

Public Document Pack

AGENDA FOR

OVERVIEW AND SCRUTINY COMMITTEE

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To: All Members of Overview and Scrutiny Committee

Councillors : S Carter, D Cassidy, A Cummings, J Daly,
L Fitzwalter, M Hankey (Chair), P Heneghan, M James,
S Nuttall, D O'Hanlon and T Tariq

Dear Member/Colleague

Overview and Scrutiny Committee

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

Date:	Tuesday, 14 January 2014
Place:	Peel Room, Bury Town Hall
Time:	7.00 pm
Briefing Facilities:	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.
Notes:	

AGENDA

1 APOLOGIES

2 DECLARATIONS OF INTEREST

Members of the Overview and Scrutiny Committee are asked to consider whether they have an interest in any matters on the agenda and, if so, to formally declare that interest.

3 MINUTES (*Pages 1 - 4*)

Minutes of the last meeting held on 4 December 2013 are attached.

4 PUBLIC QUESTION TIME

A period of 30 minutes has been set aside for members of the public to ask questions on matters considered at the last meeting and set out in the minutes or on the agenda for tonight's meeting.

5 BURY HOUSING STRATEGY 2014-2024 (*Pages 5 - 58*)

A report from the Cabinet Member for Adult Care Health and Housing is attached.

6 MEDIUM TERM FINANCIAL STRATEGY (*Pages 59 - 102*)

A report from the Deputy Leader of the Council and Cabinet Member for Finance and Corporate Affairs is attached.

7 OVERVIEW PROJECT GROUPS - UPDATE

8 URGENT BUSINESS

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

Minutes of: OVERVIEW AND SCRUTINY COMMITTEE

Date of Meeting: 4 December 2013

Present: Councillor M Hankey(in the Chair);
Councillors D Cassidy; A J Cummings; J Daly; L Fitzwalter;
M James; P Heneghan; S Nuttall; D O’Hanlon and T Tariq

Public in attendance: No members of the public were present at the meeting.

Also in attendance: Councillor J Smith– Deputy Leader of the Council and Cabinet Member for Finance and Corporate Affairs

Apologies for absence:

OSC.xxx DECLARATIONS OF INTEREST

Councillor Heneghan, as a Deputy Cabinet Member, declared a personal and prejudicial interest in all matters relating to issues within the Children and Families portfolio

Councillor Tariq, as a Deputy Cabinet Member, declared a personal and prejudicial interest in all matters relating to issues within the Communities and Community Safety portfolio.

OSC.xxx PUBLIC QUESTION TIME

There were no members of the public present at the meeting to ask questions under this item.

OSC.xxx MINUTES

It was agreed:

That the Minutes of the meeting, held on 8 October 2013, be approved as a correct record and signed by the Chair.

OSC.xxx PLAN FOR CHANGE 3

The Committee received a presentation from the Deputy Leader of the Council, the Executive Director of Resources and the Assistant Director of Resources setting out details of revised financial savings requirements for 2014/2015 along with details of how the proposed savings will be met. The presentation provided a breakdown of internal savings that would contribute towards the additional £2.2m savings target for 2014/2015.

With regard to 2015/2016, the Executive Director outlined the scale of the challenge facing the Council that would mean £16m being cut from the budget. In planning for this it was explained that the aim would be to minimise the effect

on residents and employees but stressed that all options would need to be explored, including:

- Service Changes – closures and/or a reduced range of services
- Exploration of alternative ways of delivering services
- Increased waiting times and/or reduced quality of service
- Severe limits to what the Council can afford to do
- Reviewing how the Council is structured.

Questions and comments were invited from the Committee and the following issues were raised:

- In response to a question from Councillor Daly, concerning funding for the Citizen's Advice Bureau, Councillor Tariq explained that consultation on a proposed 10% funding cut from the Third Sector Commissioning Fund was currently underway. In addition, it was also explained that consultations were underway with organisations with regard to a similar 10% proposed cut from the Small Grants Fund. During discussion of this issue it was requested that the issue of how grants are allocated be considered at a future meeting.
- With regard to the issue of the use of volunteers, the Executive Director highlighted the current self management schemes in place and reported on the new arrangements within the Ranger Service. The importance of supporting volunteers to ensure continuation was stressed and reference was made to the current development of a Volunteering Strategy.
- In response to a question from Councillor O'Hanlon, the Deputy Leader acknowledged the importance of employee engagement and highlighted the importance of recognising the hard work of Council employees who have been required to take on extra work as a result of the budget cuts.
- Councillor Fitzwalter commented on the need for strategies to look at the issues of income generation and closer work with other authorities. The Deputy Leader explained that work was on going in these areas. With regard to the issue of shared services, the Executive Director explained that all options were being considered but previous considerations had offered no benefit to Bury as a result of the Authority's low unit costs.
- Councillor O'Hanlon expressed concerns that judgements on value for money and the efficiency of departments was made by the Executive Directors of those departments and suggested that such judgements were not necessarily objective. The Deputy Leader highlighted the rigorous and robust financial monitoring process undertaken through the Star Chambers whereby Executive Directors are held directly to account by Cabinet Members.
- In considering the potential for alternative service delivery models and more outsourced provision in the future, Members acknowledged the importance of effective contract management and holding providers to account through the scrutiny process.

It was agreed:

1. That the Deputy Leader of the Council, the Executive Director of Resources and the Assistant Director of Resources be thanked for their presentation.
2. That the Council's Medium term Financial Strategy be submitted to the next meeting of this Committee

OSC.xxx CORPORATE PLAN PROGRESS REPORT – QUARTER 2 2013-2014

The Leader of the Council submitted a report outlining the progress made on the Corporate Plan during quarter two (2013-2014) for the corporate performance indicators and projects within the Bury Council Corporate Plan.

It was reported that at the Cabinet meeting held on 27 November it had been agreed to reduce the frequency of the reporting of the Plan from quarterly to bi-annually.

Members of the Committee asked questions on a number of performance related issues within the report and an undertaking was given to provide further details in respect of the following:

- The action is being taken to manage the increase in proportion of children becoming subject to a child protection plan for the second or subsequent time.
- Staff turnover, including the number of leavers /number of employees and reasons for leaving the Council.

During discussion of this item it was requested that, when looking to revise the indicators at the end of the year, information relating to the pupil premium be included along the consistent use of cumulative and quarterly figures.

It was agreed:

That this Committee requests that the Corporate Plan continue to be reported on a quarterly basis to Overview and Scrutiny.

OSC.xxx CORPORATE FINANCIAL MONITORING REPORT – APRIL TO SEPTEMBER 2013

The Deputy Leader of the Council and Cabinet Member for Finance and Corporate Affairs submitted a report which informed members of the Council's financial position for the period April to September 2013 and projected the likely outturn at the end of 2013/2014.

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

During discussion of this item, the Assistant Director of Resources confirmed that the £400,000 increased dividend from the revaluation of Manchester Airport had been factored into future years budgets.

In response to a question from Councillor Daly it was explained that revenue from the increase in last year's Council tax had been allocated to fund the pay award;

finance the cost of agreed budget amendments; with any remainder being factored into the £2.2m savings requirement for 2014-2015.

It was agreed:

1. That the Council's financial position as at 30 September 2013 be noted.
2. That the s151 Officer's assessment of the minimum level of balances be noted.

OSC.xxx TREASURY MANAGEMENT STRATEGY – MID YEAR REVIEW 2013/2014

The Deputy Leader and Cabinet Member for Finance and Corporate Affairs submitted a report prepared in compliance with CIPFA's Code of Practice to inform Cabinet members on the following areas:

- An economic update for the 2013/2014 financial year to 30 September 2013;
- A review of the Treasury Management Strategy Statement and Annual;
- Investment Strategy;
- The Council's capital expenditure (prudential indicators);
- A review of the Council's investment portfolio for 2013/2014;
- A review of the Council's borrowing strategy for 2013/2014;
- A review of any debt rescheduling undertaken during 2013/2014;

In response to a question relating to the funding for lending scheme, the Assistant Director of Resources undertook to find out the detailed information and report back to Councillor Carter.

During discussion of this item, the Assistant Director took the opportunity to update the Committee on the processes in place as the Council look to source another bank due to the Co-op bank withdrawing from Local Authority banking.

It was agreed:

That the Treasury Management Team be congratulated on their good performance managing the investments of the Council.

COUNCILLOR M HANKEY
Chair

(Note: The meeting started at 7.00 pm and ended at 8.45pm)

Building Bury's Future

Bury's Housing Strategy

2014 - 2024



Bury
COUNCIL

1.0 FOREWORD

Housing is everybody's business. Having a roof over your head is one of those things that you expect in life but for increasing numbers of people it is becoming increasingly difficult to get onto – and then stay on – the property ladder.



