The prudential indicators of affordability listed above address the revenue implications of the authority's finances since, as a fundamental principle, all borrowings are secured on the authority's future revenue income. The CIPFA Prudential Code requires the prudential indicators in respect of external debt, as above, to be set and revised taking into account their affordability. It is through this means that the objectives of sustainability and prudence are addressed each year.

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**Statement by Executive Director of Resources:**

There are no direct resource implications arising from this report.

Risk management is an integral part of the Council's approach to Corporate Governance and service and financial planning and it is essential that robust risk management practices are put in place to safeguard the Council's assets and its reputation.

Corporate, departmental and operational risk assessments have been undertaken and key elements of the resultant Management Action Plans are incorporated into Departmental Service Plans.

**Equality/Diversity implications:** No

**Considered by Monitoring Officer:** Yes (Governance Panel)

**Are there any legal implications?** No

**Staffing/ICT/Property:** There are no direct HR, IT or property implications arising from this report.

**Wards Affected:** All

**Scrutiny Interest:** Overview and Scrutiny Committee

**TRACKING/PROCESS**

**DIRECTOR: Mike Owen**

Chief Executive/ Strategic Leadership Team	Cabinet Member/Chair	Ward Members	Partners
24 June 2013			
Scrutiny Committee	Committee	Cabinet	Council
	Audit 25 June 2013	10 July 2013	11 September 2013

## 1.0 BACKGROUND

- 1.1 The Cabinet approved the Council's Risk Management Policy and Strategy in March 2006 which is reviewed annually.
- 1.2 In 2012/13 the Council made preparations to ensure the smooth transition of Public Health Services from the NHS. These preparations included the identification and management of associated data risks with the Council taking responsibility for receiving and handling additional sensitive personal information and undertaking an extensive review of data protection policies and procedures to ensure they meet with NHS standards.
- 1.3 In 2012/13 risk management continued to focus on strengthening the council's business continuity management across all service areas by ensuring a standard approach is undertaken and managed through a central database. Also further work was undertaken to further raise awareness of the importance of risk and business continuity management in light of the economic recession and public service cuts and their impact upon service provision through "Plan for Change".
- 1.4 This report takes the form of an annual report on risk management activity that has taken place across the council and within each of the directorates.

## 2.0 IMPLEMENTING RISK MANAGEMENT

- 2.1 Risk management forms an integral part of strategic planning in the Council, ensuring early intervention and management of uncertainty in delivering key strategic priorities. The role of risk management in the Council's Financial and Forward Planning Cycle is at **Appendix A**.
- 2.2 Early intervention and assessment of risks ensures that departments are able to fully prepare for existing and emerging priorities, and manage their objectives effectively against financial, reputational and performance risks, whilst meeting the Council's Priorities.
- 2.3 This approach to risk management ensures a continuous and evolving process that runs throughout the council's core functional activities at all levels.

***"Good risk management supports accountability, performance measurement and reward, thus promoting operational efficiency at all levels". A Risk Management Standard – Institute of Risk Management.***

- 2.4 [Risk Assessment Action Plan Registers \(RAAP's\)](#) are used across departments to record identified risks and opportunities, and actions being taken. RAAP Registers as they are referred to throughout this report are used at all levels throughout the Council to record information and help manage Corporate, Departmental, and Operational risks.

2.5 RAAP's are an effective tool to identify, evaluate and manage areas of uncertainty and exploit opportunities at corporate, departmental and operational levels and to ensure achievement of the Council's aims and objectives.

2.6 The Council's risk management framework is outlined in summary below;

- [An approved Corporate Policy & Strategy for Risk Management that can be read online or downloaded](#)
- Corporate Risk Management Group (Member level)
- [Operational Risk Management Group \(Officer level\)](#)
- Establishment of a "Governance Panel" comprising the Executive Director of Resources, Assistant Director for Legal & Democratic Services, Assistant Director of Resources & Head of Internal Audit.
- Comprehensive Intranet Risk Management Website and Toolkit
- [Corporate Risk / Opportunity Assessment Action Plan Register](#)
- [Departmental Strategic Risk Assessment Action Plan Registers](#)
- Operational Risk Assessment Action Plan Registers – held by service managers and maintained as part of the day to day management of service provision
- [A Common Risk Register \(General good practice guide\)](#)
- Dedicated Risk Management Section – Operating from Strategic Finance alongside but independent from Internal Audit
- "Team Bury" risk management framework [Partnership Risk Assessment Model \(PRAM\)](#)

2.7 Also in place is an effective communication and risk reporting network, with regular reports to:

- Full Council (annual report)
- Star Chambers
- Audit Committee
- Strategic Leadership Team
- Corporate Risk Management Group (Members)
- Operational Risk Management Group (Officers)
- Business Continuity Management representatives
- All departments and Service Heads

2.8 The diagram at **Appendix B** has been drawn up to help demonstrate Bury Council's risk management processes, illustrating strategic and operational planning across the authority, also the delivery of service and the movement and reporting of risks associated with these two key risk drivers within each of the departments.

### **3.0 DEPARTMENTAL PROGRESS 2012/13**

#### **3.2 Children's Services**

2012/13 managed high risks focused upon;

- Budget constraints following large scale reductions
- Children & Young People in care
- Safeguarding mechanisms
- Assessment & inspection regimes



## Document Pack Page 27

Despite some success during 2012/13, the department is still highlighting a number concerns reflected by the final quarters result. Individual Departmental Risk Registers are available on request.

### 3.3 Adult Care Services

2012/13 managed high risks focused upon;

- Increasing safeguarding cases
- Costs in meeting Public Health Services
- Growing demands from increasing population
- Data Protection
- Increase in judicial reviews
- High cost packages from Children Services
- Budgets not meeting demands
- Self Directed Support costs
- Business Continuity Management
- Sickness absence levels
- Staff recruitment and retention
- Market failure/capacity and ability to facilitate new types of social enterprise

Despite some success during 2012/13 with managing these risks, the department is still highlighting a number of concerns reflected by the final quarters risk review. Individual Departmental Risk Registers are available on request.

### 3.4 Communities and Neighbourhoods

2012/13 focussed on a number of high risks, these include:

- Plan for change and service reviews
- Ongoing budget pressures
- Libraries

Despite some success during 2012/13, the department is still highlighting a number concerns reflected by the final quarters result. Individual Departmental Risk Registers are available on request.

### 3.5 Chief Executive's

2012/13 focussed on a number of high risks, these include:

- Equal Pay
- Budget Strategy / Plan for Change
- Welfare Planning
- Asset Management
- Welfare Reform
- Public Health Transfer

Owing to the nature and wider impact of these risks on public service they are also reflected within the Corporate Risk Register.

#### 4.0 CORPORATE RISKS

- 4.1 [The Corporate RAAP](#) records all risks posing the most serious threat to the Council, risks that would impact upon a wider range of services and that are not able to be managed effectively within a directorate. These risks are reviewed continually by the Strategic Leadership Team – both through quarterly reviews, and as agenda items in their own right. The Corporate Risk Register takes account of risk management activity taking place across departments allowing for the transfer of high risk and also of known future risk.
- 4.2 Member input is sought throughout the year via the Corporate Risk Management Group, and quarterly reports to the Audit Committee.
- 4.3 The table overleaf tracks the status of corporate risks throughout 2012/13.
- 4.4 The table at **Appendix C** aligns the Council's most significant risks as at 31<sup>st</sup> March 13 against the Councils' Priorities and Team Bury Ambitions.

**Corporate Risk (these are also considered Chief Executive Risks) Register – Period April 2012 – March 2013.**

Ref	Risk Event	SLT Member	Impact (New)	Likelihood (New)	Quarter 1 Status	Quarter 2 Status	Quarter 3 Status	Quarter 4 Status
1	The potential liability facing the Council in respect of Equal Pay significantly weakens the Council's financial position	Mike Owen/Steve Kenyon	2	1	4 GREEN	2 GREEN	2 GREEN	2 GREEN
2	There is no robust financial strategy or change management strategy to address effectively the significant funding reductions that the Council faces over the next 3 years and beyond in order to ensure there is a sustainable and balanced budget	Steve Kenyon	3	2	6 AMBER	6 AMBER	6 AMBER	6 AMBER
3	The budget strategy fails to address the Council's priorities and emerging issues, e.g. demographic and legislative changes	Mike Owen/Steve Kenyon	3	2	6 AMBER	6 AMBER	6 AMBER	6 AMBER
4	The budget strategy does not reflect, or respond to, national policy developments, e.g. Local Government Finance Review / potential changes to the Business Rates regime	Mike Owen/Steve Kenyon	4	3	9 RED	12 RED	12 RED	12 RED

Ref	Risk Event	SLT Member	Impact (New)	Likelihood (New)	Quarter 1 Status	Quarter 2 Status	Quarter 3 Status	Quarter 4 Status
5	The Council's Workforce Development Plan does not ensure appropriately qualified / experienced staff are in the "right place at the right time". Particularly relevant in a time when large numbers of staff are leaving the authority as a result of VER exercise	Guy Berry	2	3	6 AMBER	6 AMBER	6 AMBER	6 AMBER
6	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	3	6 AMBER	6 AMBER	6 AMBER	6 AMBER
7	The Council needs to be prepared for the impact of the Localism Act; this presents both opportunities, e.g. power of competency, and risks e.g. referenda	Jayne Hammond	2	1	6 AMBER	3 AMBER	3 AMBER	2 AMBER
8	The amount of money received from the NHS to manage public health is insufficient to meet the performance outcomes expected by Government	Pat Jones-Greenhalgh	3	3	9 RED	9 RED	9 RED	9 RED

Ref	Risk Event	SLT Member	Impact (New)	Likelihood (New)	Quarter 1 Status	Quarter 2 Status	Quarter 3 Status	Quarter 4 Status
9	The Council fails to manage the expectations of residents and service users in light of funding reductions	Dionne Standbridge	3	1	6 AMBER	6 AMBER	6 AMBER	3 GREEN
10	Transferring and movement of asylum seekers to the new provider Serco.	Pat Jones-Greenhalgh	1	1	9 RED	9 RED	1 GREEN	Risk Removed
11	The Government's proposed 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	New Risk	9 RED	9 RED	9 RED
12	Changes resulting from the wider Welfare reform agenda impact adversely upon the public / vulnerable people.	Mike Owen	3	3	New Risk	New Risk	9 RED	9 RED
13	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	New Risk	New Risk	8 AMBER	8 AMBER

## **5.0 CHALLENGES FOR 2013/14**

5.1 The challenge for the coming year will be to ensure risk and business continuity management form an integral part of the council's response to continued spending reductions, ensuring threats and opportunities to service provision is managed effectively and service resilience is maintained throughout.

5.2 The following areas will be our main priority for 2013/14:

- Ensuring risk and business continuity management forms an integral part of service planning, performance and the delivery of objectives in light of increased agile working.
- Building upon the work started by Management Board (now Strategic Leadership Team) where key corporate risks are considered in depth alongside the quarterly review process.
- Continuing to raise Member involvement in risk management and business continuity.
- Maintaining the Building Control Planning Database to ensure it maintains good quality information relating to service priorities and their continuity arrangements.
- Continuing to strengthen risk management arrangements in key strategies such as the Medium Term Financial Strategy, the Workforce Development Plan, the Asset Management Strategy, the ICT Strategy, the Procurement Strategy and the Plan for Change.
- Continuing the development of risk reporting and monitoring processes.
- Strengthening risk management arrangements at operational level and with partnership arrangements.
- Ensure risk management focus is widened to better understand, manage and take advantage of opportunity risk as well as managing potential risk threats
- Benchmarking with other public and private sector organisations
- Strengthen service resilience against disruption through effective risk and business continuity management.
- Establishing a framework for Business Continuity Management across partnership activity
- Aligning the quarterly reporting of risk, performance and the Council's financial position.

## **6.0 CONCLUSIONS**

Considerable progress continues to be made in the area of risk management and in embedding the approach to risk management into the authority's processes and culture. However there is no room for complacency and this subject will continue to be given significant attention over the coming twelve months.

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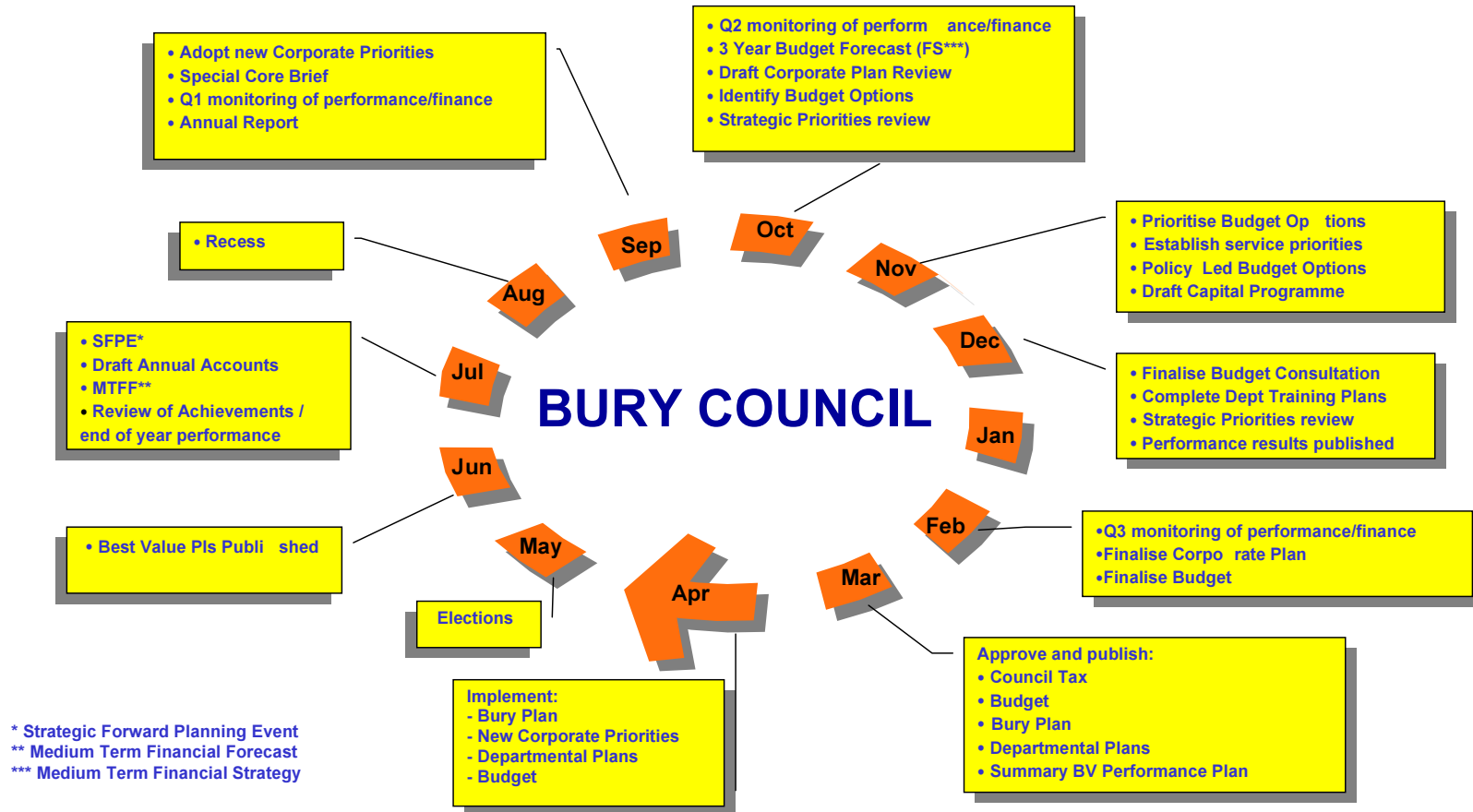
### **Background documents:**

Risk Management Policy, toolkit & risk registers - maintained on Intranet.

### **For further information on the contents of this report, please contact:**

David Hipkiss, Risk and Governance Manager  
Tel: 0161 253 6677 e-mail: [D.Hipkiss@bury.gov.uk](mailto:D.Hipkiss@bury.gov.uk)

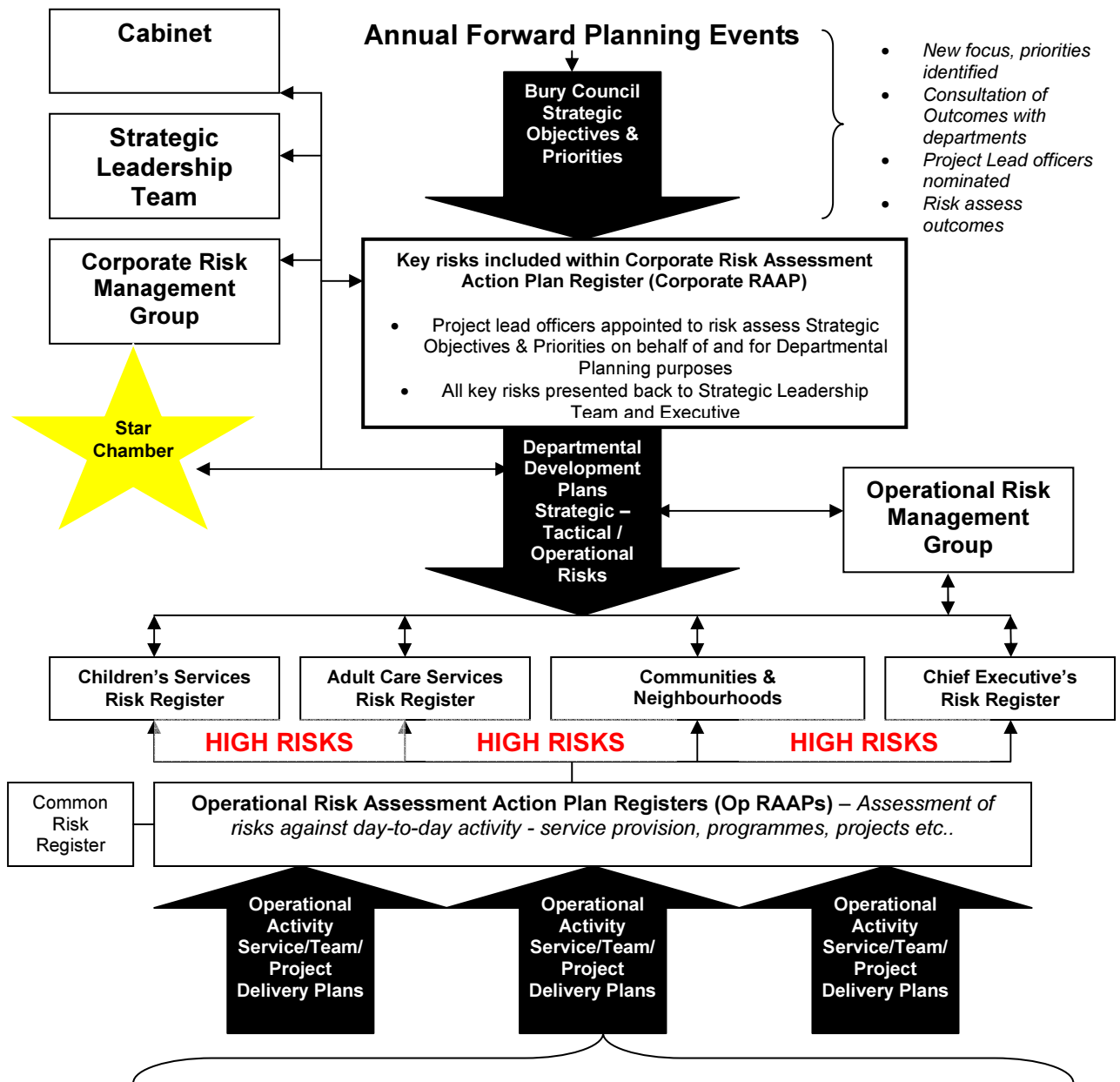
FINANCIAL AND CORPORATE PLANNING CYCLE



\* Strategic Forward Planning Event  
 \*\* Medium Term Financial Forecast  
 \*\*\* Medium Term Financial Strategy



**APPENDIX B**



- New focus, priorities identified
- Consultation of Outcomes with departments
- Project Lead officers nominated
- Risk assess outcomes

**Risks Internal & External Environment**

External Drivers			
Financial	Strategic	Operational	Hazards
Interest Rates Credit	Competition Customer Change Industry change Customer Demand Political Change	Regulations Culture	Contractual Events Natural events Supply Chains Environmental
Internal Drivers			
Liquidity Cash Flow	Research Development	Accounting Information Systems	Employees Public Access Properties Products/Services

## APPENDIX C

The Council's Corporate Risks if not managed effectively will impact upon key strategic objectives of Team Bury and the Council. The table below provides a summary of where corporate risk threats and opportunities are currently impacting:

Corporate Risks	Risk Score	Council Priorities						Team Bury Ambitions									
		Cleaner, Safer, Greener	Choice of Quality Housing	Improved Cultural & Sporting Opportunities	Strengthened Communities	Fit for the Future	Improved Town Centres & Neighbourhoods	Promoting Healthier Living	The Place to Live in Greater Manchester	Area where People feel Safe & Secure	Healthiest Borough in the North West	Popular Visitor Destination	Premier Retail Town	Centre of Excellence for Education & Training	Each Township Thriving	Area with First Class Services	Quality Jobs for Bury People
The potential liability facing the Council in respect of Equal Pay significantly weakens the Council's financial position	<b>4</b> GREEN																
There is no robust financial strategy or change management strategy to address effectively the significant funding reductions that the Council faces over the next 3 years and beyond in order to ensure there is a sustainable and balanced budget	<b>6</b> AMBER													□	□		
The budget fails to reflect the Council's priorities, evidence based by consultation with residents and other stakeholders	<b>4</b> GREEN																
The budget strategy fails to address emerging issues, e.g. demographic and legislative changes	<b>6</b> AMBER																

The budget strategy does not reflect, or respond to, national policy developments, e.g. Local Government Finance Review / potential changes to the Business Rates regime.	<b>9 RED</b>																	
The Workforce Development Plan fails to reflect the future shape of the Council; ensuring appropriately qualified / experienced staff - are in the "right place at the right time".	<b>4 GREEN</b>																	
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.	<b>6 AMBER</b>																	
The Council needs to be prepared for the impact of the Localism Bill; this presents both opportunities, e.g. power of competency, and risks e.g. referenda	<b>6 AMBER</b>																	
The amount of money received from the NHS to manage public health is insufficient to meet the performance outcomes expected by Government	<b>6 AMBER</b>																	
The Council fails to manage the expectations of residents and service users in light of funding reductions.	<b>6 AMBER</b>																	

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**COUNCIL MEETING**  
**11 SEPTEMBER 2013**  
**LEADER'S STATEMENT**

Madam Mayor, Members and Officers of the Council, there has been one meeting of the Cabinet since the last meeting of the Council.