Cllr Rishi Shori
Cabinet Member for
Adult Care, Health &
Housing

At the time of writing, this country is going through a major housing crisis. Too few houses are being built, property prices remain high and the associated costs of accommodation, such as heating and repairs, are increasing rapidly putting a massive strain on household budgets.

It is against this background that we look to this Strategy to provide some hope and relief to local people. We cannot change the economic situation but by taking decisions and using our influence, we can help shape the local housing market and increase opportunities for our residents. With this in mind, the Strategy has twin aims:

Sufficiency – increasing the amount of housing for purchase or let but in keeping with the needs of the Borough. It is not just a question of more properties. Regard has to be paid to the environment and protecting features that build better neighbourhoods and make Bury a great place to live.

Suitability – houses that meet people's needs wherever possible in a location where they want, and can afford to live. This means decent homes, whether bought or rented, that are in reasonable repair, affordable and sustainable. Housing that meets these conditions promotes stable communities and decent neighbourhoods.

Delivering these aims will be extremely challenging but the housing market will pick up. We need to look ahead to promote regeneration, position the Borough to take advantage of opportunities that arise and be primed ready to support economic growth in the Greater Manchester City Region as and when that occurs.

I believe this Strategy does just that. It provides an excellent guide for us to respond to current and future housing pressures across all tenure types, and it gives me great pleasure to present our Housing Strategy 2013-23 – Building Bury's Future.

2.0 INTRODUCTION

The long term vision of our strategy is:

"To encourage a sustainable mix of quality housing in the Borough that is suitable and sufficient to meet the needs of our residents"

This means:

- Encouraging house building – to help meet the demand for accommodation whilst protecting the features that make Bury a great place to live.
- Promoting a balance between different tenure types (owner occupied, private rented, social housing) to maximise residents' choice in where and how they live.
- Promoting affordable housing.
- Working to reduce the number of empty homes in the Borough.
- Working with others to invest in housing, build decent neighbourhoods and improve the quality and sustainability of the housing stock.
- Influencing the market to recognise and support the specific housing needs of older people, people with disabilities and other groups within our communities.
- Supporting the 'Green Agenda' to maximise the energy efficiency of housing.
- Supporting individuals to access housing by providing good quality information, advice and guidance.

The housing picture is more complex than simply a case of supply and demand. With mortgage lending reduced, energy costs growing and income levels less assured, affordability is a big issue. This Strategy recognises these, and the other factors that are affecting demand, in setting out proposals.

The Strategy also takes account of the Council's desired outcomes for the Borough. The priorities identified are fully compliant with the Council's aims of:

- § Reducing poverty and its effects.
- § Supporting our most vulnerable groups.
- § Making Bury a better place to live.

The Housing Strategy has also been shaped by the Council's values. The priorities and action plan clearly:

- '*Put Residents First*' by understanding the needs of the population, identifying what matters to them and putting in place actions that meet their needs.
- '*Empower and Support Communities*' through increasing access to information, advice and guidance on housing resources – and encouraging greater resident involvement in housing projects.
- '*Support People in Greatest Need*' because we have a good understanding of housing need within our communities and the Strategy makes provision for groups (such as older people, people with disabilities) which have specific housing requirements.
- Demonstrate that the approach has been developed in an '*Open and Transparent Way*' through actively listening to people's views and building a robust evidence base to inform our decisions.

3.0 CONTEXT

3.1 National initiatives

National Housing Strategy

In November 2011, the Government launched 'Laying the Foundations: A Housing Strategy for England' which set out a package of reforms to:

- Get the housing market moving;
- Create a more responsive, effective and stable housing market;
- Support choice and quality for tenants;
- Improve environmental standards and design quality.

Key objectives within the strategy included:

- Support to deliver new homes and support aspiration;
- The ability to tackle empty homes; and
- Ensuring better quality homes, places and housing support.

Localism Act 2011

A number of the National Housing Strategy reforms were included in the Localism Act 2011. In seeking to shift power towards local people, the Act included new freedoms and flexibilities for local government; new rights and powers for communities and individuals; reform of the planning system and the devolution of some housing powers.

Much of the housing-related issues within the Localism Act 2011 are addressed in Bury Council's Strategic Tenancy Policy 2013-16; the key issues being:

- **Reform of Social Housing Allocations** to allow local authorities greater flexibility on who should qualify to go on their housing waiting lists.
- **Reform of Social Housing** to enable social landlords to offer fixed term tenancies where an increased flow of customers through the sector would assist in meeting local demand and the prevailing housing conditions.
- **Reform of Homeless Legislation** to allow local authorities to use suitable housing in the private rented sector to discharge their homelessness duties.
- **Reform of Council Housing Finance** to end the subsidy system for rent collection and giving local authorities greater freedoms and flexibilities on income received.
- **Establishment of a National Home Swap Scheme** to encourage greater mobility of tenants to move between areas in order to secure employment.

Affordable Rent

Affordable Rent was introduced as part of the Homes and Communities Agency's 2011/15 Affordable Housing Programme funding round. This form of tenure, where providers can charge up to 80% of the market rent, is intended to shift the balance between grant support and rental income as the means of financing projects. As a result, affordable rent has replaced social rents (which are around 60% of market rents) on future Government-sponsored schemes or projects designed to bring forward affordable housing. Over time, it is also expected that there will be a higher occurrence of conversions from social to affordable rent on existing registered provider stock within the Borough, which will put further pressure on finding accommodation for lower income households.

Welfare Reform

Welfare Reform and its impact on things such as restrictions on Housing Benefit payable to those under 35 years of age, and under-occupancy charges for those claiming Housing Benefit and living in properties deemed larger than their needs, have both had a significant impact on landlords and tenants. There is increasing demand for smaller properties, placing strain on landlords' abilities to meet the requirements of those in the housing greatest need. At least for the short term, this could lead to a change in the size and type of accommodation that is needed.

Empty Homes

Empty homes damage communities. Visually, they impact on the environment and give a poor impression of the neighbourhood, often attracting anti-social behaviour and a lack of investment in surrounding properties. Due to the housing shortage, vacant dwellings have become a national priority with funding available through the Homes and Communities Agency to make individual empty properties suitable for occupation, tackle clusters of empty dwellings and convert empty commercial dwellings into residential units. Successful bids have been submitted by Greater Manchester authorities, including Bury, for the early funding rounds and further bids can be expected should additional money become available.

Green Initiatives

With energy prices rising, 'green' initiatives continue to be championed by Government. This can be seen in terms of a push towards more renewable energy and increased energy efficiency of new housing. The major framework in this respect is 'Green Deal' and energy company obligation (ECO). 'Green Deal' loans have been launched to help households fund energy efficiency measures with costs being recovered through agreed payments attached to electricity bills. Low income households or difficult to heat homes can get extra assistance through the energy company obligation (ECO). Other initiatives including Feed-in Tariff, Renewable Heat Initiative and Energy Performance Certificate requirements will also assist. Living at low temperatures contributes to ill-health, excess winter deaths and a wider range of problems, such as social isolation and poor outcomes for young people. With fuel poverty at a high level (18.6% nationally and 21.7% in Greater Manchester) and projected to rise, principally due to rising energy prices, the message, however, is simple; more needs to be done to enable everybody, particularly our more vulnerable residents, to obtain affordable warmth.

Within Greater Manchester, authorities are actively pursuing energy efficiency measures as part of a commitment to become a low carbon conurbation. These initiatives include a Greater Manchester version of 'Green Deal' in which Bury has invested over £1 million, improving energy efficiency of homes and 'energy switching' whereby residents are assisted to participate in energy auctions to get cheaper energy deals.

No Second Night Out

With homelessness growing nationally, No Second Night Out is the Government's response to the problem of persistent rough sleepers. Whilst a larger issue for inner cities, all Greater Manchester authorities have signed up to a programme to ensure that no new homeless rough sleeper will be without some form of temporary accommodation after their first night on the street.

Support for Older People

Supporting increasing numbers of older people, particularly those with dementia, is a major concern for society. With national policy favouring independent living rather than institutional care, new forms of accommodation and services are required to help people to live in their own homes for longer.

The Care and Support Specialised Housing Fund was introduced in 2012 to provide local authorities, registered providers and private developers with the opportunity to access funding to develop such housing with care facilities, particularly for people with dementia. This will enable residents to retain their independence by running their own, self-contained homes but with the reassurance of having support close by if needed.