Before I get to that I have to start my statement with the details of further, deeper, cuts that the Government are forcing us to make in 2014/15 and 2015/16 to the Council's already depleted budgets.

For 2014-15 the Council had agreed at the budget meeting back in February to cut make cuts of **£7.432m**. However in the Chancellor's March budget there was reference to a further 1% reduction in Government funding. This has now been confirmed by DCLG which means we now have to find a total of **£10.166m** a rise of another **£2.2m**.

As if this wasn't bad enough we then got the Chancellor's announcement on June 26<sup>th</sup> of the outcome of his Comprehensive Spending Review for 2015-16 where he slashed another 10% off the funding for local government.

We have now received the technical papers for 2015-16 and I have to ask when is a 10% cut not 10% cut? Well it's when it becomes an Eric Pickles special and suddenly without any fanfare to the tabloids, I wonder why? We have now a **14%** cut, yes a **14%** cut which means at least **£16m** pounds of yet more devastating cuts to our services on top of the **£28m** we have already identified up to the end of 2013-14. By the time we get to the end of 2015-16 this total rises to **£54m**. **I am not often lost for words, but what I can say to that, at least Dick Turpin wore a mask.**

In effect the actions of Eric and his chums means that some **£750** per Bury household has been ripped out of our budgets. This of course doesn't include any demand pressures we are facing in Adults and Children's Services.

Our Eric talks the talk to feed the tabloid press but operates in the dark underworld where he sneaks out details of the real cuts story well away from the prying eyes of Parliament and the press. And then has the gall to say final details will not be available until after Christmas, just one month before we have to set our budget. This is something no Secretary of State has ever condoned but there again he is no lover of local government and is quite happy to see Council's who are on the front-line make these savage cuts.

Nobody can tell me that a government can slash Council budgets by over 50% and still talk of '**we are all in this together**'. I haven't seen Eric's budgets or any of the Whitehall Departmental budgets cut by over 50%, and so Madam Mayor those words '**we are all in this together**' will ring very hollow for many of our most vulnerable residents here in Bury for many many years to come.

In Bury we believe deeply about fair play and being treated as we would wish to treat others, but this latest swathe of savage and unfair cuts is beyond the pale. They mean that we will see much more hardship; many more vulnerable, and not so vulnerable, people being affected and most of all we see the public being hoodwinked by the master of the dark arts into believing Council's are wasteful and can carry on providing more for less.

Madam Mayor, we cannot just sit back and let Pickles and chums carry on decimating local services with impunity. I've talked many times in this Chamber about the need for a Fair Deal for Bury and every time the opposition Members have shied away from joining us and shied away from taking the fight to Eric. Well now it's time for them to nail their colours to the mast.

I know this will be difficult for Members opposite and so I want to take it one step at a time. I will be writing to the Secretary of State later this week in response to his invitation to comment on the latest figures. I want this letter to be an all party letter. I now challenge them to say whether they will put Bury people, Bury services and Bury Council before national party loyalty and join me in signing this letter.

It's time to stand up and fight for the people of Bury and I sincerely hope they will join this administration/me in this fight.

I will now move on to the work of the Cabinet...

### **Corporate Plan Progress Report**

At the last Cabinet we considered the Corporate Plan's end of year position for 2012-13 and I'm pleased to say that despite all the pressures facing services, performance remained high. 33 indicators (or 62% of the total reported) improved on the previous year and 10 were just off the pace. Only 2 of the 45 key indicators reported were below target to any significant degree.

### **Corporate Financial Performance – Month 3**

Madam Mayor the Cabinet received a progress report covering the period April to June. Members I am sure will agree that successful budget monitoring provides early warning of potential major overspends or underspends against budgets which Members need to be aware of.



This report drew attention to the fact that based on the most prudent of forecasts; several budget hotspots exist, most notably in Adults and Childrens along with Waste Management which will all need remedial action. Members and officers will continue to examine these areas in more detail at the Star Chambers.

### **GCSE Results**

Madam Mayor, clearly August has been a very important month for many students in our schools and Colleges in Bury who have received their GCSE, AS and A2 results. I would like to extend our heartfelt congratulations to them for their successes and to their teachers, parents and everyone else for all the support they have given them. We are very proud of our young people and hope that they have achieved what they wanted to go on to the next step in their learning or career. If they haven't we are all ready to help them with more advice and support.

It is too early to say very much about the overall position on the GCSE results this year – we won't be able to be definite until later in the year when we get the validated results. However, it looks at this stage that overall results are at least as good as the record breaking results achieved last year at a time when the overall national trend appears to be downwards. Young people in Bury schools, and colleges, receive an outstanding education.”

## **Tourism**

Madam Mayor we all know in this Chamber what a great place Bury is to visit and I am pleased to announce that a combination of our Tourism strategy; strong partnership working and ongoing infrastructure investment programme is paying dividends where the number of stays at hotels and guest houses rose by nearly 20%. In addition, the visitor spending is up 4½% at just over £300m and where increasingly Bury is seen as a destination of choice.

## **LGA Peer Review**

Madam Mayor I am also pleased to announce that as part of this Administration's commitment to openness and transparency I have agreed to a Local Government Association Peer Review to be held this coming November. The Peer review team which includes a Leader and Chief Executive from other Councils will look at:

- Council Priorities
- Financial planning and viability
- Political and Managerial leadership
- Effective Governance and Decision Making
- Organisational Capacity

Once the review team have finished they will provide a report for Cabinet which will be a public document.

### **Sculpture Centre**

I am pleased to be able to announce another exciting new addition to the cultural offer in Bury's vibrant town centre.

A successful funding application to the Arts Council of England means that we will be developing a Sculpture Centre within the art gallery, museum and library complex which will bring a national and regional attraction to the heart of Bury's Culture Quarter. It is anticipated that other funding opportunities (such as the Henry Moore Foundation and Birkbeck) as well as income generated from activities such as conferences, will follow. This new, sculpture centre will give us the opportunity to host touring sculpture collections as well as acting as the visitor centre for the whole of the Irwell Sculpture trail. We intend that the new Sculpture Centre will be fully open by May next year.

### **Straight Ally – Launch Event**

I was pleased to attend the launch of Bury Council's Straight Ally event last week. The Council is recruiting a network of straight employees and elected Members who are publically committed to the development of a more inclusive culture for LGBT employees here at the Council.

## **Fire-fighter Stephen Hunt**

Finally, Madam Mayor, following on from the sad occasion of Drummer Lee Rigby's funeral I, along with Mayor represented the Council last week at the funeral of Fire-fighter Stephen Hunt, who tragically lost his life protecting others whilst searching a building ravaged with fire in Manchester City Centre. I was proud and pleased to see so many people out on the streets around Bury Parish Church to pay their last respects to this brave fire-fighter just doing his job.

Our condolences go out to his family and friends at their tragic loss.

**Madam Mayor that concludes my statement.**

**End**

**Council meeting – 11 September 2013**

**Questions:-**

**The Leader of the Council**

**Question running order:**

**1<sup>st</sup>: Liberal Democrat**

**2<sup>nd</sup>: Conservative**

**3<sup>rd</sup>: Labour**

**1. Councillor Pickstone**

Could the leader outline how much use is made in the Authority (either directly or through contracting in Adult Care or elsewhere) of staff on so called 'zero hour contracts' and staff who are employed at rates less than the 'living wage' (£7.45 an hour).

**A. I would like to thank Councillor Pickstone for his question and to have the opportunity to explain how the Council operates zero hours contracts. Quite rightly the media has highlighted where employers have misused zero hours contracts to provide employees with less favourable terms and limited employment protection. This is not the case in the Council where the rates of pay for the job, entitlement to holiday pay and employment protection rights are all maintained. All zero hours contracts pay an hourly rate of pay that is the equivalent of substantive postholders.**

**The majority of zero hours contracts are used for employees on the Council's Supply Registers. These have been set up to ensure that we have supply staff that we can approach when required and who have undergone the appropriate vetting and assessment processes. This ensures that supply and casual employees are suitably qualified, registered with the appropriate bodies and have undertaken health and safety and induction training.**

**3,473 individuals are employed by the Council on 'zero hours' contracts. Their contracts have been set up in this way to provide supply staff and casual employees to meet seasonal demand, day to day shortfalls in staffing numbers and/or demands for increased capacity to carry out particular tasks. Some individuals hold more than one zero hours contract; there are 3,473 individuals employed in 4,645 individual positions.**

**Hourly rates of pay are based on the rate for the job and comply fully with minimum wage legislation. Rates and range from £5.45 per hour to £19.24 per hour depending on the position. 2,262 individual positions attract an hourly rate of pay that exceeds the "Living wage"**

**2,163 (almost 2/3<sup>rd</sup>) of these individuals are employed by as schools as supply staff including; teachers, teaching assistants & special support assistants, exam invigilators, mid-day supervisors, crèche workers, EDT Social workers and administrative staff.**

**Zero hours contracts are also in operation within Council departments in where Casual supply staff are employed as residential and home care workers in adult care, cleaners, caretakers, leisure centre staff, civic halls - waiting and bar staff, grounds maintenance, catering assistants, refuse collection and admin support.**

**Across the Council as a whole 1,073 individuals are paid an hourly rate of pay which falls below the definition of a living wage" which is £7.45 per hour. In collaboration with the AGMA Authorities Bury Council is committed to working towards the implementation of the "Living Wage"**

**At this stage I do not have specific details on the numbers of zero hours contracts within commissioned services but will provide this information in writing to Councillor Pickstone.**

## **2. Councillor Hussain**

Would the Leader comment on his views about the issue of "Fracking" and what his administration can do to represent any local communities in Bury affected?