The lack of specialist housing is, however, only one of the demographic pressures created by an ageing population. Other factors that need to be addressed include:

- § *Under occupancy* - As children grow up and leave the family home, older people frequently live in property that is larger than they need. With changes to the benefits system, this will cause some residents hardship and require them to 'downsize'. This assumes that there are sufficient numbers of smaller properties available to them.
- § *Affordability* - Often linked with under occupancy, the cost of running a home continues to rise and hits those on low or fixed incomes hardest. Many of these individuals are older people who, whilst protected from many of the initial welfare reforms, still face rising prices.
- § *Mobility* - Ageing often brings health issues such as restricted mobility or long term conditions which make living in older, less energy efficient property more difficult to manage. There is an increasing need for self contained, single storey dwellings to meet this demand. There is also a need to make best use of existing stock by providing appropriate cost effective adaptations, improving intelligence around already adapted stock and more effective matching and allocation of adapted properties to people in need of these.
- § *Inter-generational living* - Lifestyles of older and younger residents are different and have led, in some parts of the country, to segregation as 'villages' for older people and 'gated' communities have developed. This polarisation is not conducive to building strong and vibrant neighbourhoods. Balanced communities, which respect the differing needs and expectations of its residents, are essential to protect the character and health of our townships.

3.2 Regional Considerations

In April 2011, the 10 councils within Greater Manchester (Bolton, Bury, Manchester, Oldham, Rochdale, Salford, Stockport, Tameside, Trafford and Wigan) created a 'Combined Authority' to co-ordinate key economic development, regeneration and transport functions which includes:

- Delivering the objectives and priorities in the Greater Manchester Strategy and the Greater Manchester Housing Strategy 2010 to drive economic growth.
- Delivering the objectives identified in the Greater Manchester Local Investment Plan. This document sets the direction for the delivery of key aspects of the 'Creating Quality Places' strategic priority of the Greater Manchester Strategy.
- Overseeing and prioritising funding programmes, including the Affordable Homes Programme and bids to address empty homes.
- The GM Domestic Retrofit programme to improve the energy efficiency of homes.

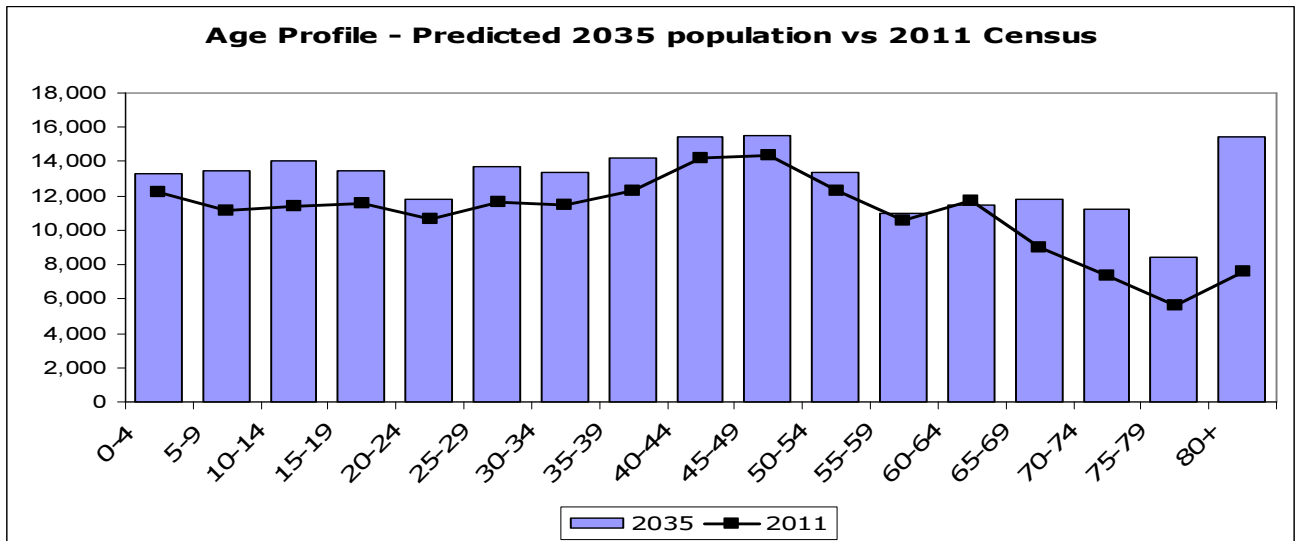
Housing and construction generally plays a key part in the drive for economic growth. The Greater Manchester Strategy highlights the need to ensure the continuing economic development of the region, supported through the provision of adequate housing of the right types, sizes, tenures and location. Bury's Housing Strategy contributes positively to this approach by presenting a thorough analysis of local issues and understanding the needs of our residents.

3.3 Key Local Issues

Context

Situated just to the north of Manchester, Bury covers an area of 9,919 hectares (24,511 acres). The population of 185,060 is located within six township areas each with their own character and history that the Council is keen to preserve. Overall, Bury is one of the more prosperous districts within Greater Manchester although the 2010 Index of Multiple Deprivation (IMD) shows a mixed picture across the Borough. Some parts of East Bury, inner Radcliffe, Whitefield and Prestwich are within the 10% most deprived areas nationally. This is also reflected in public health where the Borough's Joint Strategic Needs Assessment shows a 10 year gap in male life expectancy between the most deprived areas and parts of the Borough which are least deprived.

The Borough's population has grown at a steady pace over the years and is set to rise from 185,060 to around 221,000 (or 20%) in a generation. However, this hides a major shift in the age profile. The proportion of older people will increase from 15% to over 20% of the population with particular emphasis on the very elderly where there is expected to be 8,000 (60%) more people over the age of 80 than the 2011 Census.



Age seldom comes alone. This is confirmed by the Joint Strategic Needs Assessment which suggests that nearly 1 in 5 people will have a limiting long term condition – conditions which account for 52% of GP appointments, 65% of out patient appointments and 72% of hospital in-patient bed days. The links between health, social care and housing are strong; more appropriate accommodation would make a significant impact on health and social care budgets.

Another demographic factor requiring consideration is that the Housing Need and Demand Assessment 2011/12 estimates that over 25,000 people are in single households. This equates to 30% of Borough's housing stock being sole occupied.

In the 2011 Census, 89.2% of the Borough's population is white, with Pakistani being the single largest ethnic group at 4.9%. This ethnic mix is set to change in the coming years as the school census showed the proportion of non-white children increasing from about one in seven to one in five between 2006 and 2012. The Borough also has a mix of religious groups. Christians make up 63% of the population, followed by Muslims (6.1%) and Jewish (5.6%).

The changing demographics have major implications in terms of both the sufficiency and suitability of homes. In addition to normal supply and demand pressures the ageing population will require more accessible accommodation and housing with care; a growing population requires more homes to be built – some of which will need to be of a size and in geographical locations to match the needs of ethnic and faith communities; whilst the anticipated increase in single person households raises questions of under occupancy and affordability especially with the introduction of welfare reforms from 2013.

Housing profile

The 2011 Census recorded 81,423 residential dwellings in the Borough of which 78,113 were occupied by one or more resident. Of the total housing stock, 8,188 of these were Council-owned, social rented housing and 4,225 belonged to housing associations. 69,907 dwellings or 85.8% of the total housing stock are houses or bungalows, with most occupied properties being either 2-bedroom (23,682) or 3-bedroom (34,249) in size. Given that there is an estimated 25,000 single person households in the Borough, under occupancy could soon become an issue as housing costs and the impact of welfare reform increases demand for smaller properties. With only 7,042 (9.0%) 1-bedroom, occupied dwellings identified, of which 3,257 are Council-owned rented dwellings, major pressures on the market are anticipated unless a greater number of smaller units – at affordable cost – become available. At the other end of the spectrum, the demand for larger dwellings from the BME and Jewish communities is likely to put pressure on the 13,140 (16.8%) 4-bedroom plus dwellings; a problem further highlighted by the fact there are only 98 Council-owned dwellings of this size in the Borough.

In addition to under-occupation, under use is an issue. The Census records 3,310 vacant dwellings at the time of the survey and, whilst it is a snapshot, we need to get a better understanding of these properties and the circumstances behind why they are vacant.

As regards stock condition, the local authority and housing association accommodation is of a high quality, with all dwellings meeting the decent homes standard. Conditions in the private sector are more varied as the LAHS (Local Authority Housing Statistics) return 2012/13 indicates that there are 14,526 dwellings with Category 1 hazards as measured by the Housing, Health & Safety Rating System (HHSRS).

Improving the quality of private sector housing – which makes up over 80% of the Borough’s housing stock – is critical to well-being and promoting the Borough as being the place to live.

How these issues impact at local level and how we intend to use the evidence to shape the future housing market is considered in more detail in the following sections.