**A. There are no proposals for 'fracking' in Greater Manchester or planning applications pending, nor any discussions being held or have occurred regarding 'fracking' in Greater Manchester.**

**AGMA have prepared a briefing note on this issue which I am happy to share with members. (ATTACHED)**

## **3. Councillor Frith**

Does the Leader agree that, with nearly a third of all Bury's jobseekers 16-24 years old, the one million young people unemployed national statistic really hits home. And that the plight of the young unemployed makes all the more shocking the failure of this Government's Regional Growth Fund which, according to its own figures, hasn't created one single job in Bury North, where my ward of Elton is, since the Coalition came to power. Would the Leader join me in encouraging all our local employers to consider making their next position an apprenticeship in support of Action for Jobs?

**A. Just about the greatest priority we should all have is the future of our young people.**

**It is an appalling indictment of this government that we face the prospect of a lost generation. A bleak future faces increasing numbers of our young people due to Government's inept economic policies. The failure of the Regional Growth Fund in creating any local jobs is the latest example of government initiatives that have had zero impact on the economic development of this borough.**

**But this administration has not stood idly by. One of the outstanding successes of this administration has been our commitment to youth employment through our Backing Young Bury campaign. A campaign that has been nationally recognised an example of best practice. Around 70 young people over the past year have benefitted from our partnership work across Bury- through work experience, apprenticeships and jobs with training. Backing Young Bury has facilitated a more proactive role from the Council and through our closer working relationship with businesses. We are able and willing to**

**promote apprenticeships and indeed any employment support for young people. We actively encourage all local employers to work with us to develop and realise employment opportunities. As part of this approach, we have created Apprenticeships within a range of front line and support positions in the Council. In total 30 additional apprenticeships have been established.**

**This Council puts our young people first - our next generation - and will work tirelessly to secure a brighter future for them. To demonstrate this administration's ongoing commitment to tackling the scourge of youth unemployment I will ensure that we will actively encourage employers to bid for Regional Growth Fund monies in Round 5.**

#### **4. Councillor O'Hanlon**

Does the Leader accept that comments made by the Deputy Leader on 3 July 2013 to this Council ("Settling claims is a legal process and I am advised that it is not appropriate to disclose any financial details as this may impede settlement of any outstanding claims" and "..Some things are secret, some things are confidential - this is confidential. At the appropriate time this may well be disclosed to you") and the subsequent response to the Bury Times shortly after , where the Council announced that the information he would not publicly provide in this Chamber was publicly available, were misleading to this Council, not to mention the public, who have a right to know how such significant amounts of Council Tax payers money is spent?

**A. No I most certainly don't accept that the response given by Councillor Smith was misleading. Your question had three parts to it and went well beyond the scope of the Freedom of Information request submitted by the Bury Times. Cllr Smith based his answer on advice from our negotiators that to release all the information requested could prejudice the Council's position at the negotiating table.**

**I totally agree that Council Tax payers have a right to know how their money is being spent and we have always said that once all claims had been dealt with we would be very happy to release this information, including details of the vast sums wasted on legal expenses by the two opposition parties in attempting to defend the indefensible.**

**Council tax payers also have a right to expect that the people they have elected to represent them will act responsibly and not jeopardise their money and their best interests in an attempt to score political points.**

#### **5. Councillor Caserta**

Can the Leader confirm that Unite the Union's propaganda video aimed at teaching children how to organise public protests will not be allowed to be shown in Bury LEA classrooms?

**A. Thank you for your question Councillor Caserta and for drawing what sounds like an excellent resource to my attention – I wasn't aware of it previously. Unlike the party opposite we are very keen to encourage young people to develop political awareness and develop their voice, which is why**

**we so strongly support the Youth Cabinet and events such as Circles of Influence.**

**In terms of showing the video in schools, this is of course a matter for individual governing bodies to consider, but I am sure they will be interested to hear your endorsement of it!**

## **6. Councillor Simpson**

Can the Leader outline what this Council is doing to ameliorate the effects of the Bedroom Tax on the most vulnerable in our community?

**A. The Council is committed to supporting people in severe need and will assist individuals affected by benefit changes to come to terms with the impact of all of the Government's disgraceful and unfair welfare reforms.**

**For tenants affected by the Bedroom Tax the Council will do everything it can to support tenants who engage with the Council by:**

- **Enabling realistic and affordable payment terms to clear arrears**
- **Maintaining a range of payment/collection methods**
- **Extending debt advice and counselling services**
- **Exploring signposting into work options**
- **Prioritising under occupying tenants within the Allocation Policy**
- **Reserving a proportion of suitable Council properties that become vacant for under occupying tenants (the new allocations policy allows us to hold a percentage of 1 and 2 bed properties back for welfare reform cases)**
- **Reviewing, on an individual property basis, the designation of rooms within that property**
- **Holding regular case conferences to discuss solutions and**
- **The judicious use of discretionary housing payments where short term problems are identified**

**Funding has already been secured for an officer to be appointed within 6 Town Housing for a period of six months to manage customers who need to downsize because of welfare reform and the Adult Learning service are now providing courses for those affected.**

**The Council has also committed to the establishment of a borough-wide Credit Union that will make assistance available to all of our citizens. In addition we have made resources available to another Credit Union that is already operating in the north of the Borough.**



## **7. Councillor Pickstone**

Could the Leader inform members on the estimated frequency of road surfacing (all road surfaces) in the Borough based on our current (2013-14) rate of repairs. (The England average reported by the Asphalt Industry Alliance is 54 years.) How does our estimated frequency compare with 5 years ago?

**A. It is an absolute fact that the Highways Infrastructure nationally is in such a poor state and one which Government should be recognising and addressing. But our capital grants have reduced from £2.199m in 2009/10 to £1.79m in 2013/14 i.e. by £400k.**

**It is also noteworthy and perhaps concerning that Cllr Pickstone utilises statistics that are from an organization (The Asphalt Industry Alliance) who have a vested interest – of course they would like to see more re-surfacing work carried out!!**

**To answer the question, no it is not possible to provide a meaningful estimate for our 2013/14 rate of resurfacing repairs at this stage of the year.**

**The figures quoted in the report Cllr Pickstone is referring to are subject to significant annual fluctuations, partly as a result of one-off funding that has been allocated by Government over recent years.**

- **5 years ago the average frequency would have been 101 years**
- **In 2011/12 it would have been 66 years**
- **In 2012/13 it would have been 160 years**

**It must also be understood re-surfacing is not the only type of maintenance work undertaken. The report quoted by Cllr Pickstone does not reference at all the surface treatment work that goes on annually.**

**We are piloting new methods of surface treatment works to improve the condition of highways as best we can in what are very challenging financial circumstances.**

## **8. Councillor Walker**

At the last Council Meeting on the 3rd July, Mr Tony Lloyd, the Police & Crime Commissioner informed us that he had changed his mind and decided to appoint a deputy who would take his place if he was unable at some future stage to fulfil his duties for any reason. Could the Leader confirm that this is a legally correct procedure and could he also inform of the annual cost of such an appointment?

**A. The Commissioner does have the legal powers to appoint a Deputy Police and Crime Commissioner. The Deputy Police and Crime Commissioner was appointed on 26<sup>th</sup> July, 2013 following an open and independent selection process. Sixteen people applied for the role, and an independent panel selected five for interview. The panel comprised: Rochdale Council leader and chair of the Association of Greater Manchester Authorities Police and Crime Steering Group, Councillor Colin Lambert; independent Police and Crime Panel**

member, Maqsood Ahmad; and former Manchester Evening News editor Paul Horrocks. The panel interviewed the five candidates before putting forward three for the Commissioner to interview and make the final decision. As part of the application process, candidates were asked to answer a series of questions about their suitability for the role. The salary is £55,000 per annum. This information and further details is available on the following website [www.gmpcc.org.uk](http://www.gmpcc.org.uk).

### 9. Councillor Cassidy

Can the Leader provide a comparison of how the number of working age people on out of work benefits in Bury compares with that of other Greater Manchester Authorities?

**A. In Bury 16.0% of working age people are receiving benefits compared to 17.9% across Greater Manchester. Thanks to the hard work of a wide number of agencies in the borough, and to the support that local businesses have provided to Backing Young Bury, we have the third lowest proportion of claimants after Stockport and Trafford.**

### 10. Councillor O'Hanlon

Could the Leader update members on the charges the Authority is facing to waste disposal and why these are currently expected to be above budget? What has the actual change in tonnage been that has caused this change? How does this impact on financial projections going forwards?

**A. Waste disposal costs the Council in excess of £13m per year. Each tonne of non-recycled waste sent for disposal through the WDA costs £270.41 in the current financial year, compared with an income of £25 per tonne for recycled paper, glass, bottles & cans. The budget for the WDA levy includes these charges based on estimated tonnages, which we update annually. During the year we monitor the tonnages sent for disposal very closely to identify any variances. In the early months of the current year we identified that some tonnages for some waste streams, particularly street cleaning, were higher than forecast, resulting in a projected overspend. More recently though the street cleaning tonnages have reduced and are back in line with previous years. This will be reflected in future financial forecasts. As the costs of disposing of waste are significant I would urge all residents and visitors to recycle as much of their waste as possible, including using the recycling waste bins recently installed in town centres to minimise the costs to the Council .**

### 11. Councillor Gunther

Can the Cabinet member for Leisure, Tourism and Culture confirm that the floor space allocated to Bury Art Museum is to be increased at the cost of reducing the space currently allocated to the Central Library?

**A. The Leader in his earlier statement tonight referred to the exciting new development in the shape of a successful funding bid to the Arts**

**Council that will deliver a Sculpture Centre within our Library and Art Gallery building here in Bury. This new facility will, as the Leader has indicated, have a national and regional significance and help support our already hugely important tourism and cultural offer. An important objective of our Economic Development Strategy is to continue the strengthening of Bury's cultural offer and to grow the visitor economy. We strive to ensure that our cultural products, activities and events integrate with our existing retail and leisure attractions.. This Sculpture Centre development helps ensure that our offer moves forward, and further enables Bury to provide a vibrant mix of activity the appeals to a range of age groups.**

**The introduction of the Sculpture Centre is wholly consistent with the proposals put forward in the two phases of Plan for Change Reviews of the Library Service. Phase 1 of the Plan for Change Review of the Library Service focused primarily on the re-structuring of services primarily at Bury Library. This Phase 1 Review identified a number of agreed actions in relation to Bury Library, including:**

- Retention of Library opening hours**
- No aspect of the current service would be withdrawn,**
- Introduction of innovative and modern service delivery, including the expansion of self service through the use of RFID Radio Frequency Identification.**
- Retention of the computer room with internet access**
- Co-location options to be explored.**

**Possible partners to share the Bury Library complex have ranged from suggestions of a coffee shop, food outlet, Citizens Advice Bureau, to other council partners such as the Bury Carers Service or other office space for the Council; and also to developing co-location within our own service for example with the Art Gallery and Museum Service. The crucial consideration in introducing the Sculpture Centre has been that of retaining all the Library services we have traditionally delivered, as well as opportunities for joint working. Alongside this will be a reduction in the physical library "footprint" with the proposed staffing establishment alongside the introduction of the updated self service provision. The continuing development of library e-services e.g. e-books, will also partly mitigate against reduction in physical stock, alongside our established request system.**

**Just to make absolutely clear- All existing library provision will continue. The opening hours will remain as at present. The Computer Centre will remain and additional space for community group activities will be available in the new community room in the Art Gallery area upstairs as well access to the new Sculpture Centre Workroom area.**

**Can I also make clear that there are no further reductions in staffing levels over and above those originally proposed in the Phase 1 report as a result of this development.**

**I look forward to the opening of the new Sculpture Centre to the public in May 2014.**

## 12. Councillor Quinn

Could the Leader tell the Council, according to the latest estimates, how much Bury's Government grant has been cut and whether or not other southern authorities have been hit in the same way?

**A. Bury's Start Up Funding Allocation will be cut by a further 13.96% in 2015/16 despite the Chancellor announcing in the Spending Review that local government would face a 10% reduction. For Bury this means that another £9.9m will be cut from our Government support and the Leader has already indicated just how underhand the Government have been in the way that they have dealt with this announcement and he has set out just how devastating this cut will be for local council services.**

**As always, it is clear that southern authorities have been hit less hard by the Government cuts. Detailed analysis shows that the most deprived authorities in England will receive a much higher cut in funding compared to the least deprived authorities. The most deprived authorities will each receive a cut in funding of around 14 to 15% whereas, for example, Wokingham, one of the least deprived authorities, will receive a much lower cut in Start Up funding in 2015-16 of 9.9%. Yet again the Government is looking after its own.**

## 13. Councillor Gartside

Does the current Labour administration have any plans to either help or further penalise motorists who wish to visit our town centre?

**A. In terms of helping motorists the following initiatives are in place:**

- **Pay by phone/cashless parking making it more convenient for motorists who don't have any change when parking or wish to extend their parking without returning to their vehicle.**
- **Electric vehicle charging points at various locations in the town centre**
- **Street Safe Initiative – 20 mph zones that aim to promote a safer driving environment for motorists**
- **We continue to review the bandings in place at our car parks, last year introducing an additional 4 hour band on the Market car park.**

**I'm assuming the reference to penalising motorists pertains to the introduction of Sunday parking charges and the removal of 15 minutes free parking. It is highly regrettable that we are having to introduce these charges but the stranglehold that is being put on Local Government finances is such that income generation has to be considered and they are common place in many authorities around the country. Indeed both The Rock and Millgate multi-storey car parks have charged for Sunday parking for several years.**

## 14. Councillor Fitzwalter

Would the Leader join me in congratulating Ramsbottom for being the first place in Bury to set up a Credit Union in partnership with the highly successful and well established Mid Rossendale Credit Union and to remind people that it starts on the 9 September?

**A. I am delighted to congratulate Ramsbottom on this achievement. In particular I would like to pay tribute to yourself and Councillor Columbine for all the hard work you have put in, along with the relevant Cabinet members, to make this happen.**

**The Credit Union will play a vital role in helping out people who have been hardest hit by this Government's economic policies and welfare reforms.**

**I am also pleased to confirm that the borough-wide Credit Union will be launched in October and it will operate out of the old Argos building in Bury town centre.**

#### **15. Councillor Daly**

Now that phase 2 of the libraries review has been implemented, could the Cabinet member for Leisure, Tourism and Culture confirm how confident she is that the required savings will be made on time?

**A. Cabinet approved proposals on 10 July for changes to the library service to meet the savings targets in Plan for Change. Libraries will be retained in their current premises across the Borough, with savings made by reducing staffing levels and using self service technology.**

**The supplier of the self-service technology has been selected and the system is due to go live in Bury Library in October 2013, with subsequent rollout to other sites on a phased basis, as agreed.**

**Staff are currently being consulted on the reductions in the staffing establishment under s188 of the Trade Union Labour Relations Act. This consultation closes on 30 November, with the intention that the new structure would be in operation by no later than April 2014.**

**We are well on track and I have no reason to doubt our ability to meet the required savings on time.**

#### **16. Councillor Columbine**

If we are to lose one third of our Councillors as suggested by our colleagues opposite, can I suggest that we might start by volunteering the Conservative Members for this cut? They constitute about a third of the Chamber, are dismissive of the work of the Council, support a Government who are actively rolling back local democracy and seem to be in favour of smaller government. What does the Leader think?

**A. I would agree!!!!**

**On a serious note this announcement by the Tory Group is a diversion tactic from the real issues facing the Council. Instead of posturing they need to nail their colours to the mast and stand up for the people of Bury.**

#### **17. Councillor Jones**

What has been the uptake on trade waste recycling since the Council launched it earlier this year?

**A. We currently have a total of 1140 trade customers. Of these, 130 switched to recycling mixed materials (glass, cans and plastic bottles) with a total of 258 bins, and 150 committed to recycling paper and card, with a total of 274 bins.**

**We continue to actively promote the trade waste recycling service with all our trade customers and are very grateful for so many responding to the initiative in such a short space of time.**

### **18. Councillor S Smith**

Could the Leader provide an update on the work the Council and our partners have done to reduce ASB as part of the Greater Manchester wide Safe4Summer initiative.

- A.**
- **Council ASB Team, Fire Service and Police did Safe4Summer presentations in six secondary schools across the borough in the run up to the summer holidays.**
  - **Communities stand at the Fire Service Open Day promoting Safe4Summer messages and GM competition to win an IPAD competition**
  - **Safe4Summer Launch in Kay Gnds on 25th May 2013 in partnership with Youth Service. Young people could have a go on the climbing wall, pick up some giveaways, enter our competition and find out all the stuff going on in Bury during the school summer holidays.**
  - **Promoted and supported the Fun Active Bury Activities which took place every Friday night in Whitehead Park and Saturday night in Manchester Road Park during the school summer holidays.**
  - **Fire Service ran weekly caged soccer sessions in Clarence Road Park and Burrs Country Park**
  - **Police ran enforcement campaigns in both north and south of the Borough.**
  - **Council ASB Team and Youth Service supported advice surgeries at New Kershaw Centre for young people caught committing ASB and their parents**
  - **Council hosted a bespoke Safe4Summer webpage with advice and information about how to keep safe and out of trouble over the summer and ensured that other activities that were taking place over the summer months were branded with the Safe4Summer logo.**
  - **Received good media coverage as a result of the Council's Safe4Summer press release including an interview with Radio Manchester earlier in the summer.**
  - **In terms of impact, the Council has had positive feedback from participants in the initiative; a full evaluation of the Safe for Summer initiative and its impact on ASB figures will be available towards the end of the year.**

27 AUGUST 2013

**UNCONVENTIONAL OIL AND GAS EXPLORATION IN GREATER  
MANCHESTER**

<b>Report Of:</b>	<b>Eamonn Boylan</b> , Lead Chief Executive for Planning and Housing Commission, AGMA
<b>Contact officer:</b>	<b>Chris Findley</b> (Assistant Director Planning and Transport Futures, Salford City Council) and Anne Morgan (AGMA Planning Strategy Manager)
<b>Wider Leadership Team Lead Officer:</b>	<b>Eamonn Boylan</b> , Lead Chief Executive for Planning and Housing Commission, AGMA

**PURPOSE OF REPORT**

This report is for information and provides an overview of unconventional oil and gas exploration in Greater Manchester and list of frequently asked questions.

**RECOMMENDATIONS**

To note this report.

## BACKGROUND

There are no proposals for 'fracking' in Greater Manchester or planning applications pending, nor any discussions being held or have occurred regarding 'fracking' in Greater Manchester. However the prospect of exploratory drilling for coal bed methane in parts of GM (which does not involve a fracturing process), the existence of shale deposits which might interest the industry across GM and the extensive publicity being given at a national level to fracking with protests in Sussex to Cuadrilla's activities, and elected members being e-mailed on the issue by anti-fracking campaigners, requires everyone to have a greater understanding of the issue. The purpose of this note is therefore to provide information and a checklist of answers to questions which may be asked.

Hydraulic fracturing or 'fracking' of shale to extract natural gas has recently received national and local press coverage and local members have received e-mails enquiring about fracking. The Department for Communities and Local Government has also recently (July, 2013) produced "Planning practice guidance for onshore oil and gas" which amongst other matters sets out the Governments approach to the recovery of onshore gas by the hydraulic fracturing of shale. This can be found at the link below.

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/224238/Planning\\_practice\\_guidance\\_for\\_onshore\\_oil\\_and\\_gas.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/224238/Planning_practice_guidance_for_onshore_oil_and_gas.pdf)

If any commercial interest came forward in Greater Manchester then the individual districts will work with the Greater Manchester Waste and Minerals Planning Unit in dealing with any planning issues. The relevant planning policies that would be considered in dealing with fracking interests are contained within the Greater Manchester Minerals Local Plan (Joint Development Plan Document) which was adopted this year. This requires careful consideration of the environmental impacts of fracking. Any fracking proposals or any planning application submitted with regard to fracking would be subject to extensive technical and public consultation.

## PROCESS

A "Frequently Asked Questions" document on unconventional oil and gas is attached (Appendix A). Unconventional gas and oil resources are those which cannot be extracted using standard drilling techniques. The gas itself is the same as other forms of natural gas and could provide both industrial and domestic power. It has the potential to be an important new source of energy for the UK. The continuing decline in natural gas from the North Sea means that unconventional gas is likely to become an increasingly attractive alternative potential source of gas. It is important to note that the likely future interest in exploration and production is highly dependant on the price of oil.

The nature of the oil and gas exploration, appraisal and processing operations are very different from conventional mineral workings and are significantly less intrusive in terms of their limited land-take and more flexible locational



requirements. There are three phases of onshore oil and gas extraction (conventional and unconventional):

- exploration;
- testing (appraisal);
- and production.

Planning permission is required for each phase of oil and gas extraction from the Minerals Planning Authority. In Greater Manchester the 10 districts are also Mineral Planning Authorities. The granting of planning permission for exploration and appraisal of unconventional gas opportunities does not include the presumption that long term production from those wells, or the development of further wells, will be permitted. Options for further development of the area will have to be presented as part of the initial planning application to enable the Mineral Planning Authority to consider the potential long term environmental impacts of the development.

In Greater Manchester, unconventional gas resources are likely to include coal bed methane (CBM) and coal mine methane (CMM). They may also include shale gas. The occurrence of CBM in Greater Manchester corresponds with the location of coal seams. Extraction of CBM can be contemplated at depths of 200-1500m. CMM is produced when methane escapes from coal seams during the working of mines. This gas is not currently mined in Greater Manchester but given the history of coal mining in the area, former mines could offer potential for working. Shale gas is associated with shale rock and its extraction uses new technologies. Drilling depths can be deeper than associated with CBM extraction. Permission was granted in Lancashire for exploratory drilling of shale gas and the Greater Manchester Minerals Plan includes this resource as the potential for extraction may also exist in Greater Manchester.