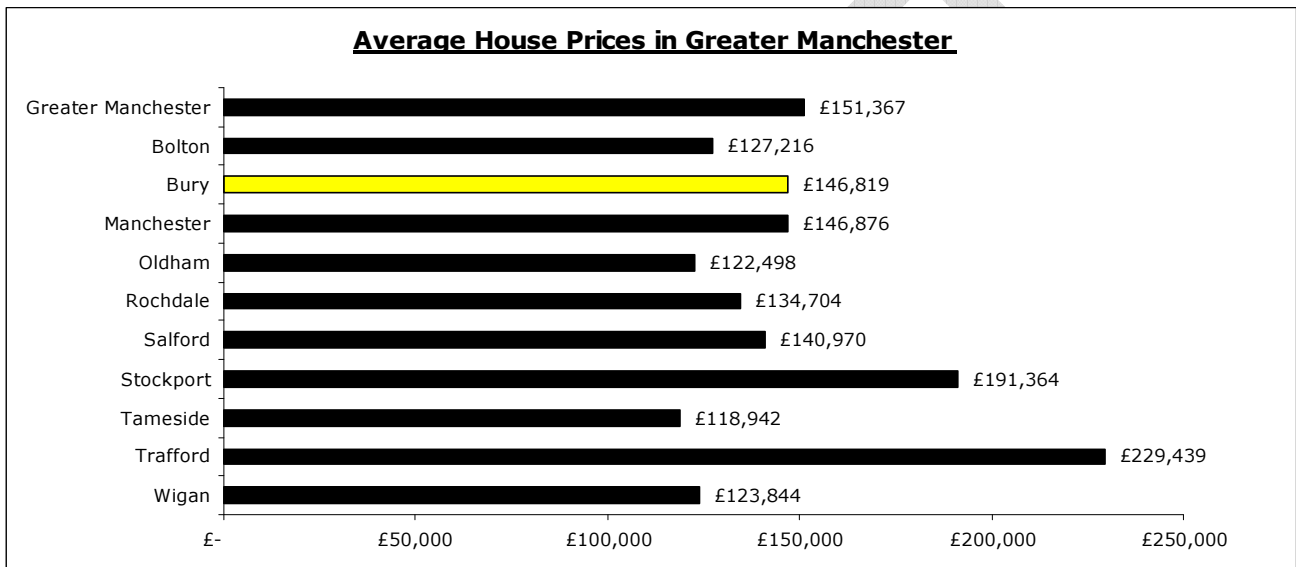
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4.0 HOUSING NEED AND DEMAND

4.1 Sufficiency of Housing

Housing market demand

Bury is a popular place to live and this drives house prices in the Borough. Compared to the other ten local authorities in Greater Manchester, Bury has the fourth highest average house price and ranks third highest in terms of the number of properties sold as a proportion of population in 2011/12 (Quarter 3).



Source: Land Registry

In terms of where people want to live, the Housing Need and Demand Assessment 2011/12 indicated a high level of parochialism and self containment in each township. Closeness to family and friends, employment, amenities, quality of area and types of housing available are frequently cited as the reasons for future location preference.

Area of Residence	Location Preference						
	Ramsbottom	Tottington	Bury	Radcliffe	Whitefield	Prestwich	Total
Ramsbottom	413	160	86	32	117	32	840
Tottington	126	247	188	0	104	40	705
Bury	146	606	1,385	223	610	102	3,072
Radcliffe	245	306	285	827	619	264	2,546
Whitefield	51	255	471	72	925	203	1,977
Prestwich	90	66	275	31	607	1,104	2,173
Local moves	49.2%	35.0%	45.1%	32.5%	46.8%	50.8%	11,313

Source: Bury Housing Needs and Demand Assessment 2011/12

The survey also suggested that contrary to conventional wisdom, not everybody aspired to live in the north of the Borough. Whilst feedback showed that Tottington remained popular, the majority of respondents saw the townships of Bury and Whitefield being the key locations. Accessibility, property choice and transport links to the city region appearing to be prime factors in the decision.

Location	Existing Households		Concealed Households	
	Nos. Implied	% households	Nos. Implied	% households
Ramsbottom	732	20.0	227	28.6
Tottington	1,118	30.6	126	15.9
Bury	1,798	49.2	221	27.8
Radcliffe	596	16.3	138	17.4
Whitefield	1,493	40.9	384	48.4
Prestwich	1,083	29.6	311	39.2

Source: Bury Housing Needs and Demand Assessment 2011/12

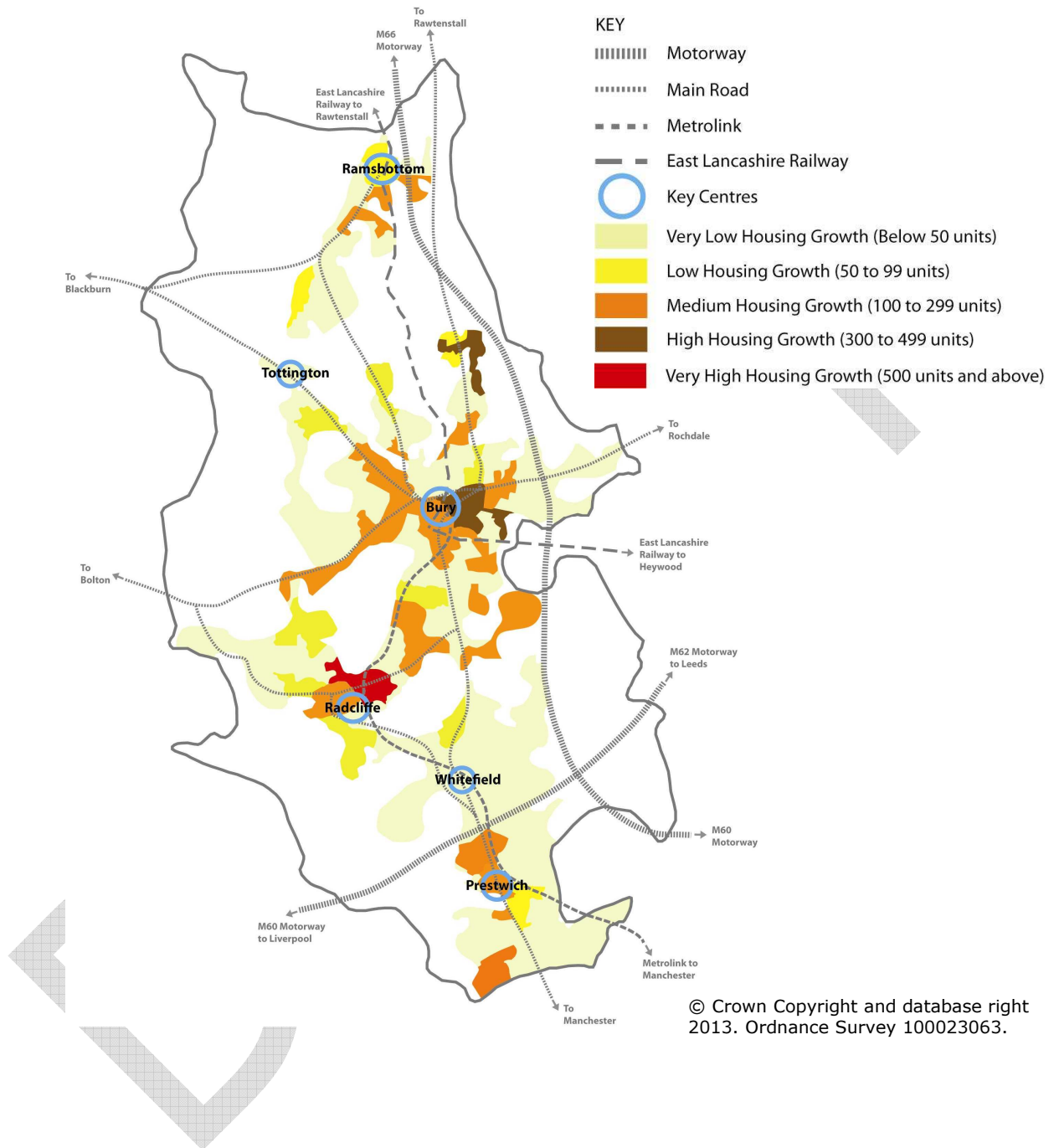
Housing supply

Bury's emerging Local Plan recognises the need for housing growth and proposes an increase of 6,800 dwellings (net) between 2012/13 to 2028/29 (an average of 400 dwellings per annum). Sufficient land has been identified for this purpose.