## **EXISTING ACTIVITIES**

There are no current permissions in Greater Manchester for the extraction of shale gas by hydraulic fracturing -'fracking'. There are three current permissions for the extraction of coal bed methane, however it is important to note that these permissions do not allow for fracking.

### **Salford**

There is planning permission at Barton Moss for drilling 2 exploratory boreholes for coal bed methane appraisal and production. It is not planning permission for shale gas exploration/extraction using fracking. The planning permission at Barton Moss is subject to conditions including levels of noise, dust management, protection of water resources and restoration of the site. IGas anticipates that they will commence drilling in Autumn 2013. The company operating the site at Barton Moss, have stated that under their permission "The drilling will not involve the extraction of shale gas or hydraulic fracturing".

## **Trafford**

Planning permission was granted in September 2010 for exploration, production testing and extraction of coal bed methane at land adjacent to the M60 High Level Bridge and Davyhulme Waste Water Treatment Works and to the South of Trafford Soccer Dome. It is not planning permission for shale gas exploration/extraction using fracking

## **Wigan**

Methane extraction: Alkane Energy UK Ltd were granted permission January 2012 to drill an exploratory borehole to extract mine gas to generate electricity and associated plant etc. This is a site north of Plank Lane (by Bickershaw). They already extract mine gas in Golborne. This is not planning permission for shale gas using fracking.

## **GREATER MANCHESTER MINERALS PLAN**

The Greater Manchester Minerals Local Plan (a Joint Development Plan Document) was adopted by all 10 districts came into force on the 26 April 2013<sup>1</sup>. The Plan provides the planning policy framework for determining minerals planning applications. The Plan also identifies areas where there is likely to be the potential for the future extraction of unconventional gas resources.

## **PETROLEUM EXPLORATORY DEVELOPMENT LICENSES (PEDLS)**

Petroleum Exploratory Development Licenses (PEDLs) covering Salford, Trafford and Wigan (see Appendix B) were granted by the Department of Energy and Climate Change to energy companies in 2008. This is an onshore licence covering oil and gas resources. Onshore and offshore licensing rounds generally take place every year.

Following the release of the British Geological Society report (2013) it is clear that there is the potential for shale gas extraction across the whole of the north west and therefore there may be applications in future for exploration in GM.

The link below shows the full extent of PEDL's issued nationally and show that the two licences that extended into Greater Manchester are part of a much wider area. It must be stressed that the existence of these licences does not imply whatsoever that fracking will occur within the conurbation.

<https://www.gov.uk/oil-and-gas-onshore-maps-and-gis-shapefiles>

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<sup>1</sup> Please see: [http://www.agma.gov.uk/what\\_we\\_do/planning\\_housing\\_commission/our-work/integrated-infrastructure-strategy-for-gm/minerals-and-waste/index.html](http://www.agma.gov.uk/what_we_do/planning_housing_commission/our-work/integrated-infrastructure-strategy-for-gm/minerals-and-waste/index.html)

## APPENDIX A – FREQUENTLY ASKED QUESTIONS

### Frequently Asked Questions (FAQs)

*This note addresses some FAQs associated with conventional and unconventional oil and gas. The FAQ considers issues relating to the following areas:*

- 'Oil and Gas'
- 'Exploration, appraisal and production of oil and gas'
- 'Current planning policy and guidance for oil and gas'
- 'Licencing'
- 'The Planning Process'
- 'Other regulatory regimes involved in licencing / the planning process'
- 'Current shale gas extraction in the United Kingdom'
- 'Current oil and gas activity in Greater Manchester'
- 'Where can I find out more information?'

### Oil and Gas

#### 1) Why are oil and gas important?

Oil and gas are primary sources of energy in the United Kingdom. However, they are both finite natural resources which are being depleted through our energy and manufacturing requirements. Accordingly, there is a national and local need to sustainably secure oil and gas resources.

Unconventional oil and gas (such as shale gas extracted by fracking) is now emerging as a form of energy supply and the Government believes shale gas has the potential to provide the UK with greater energy security, growth and jobs.

The economic benefits of oil exploration can be seen at both a local and national level. It is important to note that the likely future interest in exploration and production is highly dependant on the price of oil. The local economic impact of oil and gas production is significant in supporting local services and direct employment.

#### 2) What is conventional oil and gas?

'Conventional' oil and gas refers to oil and gas resources (also known as hydrocarbons) which are situated in sandstone or limestone rock formations. Conventional oil and gas **does not include shale gas extraction**

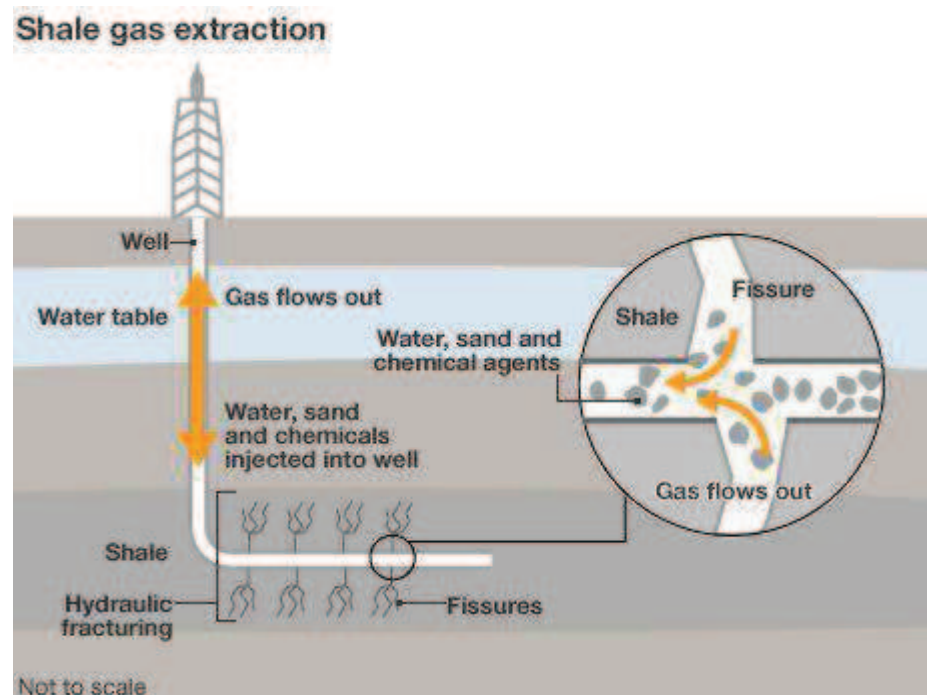
#### 3) What is unconventional oil and gas?

Natural gas produced from shale is often referred to as 'unconventional' and this refers to the type of rock type in which it is found. Shale gas is methane found in rocks deep below the earth's surface which had previously been considered too impermeable ('tight') to allow for economic recovery. technological advancements over the last decade have made shale gas development economically viable.

#### 4) What is hydraulic fracturing ('fracking')?

Hydraulic fracturing or 'fracking' is the process used to release natural gas from shale rock formations. The technique is used to release oil, natural gas including unconventional (shale) gas and oil. This type of fracturing creates fractures from a wellbore drilled into reservoir rock formations, fracturing the rock structure before chemicals and sand mixed in water are injected into the shale. The chemicals and sand prop the fractures open to increase gas extraction and maintain porosity once the rock structure has been fragmented so to allow the shale gas deposits to be extracted.

The process opens and/or extends existing narrow fractures or creates new ones (fractures are typically hairline in width) in gas or oil-bearing rock, which allows gas or oil to flow into wellbores to be captured. The following diagram summarises how shale gas is extracted.



The system is designed to be a closed loop, so that when the high pressure is removed, the hydraulic fracturing fluid returns to the surface for treatment and storage. The flowback water also may contain salts and other dissolved minerals from the shale rock formation. Estimates vary on what percentage of the hydraulic fracturing fluid returns to the surface: from 25-75%. This wide

range is explained by differences in the properties of the shale and its response to the hydraulic fracture.

## **5) What are the concerns being raised about 'fracking'?**

Fracking is a relatively new and emerging process and one which has come under intense environmental scrutiny in the United Kingdom (UK). The main environmental concerns related to shale gas extraction include:

- seismic activities;
- water quantities;
- groundwater; and
- wider environmental concerns.

## **6) Why is 'fracking' water intensive?**

The fracking process can use significant amounts of water as water is injected into the shale to help with the gas extraction process. Water use is greatest at the production stage. When proposing a site for shale gas extraction, developers must ensure that there is sufficient water and infrastructure for their operations, and, where necessary, they would need to apply for an abstraction license from the Environment Agency.

## **7) How is groundwater protected during 'fracking'?**

Groundwater is protected in the fracking process by:

- ensuring the casing around the wellhole is of an adequate standard;
- ensuring adequate distance (and therefore rock) between the fracking activity and the groundwater;
- ensuring the chemicals used and the amounts used render it harmless, should they enter the water supply;
- controlling the storage and disposal of waste from the sites.

The Environment Agency (EA) protects water resources. Where risks to the environment are significant (for example where development is proposed contrary to the EA Groundwater protection policy and guidance), the EA are likely to object to any planning application for the construction and operation of individual wells.

## **8) What are the potential benefits of 'fracking'?**

Proponents of 'fracking' point to the economic benefits from large amounts of formerly inaccessible hydrocarbons the process can extract. The UK government considers shale gas represents a promising new potential energy resource for the UK that could contribute significantly to the UK's energy security (security of supply), reducing reliance on imported gas. The local economic impact of oil and gas production may be significant in supporting local services and direct employment.

## **9) Will shale gas extraction mean cheaper energy?**

Production of unconventional gas could offer the UK additional security of energy supply. However, the actual impacts on energy prices are not fully known as the process is still emerging in the UK.

### **Exploration, appraisal and production of oil and gas**

#### **10) What are the phases of onshore oil and gas extraction?**

There are three phases of onshore oil and gas extraction (conventional and unconventional):

- exploration;
- testing (appraisal);
- and production.

Planning permission is required for each phase of oil and gas extraction from the Council.