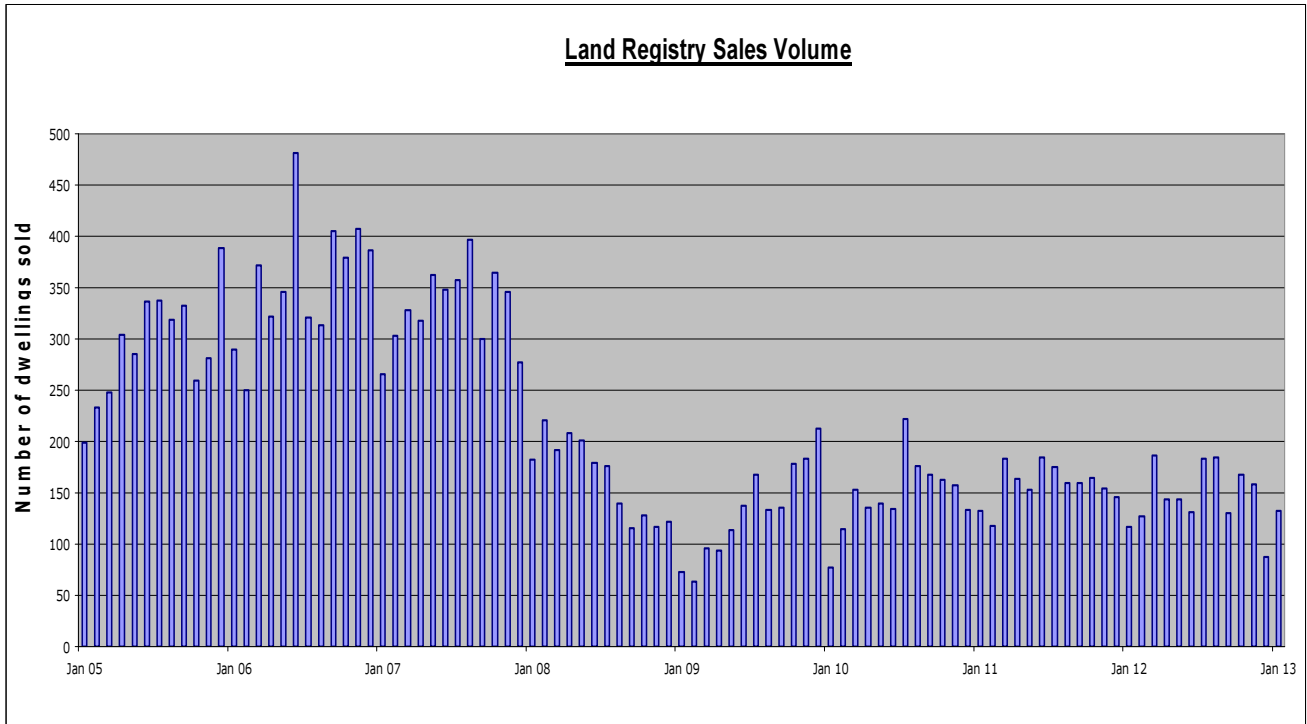
The vast majority of these additional housing units are likely to be delivered by the private sector and the Spatial Strategy allows for housing growth across all the urban areas. The focus on development however is on townships where housing land is already available or where the Council wants regeneration. The distribution of housing development as set out in Figure 1 reflects this ambition with 'very high' housing growth concentrated in the townships of Bury and Radcliffe. Areas of 'medium to high' housing growth are also prominent in the immediate areas around these two centres.

The lowest areas of growth are focused in Tottington in the north and Whitefield in the south of the Borough. Whilst these are preferred areas for people to live, it is important that they are not over developed, and housing growth in these areas is constrained by the Green Belt boundaries. The Council needs to ensure that the features which make the areas popular are protected and issues facing other areas of the Borough such as Radcliffe and Prestwich are addressed in order for the Borough to achieve its goal of becoming a prosperous, sustainable Borough fit for the future.

Figure 1 – Anticipated Distribution of Housing Growth as at April 2013.©

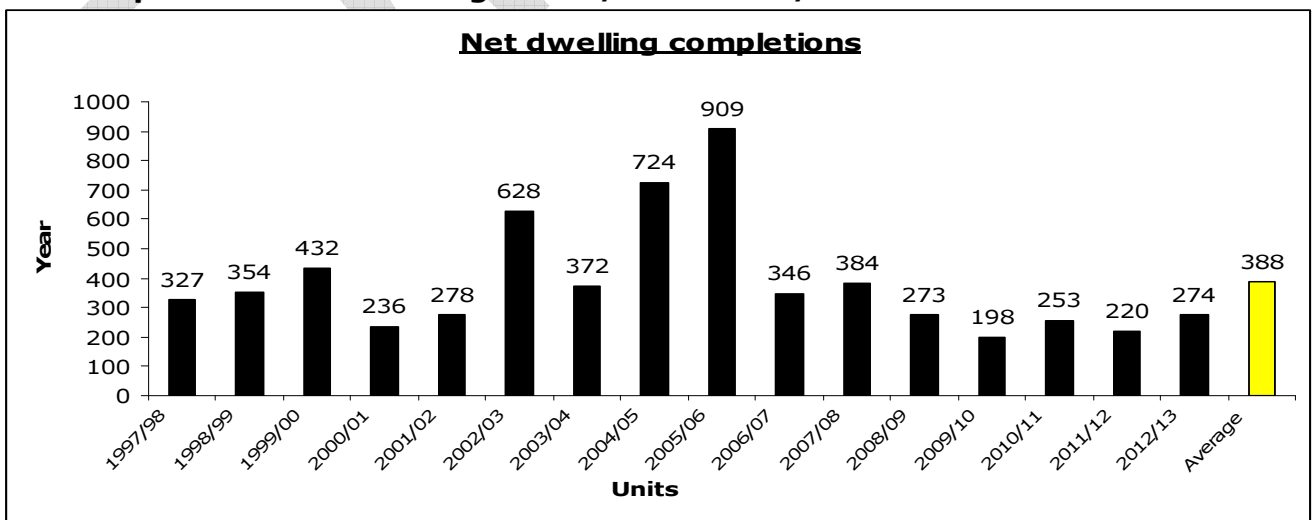


The market however is slow. Fewer buyers, coupled with tighter mortgage conditions, has seen activity fall since 2008, as can be seen in Land Registry sales statistics:



Although there is demand for housing, the lack of affordable finance for both developers and potential purchasers has resulted in a marked reduction in the number of new homes being built in the Borough (which is reflective of the housing market across much of the country). Only 274 units were completed in 2012/13 compared to 384 in 2007/08 before the banking crisis and the emerging target of 400. The difference is even greater when compared to the peak of 909 in 2005/06.

Net Completions in the Borough 1997/98 to 2012/13



At the 1st April 2013, there were extant planning permissions on 148 sites within the Borough that could accommodate 3,166 housing units. Some of these sites are currently under construction and others are showing signs that they are coming forward imminently. It is likely that the other sites, together with new sites, will be brought forward as the housing and financial markets improve. It is considered that the recent fall in house completions has been a result of economic reasons rather than land availability.

Availability	No. of Sites	No of Units
Site Under Construction	51	801
Sites with Planning Permission	97	2,365
Total	148	3,166

Government initiatives have provided finance to developers to complete stalled sites ('Kick-start') and prospective purchasers ('Homebuy') but these have yet to significantly stimulate growth in the sector. The 2013 Budget has also put forward a further range of options aimed at supporting house buyers, the details and impact of these initiatives will be seen in the future. It is thought that these new measures will help to stimulate the housing market as finance will become more affordable to a greater number of potential purchasers, thus enticing developers to build their sites. However, there are some concerns that these measures could increase house prices resulting in a growing disparity between prices and household incomes. Guaranteeing lending and/or subsidising borrowing costs is not sustainable and risks a return to sub-prime lending – which created the banking crisis in the first place.

Key Issues

- Finding ways to unlock stalled sites
- Improving the ability to access housing in a way that is affordable and sustainable for residents
- Maintaining a supply of land availability for housing for when the market improves

Empty Properties

It is anticipated that over 95% of the housing that will exist in 30 years time has already been built. Satisfying demand is therefore not just an issue of building more; we also have to make best use of what already exists.

According to the 2011 Census, 3,300 homes in the Borough were vacant. There are many reasons for this from properties in the process of being sold or let to those that have been vacant for many years because of legal issues or the high cost of repair. Whatever the cause, properties that are vacant for any length of time have to be tackled to remove the negative impact they have on individuals and communities. Some schemes, including the Council-led pilot project in Radcliffe, are in place to bring more houses back into occupation and further schemes are needed to maintain this momentum. Empty properties will represent a high risk issue for many years until the economic situation improves and confidence returns.

Key Issues

- Reducing the number of properties that are empty, or are at risk of becoming empty to maintain vibrant and attractive townships
- Encouragement for owners to maintain properties
- Exploring innovative solutions and external funding sources to reduce the number of empty properties and regenerate parts of the Borough

Affordability

Finding affordable housing – to rent or buy – is a challenge for many households. House prices are high compared to local wage rates as earnings have remained static (or fallen) for many people in recent years.

Average cost for property purchases in the six townships (as at August 2011) is set out in the following table of entry level sales.