**The stages of oil and gas development are highlighted in the following table.**

<b>Phase</b>	<b>What this phase involves (All oil and gas development)</b>	<b>Unconventional extraction</b>
<b>Exploratory</b>	The exploratory phase seeks to acquire geological data to establish whether hydrocarbons are present. It may involve seismic surveys, exploratory drilling and, in the case of shale gas, Hydraulic fracturing.	Exploratory drilling is an intensive activity and may take longer than conventional drilling, especially if there is going to be hydraulic fracturing.
<b>Appraisal</b>	The appraisal phase takes place following exploration when the existence of oil or gas has been proved, but the operator needs further information about the extent of the deposit or its production characteristics to establish whether it can be economically exploited. The length of time take to complete this stage will depend on the size and complexity of the oil or gas reservoir involved.	The appraisal phase can take several forms including additional seismic work, longer-term flow tests, or the drilling of further wells. This may involve additional drilling at another site away from the exploration site or additional wells at the original exploration site. For shale gas it may involve further hydraulic fracturing followed by flow testing to establish the strength of the resource and its potential productive life.

Phase	What this phase involves (All oil and gas development)	Unconventional extraction
<b>Production</b>	<p>The production phase normally involves the drilling of a number of wells. This may be wells used at the sites at the exploratory and/or appraisal phases of hydrocarbon development, or from a new site. Associated equipment such as pipelines, processing facilities and temporary storage tanks. Any additional sites following exploration, will be selected by the operator taking account of what they have learnt or discovered through previous phases. In doing so, they should also take account of their ability to access the resource whilst seeking to minimise or avoid any adverse environmental and amenity issues.</p> <p>Production life of an oil or gas field can be up to 20 years, possibly more. When production ceases, the facilities should be dismantled and the sites restored to their former use, or, in some circumstances, an appropriate new use.</p>	<p>Unconventional oil and gas (such as shale) extraction is emerging as a form of energy supply and there is a pressing need to establish (through exploratory drilling) whether or not there are sufficient recoverable quantities present to facilitate economically viable full scale production.</p>

**11) What is current national planning policy on onshore oil and gas extraction?**

The National Planning Policy Framework (NPPF) sets out minerals planning policy for onshore oil and gas. The Government is clear that responsibility for determining planning applications for onshore oil and gas activities, including for the exploration of shale gas, will be with Minerals Planning Authorities (MPAs) such as the ten Greater Manchester Authorities.

Decisions will therefore continue to be taken in accordance with local plans (in particular the Greater Manchester Minerals Local Plan) and the NPPF. The NPPF also expects Councils to ensure that mineral extraction does not have an unacceptable adverse impact on the natural or historic environment or human health.

**12) What is the current Government position on 'fracking'?**

The Government believes shale gas has the potential to provide the UK with greater energy security, growth and jobs. While shale gas in the UK is in the very early stages of development, scientists from the British Geological Survey (BGS) have estimated that the total volume of gas in the Bowland Hodder shale in northern England at some 1,300 trillion cubic feet. The BGS

is doing further work to establish the amount of shale gas in the Weald Basin in the south east of England.

The Royal Society and the Royal Academy for Engineering published an independent report into the environmental, health and safety risks of fracturing for shale gas in June 2012. This concluded:

- the health, safety and environmental risks can be managed effectively in the UK;
- fracture propagation is an unlikely cause of contamination;
- well integrity is the highest priority;
- robust monitoring is vital;
- an Environmental Risk Assessment (ERA) should be mandatory;
- seismic risks are low;
- water requirements can be managed sustainably;
- regulation must be fit for purpose.
- policymaking would benefit from further research.

In December 2012, following the completion of the reviews of potential for shale and oil extraction, and the investigation into the earthquakes in Lancashire, the Department of Energy and Climate Change announced that 'exploratory hydraulic fracturing (fracking) for shale gas can resume in the UK, subject to new controls to mitigate the risks of seismic activity'.

### **13) What does the Government's new Planning Guidance (July 2013) on onshore oil and gas cover?**

The Government has prepared planning policy guidance on Fracking. The document – “Planning practice guidance for onshore oil and gas” can be found at the following web link:

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/224238/Planning\\_practice\\_guidance\\_for\\_onshore\\_oil\\_and\\_gas.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/224238/Planning_practice_guidance_for_onshore_oil_and_gas.pdf)

As the shale gas industry develops, the Government wants to ensure an effective, locally-led planning system is in place. The guidance provides advice on the planning issues associated with the three phases of extraction.

The guidance states that the exploratory, appraisal or production phase of hydrocarbon extraction can only take place in areas where the Department of Energy and Climate Change (DECC) have issued a licence under the Petroleum Act 1998 (Petroleum Exploration and Development Licence (PEDL)).

### **14) What is Greater Manchester's current planning policy for onshore oil and gas (unconventional)?**

Local planning policies for unconventional gas extraction are contained within the Greater Manchester Minerals Local Plan (a joint Development Plan Document).



In particular **Policy 6** states the following:

*Unconventional Gas Resources*

*Applications for exploration and appraisal, and production wells for unconventional gas resources will be permitted where the applicant can demonstrate that the proposal:*

- 1. Is in accordance with the Key Planning and Environmental Criteria in Policy 2; and*
- 2. Includes options for the next stage of extraction, following exploration; and*
- 3. Includes detailed plans for removal of all equipment and restoration of the site in accordance with a scheme and to a standard approved by the Mineral Planning Authority.*

**Policy 2** of the plan states the following:

*Key Planning and Environmental Criteria*

*All proposals for minerals working or the provision of minerals infrastructure will be permitted where any adverse impacts on the following criteria is avoided*

*or can be appropriately mitigated:*

- 1. Controlled waters and flood risk management;*
- 2. Landscape and visual intrusion;*
- 3. Biological and geological conservation including European sites;*
- 4. Historic environment and built heritage;*
- 5. Best and most versatile agricultural land*
- 6. Infrastructure*
- 7. Traffic and access;*
- 8. Amenity e.g noise, dust, vibration, and odours;*
- 9. Air Quality*
- 10. Land instability;*
- 11. Potential land use conflict;*
- 12. Design, phasing and operational details;*
- 13. Aviation safety.*

The above are the matters that would be taken into account in the consideration of any planning application for fracking.

It should be noted that Minerals Plan Policy 6 refers to all types of unconventional gas resources, including coal bed methane (CBM), coal mine methane (CMM) and shale gas. **Fracking is associated with the extraction of shale gas.**

## **15) What are licences?**

Licences for on-shore drilling and exploration are granted by the Department for Energy and Climate Change (DECC). In the 13th Onshore Licensing Round in 2008, consent was given to drill for shale gas in five locations in the United Kingdom. No method for drilling is specified in the initial licence, as it only conveys exclusivity in an area for the licensee.

Before starting works the operator must also gain a 'well consent' for exploration from the DECC. An operator will then need to seek planning permission from the Council to drill. The granting of a licence for the exploration for the resource does not imply that planning permission would be granted for the extraction of the resource.

The 14th DECC consultation round of PEDLs is ongoing and the area available covers the whole of Greater Manchester. Following consultation new licences could be available covering areas outside those currently licensed. It should be noted that these licences do not give consent for drilling or any other operations, and a range of regulatory processes and controls (including planning control) still apply.

### **16) Are there any unconventional oil and gas ('fracking') licences in Greater Manchester?**

Licences (conventional and unconventional oil and gas in Greater Manchester have been issued by the Department for Energy and Climate Change (DECC)

Existing licences (for both conventional and unconventional oil and gas) in Greater Manchester are outlined in the following map:

In an area that has been granted a licence from DECC, potential operators still need to obtain:

- consent from the landowner;
- planning permission of each stage of development (explorations, extraction and production);
- regulatory consents (such as from the Environment Agency); and
- an additional consent from DECC for drilling operations.

DECC will also consider the view of the Health and Safety Executive in coming to the final decision. DECC states that 'final consent to any well or well operations is dependent on confirmation that all other necessary permits and consents have been obtained'. Before starting works the operator must also gain a 'well consent' for exploration from the DECC. An operator will then seek planning permission from the Council to drill.

There are two licences currently covering parts of the Borough. PEDL 165 covers the northern parts of Wigan and PEDL 193 covers parts of Salford and Trafford and the southern parts of Wigan.

It must be stressed that the existence of these licences does not necessarily mean that fracking will occur in the Borough. Moreover, when they were issued in 2008 the concept of fracking was not known to the extent to which it is today.

## **The Planning Process**

### **17) What does the planning application process for fracking development entail?**

Planning permission is one of the main regulatory requirements that operators must meet before drilling a well, for both conventional and unconventional oil and gas.

The planning system controls the development and use of land in the public interest and this includes:

- ensuring that new development is appropriate for its location taking account of the effects (including cumulative effects) of pollution on health, the natural environment or general amenity, and
- the potential sensitivity of the area or proposed development to adverse effects from pollution.

In doing so the focus of the planning system should consider whether the development itself is an acceptable use of the land; the impacts of those uses and any control processes.

### **18) How will the community be consulted on any planning application for oil and gas development?**

Public consultation forms an important part of every minerals or waste planning application (including oil and gas). Following submission on an application for oil and gas development, the local community in which the proposal is located will be consulted.

For shale gas development, the industry's own charter sets out that communities must be engaged from the very start of any planning application process.

### **19) If planning permission is granted, what else is required before shale gas extraction can commence?**

If the Council grants permission to explore oil and gas resources, Department of Energy and Climate Change (DECC) will consider an application to drill and at least 21 days before drilling is planned.

The Health and Safety Executive (HSE) must also be notified of the well design and operation plans to ensure that major accident hazard risks to people from well and well related activities are properly controlled, subject to the same stringent regulation as any other industrial activity. Before starting works the operator must also gain a 'well consent' for exploration from the DECC.

Once DECC checks the geotechnical information and that Environment Agency (EA) and HSE are aware of the scope of the well operations, they may consent to drilling. At this stage, if the intention is to 'frack', the DECC would impose the new controls introduced in December 2012 which include:

- a geological assessment identifying geological faults;
- a 'Frack Plan'
- monitoring of seismic activity before, during and after fracking.

Following exploration, if operators then wish to go into production to actually extract gas, the company must gain:

- a new planning permission
- a Field Development Consent from the DECC
- an Environmental Permit from the EA.

## **20) What community benefits can be associated with shale gas extraction?**

The shale industry has set out their commitment to community engagement in its Charter. The industry has committed to a package for communities that host shale gas extraction in their area. This includes:

- At exploration stage, £100,000 in community benefits will be provided per well-site where fracking takes place;
- 1% of revenues at production stage will be paid out to communities;

Operators will publish evidence each year of how these commitments have been met. The charter and offer to communities will be regularly reviewed as the industry develops, and operators consult further with communities.

## **Other regulatory regimes involved in licensing / the planning process 21) How does the planning process link to other regulatory regimes?**

The planning and other regulatory regimes are separate but complementary. The planning system controls the development and use of land in the public interest.