Property Type	Ramsbottom	Tottington	Bury	Radcliffe	Whitefield	Prestwich	Borough wide
1 bed flat	79,950*	105,000*	79,950	64,950	72,950	69,950	74,950
2 bed flat	80,000	130,000*	80,000	84,950	94,950	89,950	89,950
2 bed terrace	109,950	115,000	94,950	82,500	110,000	102,000	99,750
3 bed terrace	130,000	129,950	10,000	96,999	114,950	122,500	109,995
2 bed semi	124,950	109,950*	95,000	109,950	100,000	107,500	105,000
3 bed semi	144,950	139,950	134,000	132,000	134,950	137,500	134,950

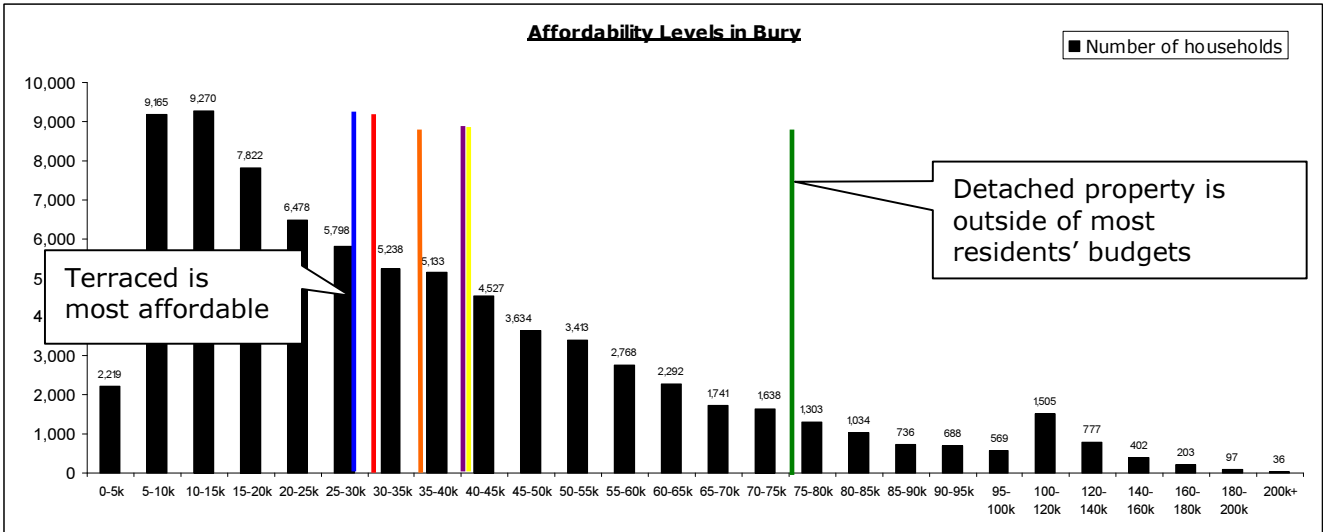
* Low sample

Source: DCA House Price Survey August 2011

Based on CACI 2012 data, average gross income in the Borough is £28,045 although there are dramatic local variations from £20,678 in Moorside Ward to £33,764 in North Manor. In addition it is estimated that over 60% of households have less than £5,000 in savings.

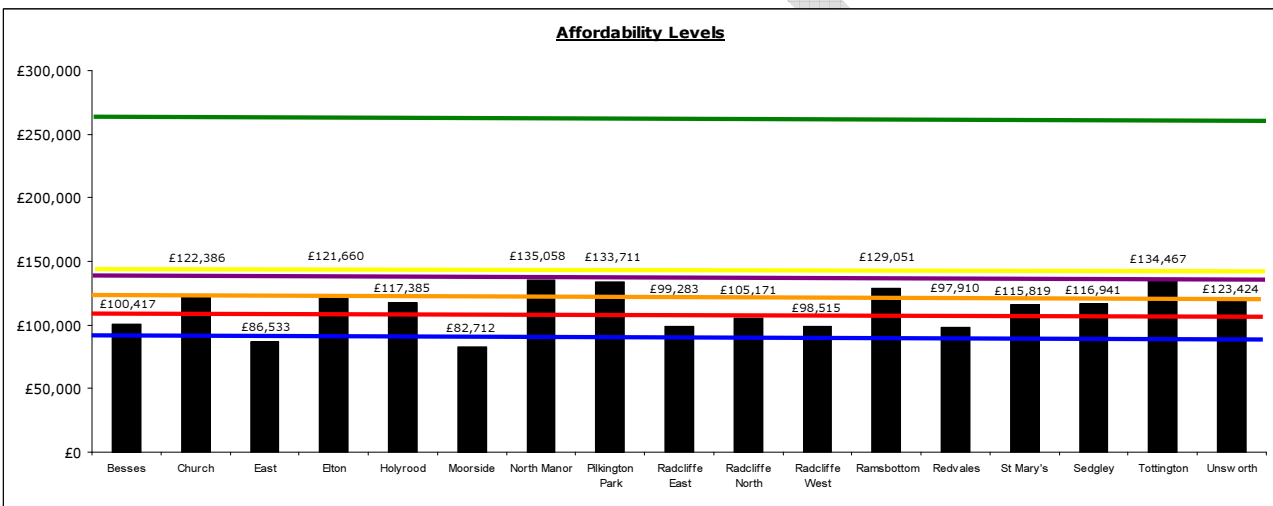
Low earnings coupled with mortgage lenders requiring deposits of up to 25% of the value of the property are pricing many residents out of the market. The data suggests that up to 52% of residents cannot afford to get on the property ladder and that most purchasers will be restricted to terraced property, flats or new build accommodation in that order.

Type of property	Average Price (Bury)	Household income needed to obtain a mortgage at 3.5 times wages	Deposit Required (15%)
Overall	£ 146,819	£ 41,948	£ 22,022
Terraced	£ 95,867	£ 27,391	£ 14,380
Flat	£ 106,806	£ 30,516	£ 16,020
New Build	£ 129,985	£ 37,139	£ 19,497
Semi-detached	£ 143,463	£ 40,989	£ 21,519
Detached	£ 264,661	£ 75,617	£ 39,699



Source: CACI 2012 and Land Registry

The pattern is replicated across the Borough indicating that most housing types in nearly all wards are unaffordable.



To help address this situation, the Council introduced a planning policy in 2004 where 25% of units on larger developments have to be made available at affordable levels. In most cases this means at a discounted sale price. Since 2004, 215 affordable units have been built although in recent years, the slow down in the market has resulted in fewer large schemes being built (and therefore fewer affordable housing units are becoming available).

Demand for these properties is high with 946 live applications as at December 2012. Around two thirds of applicants would prefer to buy although 50% would settle for rent / shared ownership properties. On balance most people are looking for smaller properties as demonstrated in the following table:

Size of property required	Numbers on the Affordable Housing waiting list (December 2012)
1 bed property	123
2 bed property	465
3 bed property	300
4 bed property	57
5 bed property	1

Source: Bury Council Affordable Housing Database

In terms of property type, houses remain the first choice for many. Some applicants will however consider more than one type which is reflected in the figures below:

Property Type Applied for	Numbers on the waiting list (December 2012)
House	854
Flat	382
Bungalow	239
Maisonnette	98

Source: Bury Council Affordable Housing Database

But it is not just those starting out on the property ladder that can have affordability issues. Repossessions are running at 271 per year. Where the lender is in agreement, the Council can intervene under the Mortgage Rescue Scheme – a process that has supported 33 eligible households to remain in their home since 2009.

Neither is affordability restricted to owner occupation. Private sector rent levels are also out of reach for many households in Bury and changes in Government policy to require 'affordable' rents (up to 80% of market rent) in all new public sector schemes as opposed to the more traditional 'social' rent (at around 60% of market rent) is pushing up the cost of social rented housing to households. With market rents being generally higher than the Local Housing Allowance, many low earners are effectively being priced out of the rental market (because the benefit levels are less than the cost of housing). For this reason, private rented property cannot be seen as a substitute for a reducing social housing stock.

This shift towards rented property comes at a time when welfare reform is seeking to cap housing costs and introduce measures which have the effect of penalising under-occupancy. As 87% of public rented stock (including Council housing) consists of one or

two bedroom houses, the impact of welfare reform in the Borough compared to other districts is to some extent mitigated – although this is no comfort to over 900 people affected by the introduction of the new rules. Efforts will be made to support those households, prioritising those that need to find more affordable accommodation as a result of changes in benefits. The Council will also support households in the future whose benefit position becomes altered as a result of a change in circumstances.

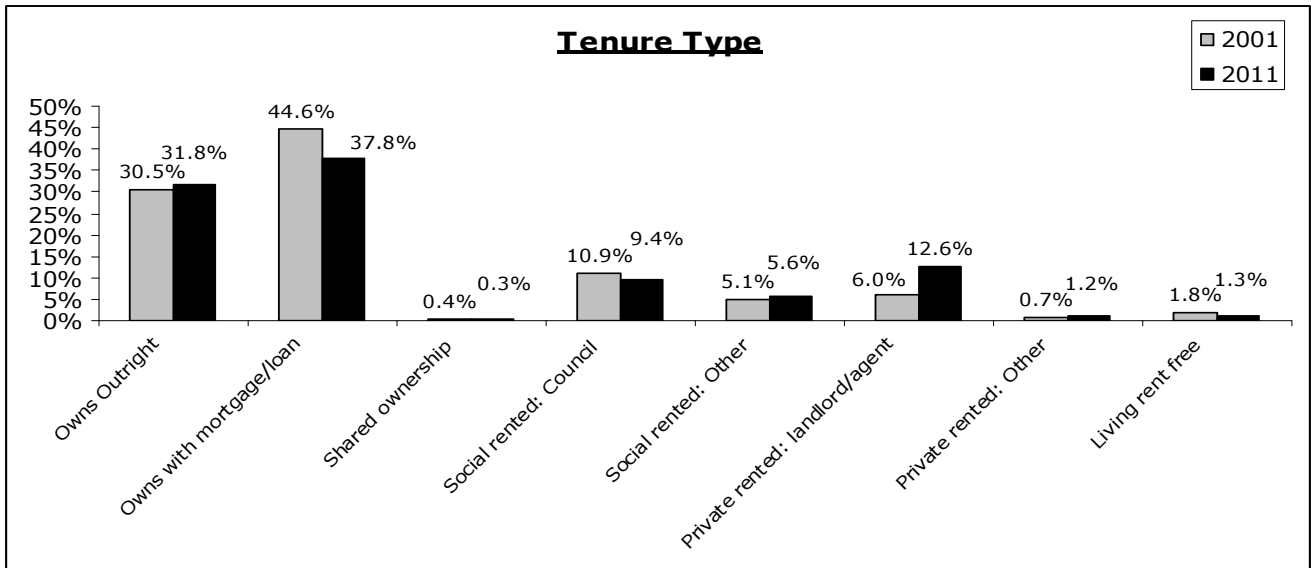
The inability of people to afford housing in the Borough risks creating a more transient population and an increase in the number of 'concealed' households – people that would otherwise live as separate households but because of mainly financial reasons are forced to live with family or friends. There is some evidence that it has become a reality for some young, single people who cannot afford to leave home but the scale of the problem, and the impact it will have on future housing needs (and property size), is unknown. The Housing Need and Demand Assessment 2011/12 recommended a 40/60 split between larger and smaller properties respectively on future developments but it is an area for further research.

Key Issues

- Working with developers to increase the number of affordable houses built
- Matching housing provision with household needs to avoid over crowding and under occupancy
- Research into the longer term implications of affordability on housing needs, house sizes and well being

Tenure mix

Compared to other metropolitan areas, the Borough has a higher than average share of private sector ownership. Owner occupation remains the single most popular tenure type and whilst actual numbers are down on 2001, 91% of the estimated 4,500 households looking to move still aspire to purchase a property. The significant movement in tenure since 2001 has been in rented property with a 14% fall in Council housing over shadowed by a 100% increase in private rented accommodation. This growth reflects the mortgage situation although there are also indications that it is supporting younger households whose personal circumstances or employment patterns are more flexible.

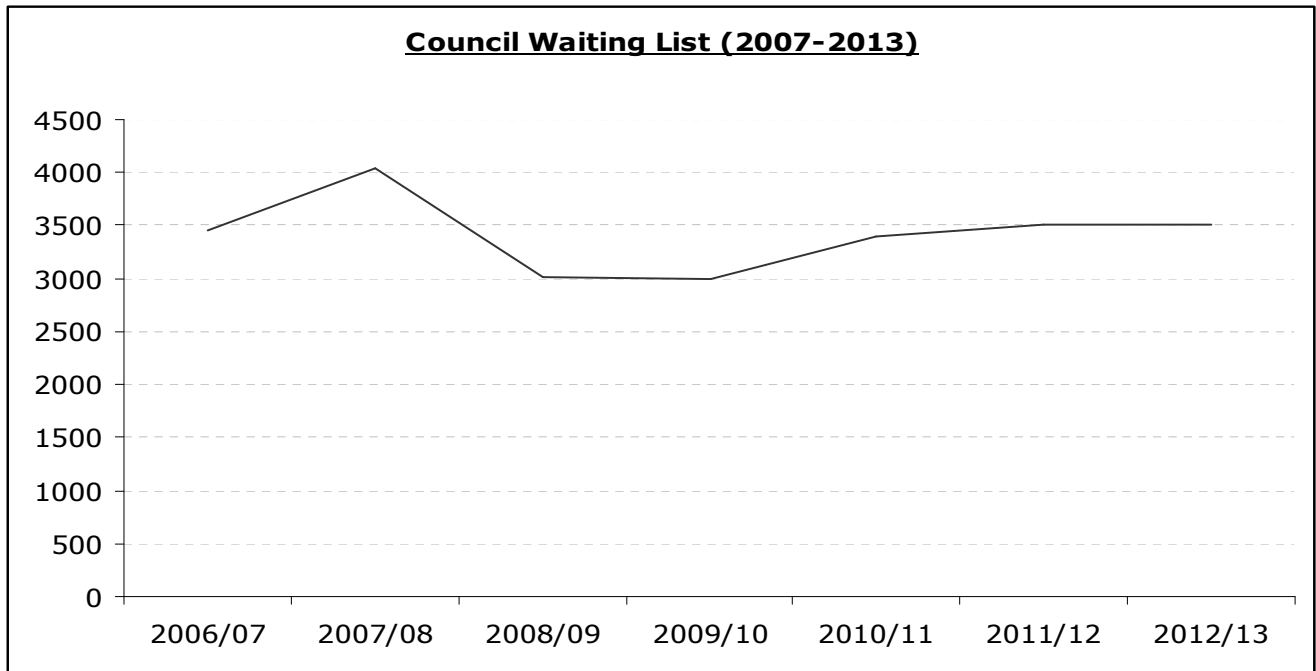


Source: ONS Census 2011

Overall, an increase in private rented property is a positive addition to the range of housing options although it also carries some risks. In addition to the affordability issue referred to earlier, tenancies in the private sector are less secure than social housing and this can result in a higher turnover of tenants. This lack of continuity coupled with downward pressure on rental income can tempt some landlords to scale back on repairs and other obligations. The Council will not tolerate breaches in housing regulations. We will work with landlords by providing advice and promoting good practice including accreditation but enforcement powers will be used as required to ensure tenants are treated correctly and that houses are maintained to the proper standards. We will also work with private sector landlords and bring forward initiatives which help ease the pressure on social housing and provide viable alternatives through the private rented sector. Additionally, we will seek to influence development of the sector where possible to help meet housing need and the Council’s wider economic objectives.

To create a better balance between affordability, flexibility and security, a wider range of products (e.g. shared ownership, low cost housing, self build opportunities, rent to buy, etc) needs to be developed. This segment of the market is under represented in the Borough at 0.3%, whereas a figure of between 1-2% (approximately 1,000 properties) would be more in keeping with the scale of affordable housing opportunities needed to reflect the different circumstances and needs of the population.

At just under 10% of tenure type, Council housing remains a popular choice and demand continues for this type of housing as evidenced in Council house waiting list figures:



These figures show a slight rise in recent years although overall numbers have remained fairly constant around 3,000 - 3,500. With only 800 properties let each year, people in the lower bands can expect to spend some time until obtaining an offer of a property although those in greatest need (Band 1) are housed relatively quickly spending an average 9 weeks on the waiting list.

The Allocation Policy approved by the Council in March 2013 recognised the need to focus scarce resources on those that need – rather than would like – the Council to help them with housing. As a result, the waiting list is expected to reduce in future years as most enquiries will be met with information and advice rather than offers to join the Council waiting list. Also to be determined is the amount of stock that the Council wants to hold. With increased Government efforts to promote a tenant’s Right to Buy, Council housing numbers are reducing and, unless replaced by new stock, there will come a point when it is no longer viable to operate as a separate entity. In the interests of tenants and the Council, the future holding has to be determined before the housing management contract is renewed in 2017.

Key Issues

- Maintaining the balance between ownership and renting
- Working with private landlords on meeting housing needs, rent levels and property standards
- Future size and organisation of the Council's housing stock

4.2 Suitability of Housing

Quality

Quantity of housing is not enough; residents also want quality. It is known that the condition of Council housing is generally good. All Council housing has met the 'Decency Standard' since December 2010 and an asset management strategy is in place to maintain that level and work towards a higher 'Bury Standard' as and when resources permit.

The picture in respect of the private sector and stock held by other registered social housing providers is less comprehensive. The last house condition survey indicated that about half the stock required some form of remedial action to address issues of disrepair, energy efficiency shortcomings or potential hazards (such as steep stairs, trip hazards, etc). As building regulations and modern expectations continue to change, the survey needs to be updated on a regular basis to ensure that efforts are targeted effectively.