Some issues of importance may be covered by other regulatory regimes but may be relevant to the planning process in specific circumstances. For example,

- the Environment Agency (EA) has responsibility for ensuring that risk to groundwater is appropriately identified and mitigated.
- Mitigation of seismic risks – Department of Energy and Climate Change (DECC) is responsible for controls, usually through the licence consent regime, to mitigate seismic risks. Seismic assessment of the geology of the area to establish the geological conditions, risk of seismic activity and mitigation measures to put in place is required by the DECC for all hydraulic fracturing processes;
- Well design and construction – The Health and Safety Executive (HSE) are responsible for enforcement of legislation concerning well design and construction. Before design and construction operators must

- assess and take account of the geological strata, and fluids within them, as well as any hazards that the strata may contain;
- Well integrity during operation – Under health and safety legislation the integrity of the well is subject to examination by independent qualified experts throughout its operation, from design through construction and until final plugging at the end of operation;
  - Operation of surface equipment on the well pad – Whilst planning conditions may be imposed to prevent run-off of any liquid from the pad, and to control any impact on local amenity (such as noise), the actual operation of the site's equipment should not be of concern to MPAs as these are controlled by the EA and the HSE;
  - Mining waste – The EA is responsible for ensuring that extractive wastes do not harm human health and the environment. An environmental permit is required for phases of hydrocarbon extraction and this will require the operator to produce and implement a waste management plan;
  - Chemical content of hydraulic fracturing fluid– This is covered by the environmental permit as operators are obliged to inform the EA of all chemicals that they may use as part of any hydraulic fracturing process;
  - Flaring or venting of any gas produced as part of the exploratory phase will be subject to DECC controls and will be regulated by the EA. Councils will, however, need to consider how issues of noise and visual impact will be addressed;
  - Final off-site disposal of water – Water that comes back to the surface following hydraulic fracturing may contain naturally occurring radioactive materials. Whilst storage on-site and the traffic impact of any movement of water is of clear interest to local authorities, it is the responsibility of the EA to ensure that the final treatment/disposal at suitable water treatment facilities is acceptable;
  - Well decommissioning/abandonment – Following exploration, the well is likely to be suspended and abandoned for a period of time. Health and Safety Legislation requires its design and construction that, so far as reasonably practicable, there is no unplanned escape of fluids from it.

The Council is responsible for ensuring sites are restored through planning permissions granted.

## **22) What is the role of the Department of Energy and Climate Change (DECC)?**

DECC issues Petroleum Licences, gives consent to drill under a Petroleum Exploration and Development Licence which gives operators exclusive rights to explore for, and develop the resource. Licences are issued once other permissions and approvals are in place, and have responsibility for assessing risk of and monitoring seismic activity, as well as granting consent to flaring or venting.

## **23) What is the role of the Environment Agency (EA)?**

The EA protects water resources (including groundwater aquifers), ensures appropriate treatment and manages any naturally occurring radioactive materials. The EA may also require an Environmental Permit at the exploration phase. It is also likely to require an abstraction licence if more than 20,000 litres of water per day is to be abstracted as part of the development.

**24) What is the role of the Health and Safety Executive (HSE)?**

The HSE regulates the safety aspects of all phases of extraction of oil and gas and has a particular responsibility for ensuring the appropriate design and construction of a well casing for any borehole.

**Current shale gas extraction in the United Kingdom**

**25) Where does fracking take place in the United Kingdom (UK) currently?**

There are large reserves of shale gas beneath the UK, but it is not known what fraction of this could be economically viable to access. Currently, there is only one well in the UK has been partially fractured and tested in Lancashire.

The Government placed a temporary moratorium on fracking to allow for investigations into the small earthquakes in Lancashire in late 2011. This was completed and concluded they may have been caused by the shale gas extraction and recommended a series of safeguards to prevent a similar situation occurring in the future. In December 2012 the Department of Energy and Climate Change announced that 'exploratory hydraulic fracturing (fracking) for shale gas could resume in the UK, subject to new controls to mitigate the risks of seismic activity.

**Currently, there are no shale gas extraction or fracking activities taking place in Greater Manchester.**

**26) Are there any known proposals for 'fracking' in Greater Manchester?**

Currently, there are no shale gas extraction or fracking activities in Greater Manchester. There have been no pre-application discussions with any operators for fracking in Greater Manchester. We do not have any knowledge of any interest and we do not have any planning applications for extraction of unconventional gas using fracking techniques currently pending.

**27) Are there any planning permissions for other types of unconventional gas extraction in Greater Manchester (ie. not involving fracking)?**

There are three current planning permissions for the extraction of coal bed methane (CBM, an 'unconventional gas') in Greater Manchester. CBM is the generic name given to gases locked into coal measures. This CBM gas can be released by drilling directly into unworked coal seams and offers a method of extracting methane from the coal bed without detrimentally affecting the physical properties of the coal.

Extraction of coal bed methane does **not** involve fracking.

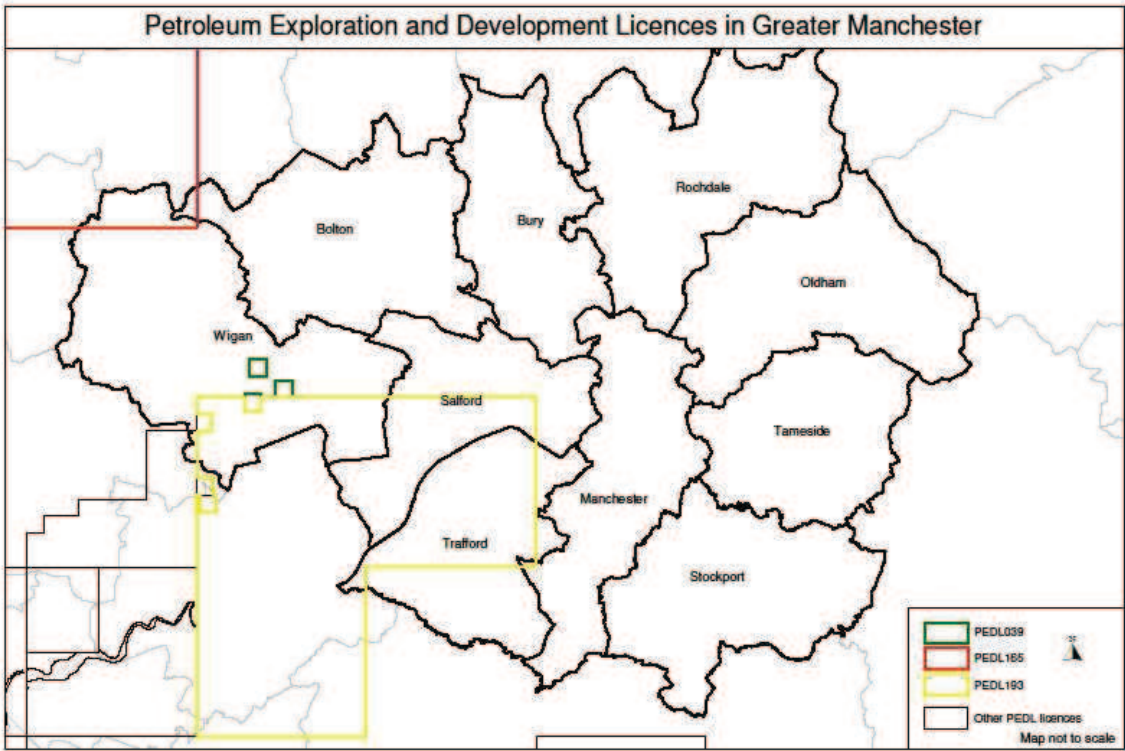
An application was submitted to **Salford** City Council, Planning Application 10/58590, for drilling 2 exploratory boreholes for CBM appraisal and production on land north of Barton Moss road. Planning permission was granted in June 2010.

An application was submitted to **Trafford** Council, Planning Application 74681/FULL/2010, for exploration, production testing and extraction of coal bed methane on land adjacent to the M60 High Level Bridge and Davyhulme Waste Water Treatment Works and to the South of Trafford Soccer Dome. Planning permission was granted in September 2010.

**Wigan**, methane extraction: Alkane Energy UK Ltd were granted permission January 2012 to drill an exploratory borehole to extract mine gas to generate electricity and associated plant etc. This is a site north of Plank Lane (by Bickershaw). They already extract mine gas in Golborne.

It should be noted that neither of these permissions permit for the extraction of shale gas using fracking techniques.

APPENDIX B – CURRENT LICENSED FIELDS.





## **COUNCIL**

**11 SEPTEMBER 2013**

### **JOINT AUTHORITY QUESTIONS**

#### **Greater Manchester Fire Cllr O'Hanlon**

Could the Authority's Spokesperson on Greater Manchester Fire Authority inform member on the impact there would be on residents in Prestwich on downgrading Broughton Fire Station to having one (down from two) fire engines in use, and five, (down from eight) fire fighters on duty.

(Councillor Matthews to respond)

**A. 'In Greater Manchester Fire & Rescue Service we have 66 Fire Engines stationed across 41 Stations – some Stations have 2 Crewed Fire Engines, some have one fully Crewed Engine plus a strategic reserve (which can be Crewed up when demand requires it) and some have one Crewed Fire Engine.**

**Broughton is proposed to have one fully Crewed Engine plus a strategic reserve (which can be Crewed up when demand requires it). The fully Crewed Engine will have 5 staff on it. Our Fire Control are constantly moving Engines around to give the best Fire Cover dependent upon what is happening at any one time. The Fire Engines do not just stay and deploy from a Station. If Engines are out or at another incident, Control move other Engines to cover. So it isn't helpful to try and focus on just the Engines from one Station.**

**I would ask people to go to our Homepage – and there is a lot of information there; including about these proposals. I would ask you to follow the link below and in particular watch the short film-clip which explains 'fire cover' and also use the postcode checker.**

**With regard to the specific question – yes the proposal is to have one Crewed Engine with 5 staff on instead of two with 8 (4 and 4) – but overall fire-cover will hardly change, as all the other surrounding Engines will be utilised also.**

**The change asked about is part of a package of measures which are necessary to address the multi-million pound cuts we are facing; and the approach to consultation is to say 'these are our proposals; but do you have better ideas which still deliver the necessary savings.'**

**[http://www.manchesterfire.gov.uk/my\\_area/response\\_times.aspx](http://www.manchesterfire.gov.uk/my_area/response_times.aspx)**

## **Transport for Greater Manchester**

### **Cllr Pickstone**

Could the Authority's Spokesperson on Transport for Greater Manchester inform members what the views are of Transport for Greater Manchester of measures taken by bus operators to 'run to time' - e.g. buses not picking up passengers when a bus is five minutes late, and buses waiting excessively part way on a journey.

### **Cllr O'Hanlon**

Could the Authority's Spokesperson on Transport for Greater Manchester inform members what the cost has been so far of determining the name of the smart travel card 'Get Me There'.

### **Cllr Pickstone**

Could the Authority's Spokesperson provide comparison information on the Ring and Ride service provided by GMATL between the period since operation of the scheme was transferred from a Bury base to a Greater Manchester base? Has there been an increase/decrease in the number of requests that are unable to be met? Has there been an increase/decrease in the number of complaints? Has there been an increase/decrease in the number of pick ups which are recorded as late?

(Councillor Noel Bayley to respond)