Key Issues

- Maintaining decent standards of social housing
- Improving our intelligence of private sector housing
- Working with communities, housing providers and landlords to promote decent neighbourhoods
- Investigate opportunities to improve the quality of private sector housing through regeneration and partnership working

Affordable Warmth

All authorities within Greater Manchester are committed to reducing carbon emissions. As housing is a major contributor to carbon levels through developing land, production of construction materials and heating methods, a number of projects have been initiated to

cut emissions and reduce costs. At national level, the major focus has been renewable energy and reducing dependence on fossil fuels. Locally, and across Greater Manchester, the approach has been to improve the energy efficiency of property. This has led to projects to raise awareness of measures (Toasty, AWARM), subsidised insulation for hard to treat properties through ECO (the Energy Companies Obligation) and 'Green Deal', whereby residents in suitable properties can access a loan to pay for energy efficiency measures which is then paid back through a levy on electricity bills.

Efficient heating improves the well-being of all residents. Apart from added comfort in cold weather, warm homes reduce the health risks associated with limiting long term conditions and safeguard other vulnerable people, especially the elderly, from the severe cold. Well insulated homes are also more cost effective by saving money on fuel bills.

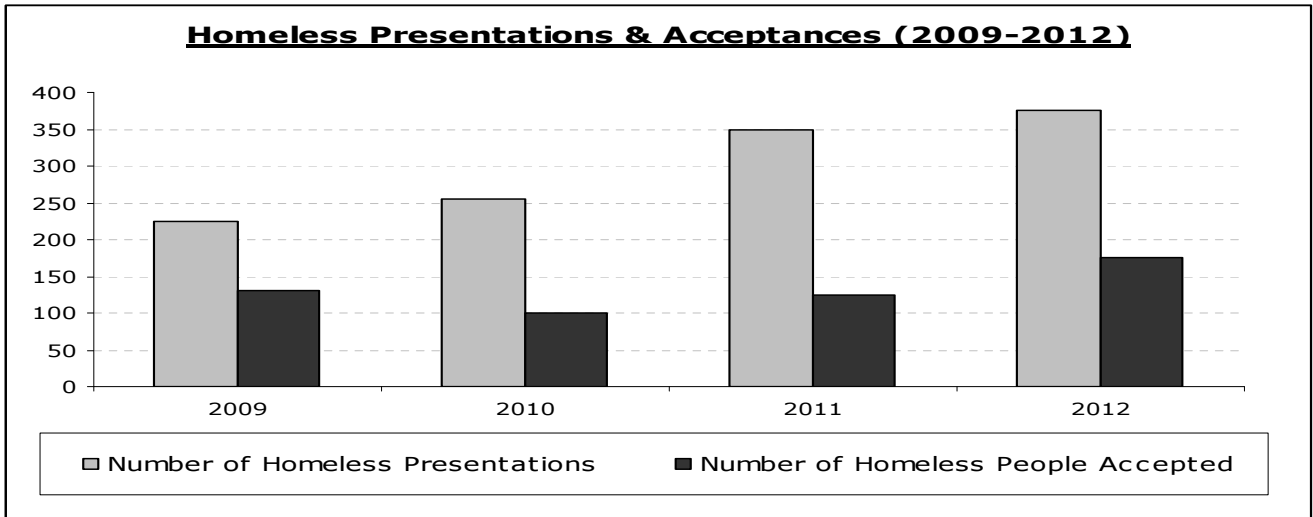
With energy prices rising, more people are at risk of falling into fuel poverty (whereby the cost of heating is in excess of 10% of household income). In addition to driving initiatives to improve the energy efficiency of the housing stock, the Council has become involved in energy switching schemes which help residents to access lower energy costs. Early indications have been positive with participating residents saving around £250 per annum on average retail prices but more needs to be done to focus efforts on lower income neighbourhoods and houses that are less energy efficient. This requires better knowledge, particularly around private sector house conditions, to enable such targeting to take place.

Key Issues

- Supporting measures that make homes more energy efficient
- Working with public health and other agencies to reduce the health effects of poor housing

4.3 Homelessness

Homeless presentations have increased significantly in recent years. The number of cases being accepted is also showing signs of growth, reflecting the economic situation but also improvements in data recording.



People find themselves without accommodation for many reasons. Affordability, health problems and changes in personal circumstances all have a part to play although the single biggest cause of homelessness in the Borough is relationship breakdown with a number of these cases being accompanied by domestic violence.

The aspiration for the Borough is to end homelessness – primarily through prevention but, where it does occur, to provide a prompt, quality pathway back into housing. To this end, nobody is placed in bed and breakfast accommodation, hostel living has been replaced by community resettlement and cold weather provision offers rough sleepers a temporary, warm place to stay whilst establishing contact with a traditionally hard to reach group so that their health and housing needs can be assessed.

Priority at national and Greater Manchester level has been to tackle rough sleeping. The Council supports this approach although locally the issue is less about people on the streets (regular rough sleeper counts put this in low single figures) rather than people with no fixed abode. 'Sofa surfing' and staying with friends is perceived to be a bigger problem although the hidden nature of this activity makes it difficult to get an accurate picture.

With welfare reform and a growing housing shortage, different patterns of living are expected to develop as children stay at home with parents for longer and house sharing becomes more prevalent. Affordability remaining an issue for many years to come, the risk of overcrowding, falling property standards and increases in the number of relationship breakdowns, all add pressure to existing typical causes of homelessness.

The Homelessness Strategy will include further analysis of these issues and detail the actions to be taken around:

- § Preventing homelessness
- § Accommodating people who are homeless or who are at risk of homelessness
- § Providing a range of support for people to help them through homelessness
- § Avoiding rough sleeping
- § People with no priority need such as the young, single homeless
- § Developing relationships with partner agencies to provide this support
- § Expanding the range of housing options available to homeless applicants

Key Issues

- Supporting homeless people across the Borough in line with the Council's statutory duty
- Temporary accommodation to be of a good standard; no bed and breakfast
- Create options for all homeless people including those with no priority need
- Improving intelligence around homelessness and living patterns in Bury

4.4 Specialist housing

A common theme running through this strategy is that no 'one size fits all'. Location, cost and size are primary considerations but individual needs can also play a major part in determining suitability. Demographic data highlights four specific client groups that will require some form of specialist housing:

Older people

The resident population is ageing; as well as there being more people over the age of 65, these individuals are also living longer with significant growth anticipated in those aged over 80 in future years. In addition, the Housing Need and Demand Assessment 2011/12 predicts that more older people will be moving into the Borough to be closer to family, particularly as their care needs increase.

Age seldom comes alone and older people can face other factors such as frailty, long term health conditions and under occupation caused by children leaving the family home. Addressing these issues will take time, although some good work has already taken place. Between 2010 and 2013, more affordable housing units for older people have been built, sheltered accommodation has been upgraded and new schemes such as the Red Bank extra care facility have opened. These are helping to cater for older people's needs but more needs to be done to meet current and future demand particularly as dementia is expected to rise by 50% over the next 10-15 years.

The demographic challenges from this customer base and the actions required are set out in the Housing Strategy for Older People.

People with disabilities/health issues

As medical science develops, more people with limiting long term conditions are looking to live independently. With nearly one in five people falling into this category, demand for accessible housing can be expected to increase. Traditionally the solution has been to adapt properties if possible but with many older properties lacking the space needed, alternative solutions will be required to meet growing demand. Areas to be explored include assisting people to relocate to more suitable properties, encouraging lifetime homes which are designed to be more flexible and commissioning affordable homes for people with disabilities.

Difficulty in accessing housing is not always about physical layout. Mental health issues, learning disabilities or substance misuse can give rise to problems around managing a tenancy, controlling finances or looking after the home. Settled accommodation for such individuals can only occur with support otherwise the risk of these individuals becoming homeless or institutionalised increases. Efforts are needed to improve co-ordination across health, housing and social care to deliver a more holistic service and reduce the human and financial cost of failure.

Travelling communities

The Council has a specific responsibility to meet the accommodation needs of travelling communities and show people. Council provision is through a travellers' site (currently at Fernhill). Although the travelling community is small, the Council will continue to maintain a site and monitor future needs by participating in Greater Manchester-wide research.

BME/faith groups

The Borough is becoming more diverse with sizeable Asian and Jewish communities in the east and south of the Borough respectively. Geographical and cultural preferences feature strongly within these communities and the Council needs to continue meeting with representative groups to understand these needs so that appropriate provision can be made in future housing plans.

Key Issues

- Increasing the housing stock suitable for older people
- Meeting the needs of people with disabilities
- Better co-ordination of health, housing and social care services
- Recognising the needs of all sectors of society

4.5 Decent Neighbourhoods

The emphasis of this strategy is on housing needs and supply but property does not exist in a vacuum. Quality housing is inter-dependent on the quality of the neighbourhood and surrounding environment.

The Council will seek to protect the environment by using regulatory powers provided by planning and public health legislation as appropriate. It will also tackle contraventions and illegal/undesirable activity across the Borough within available resources.

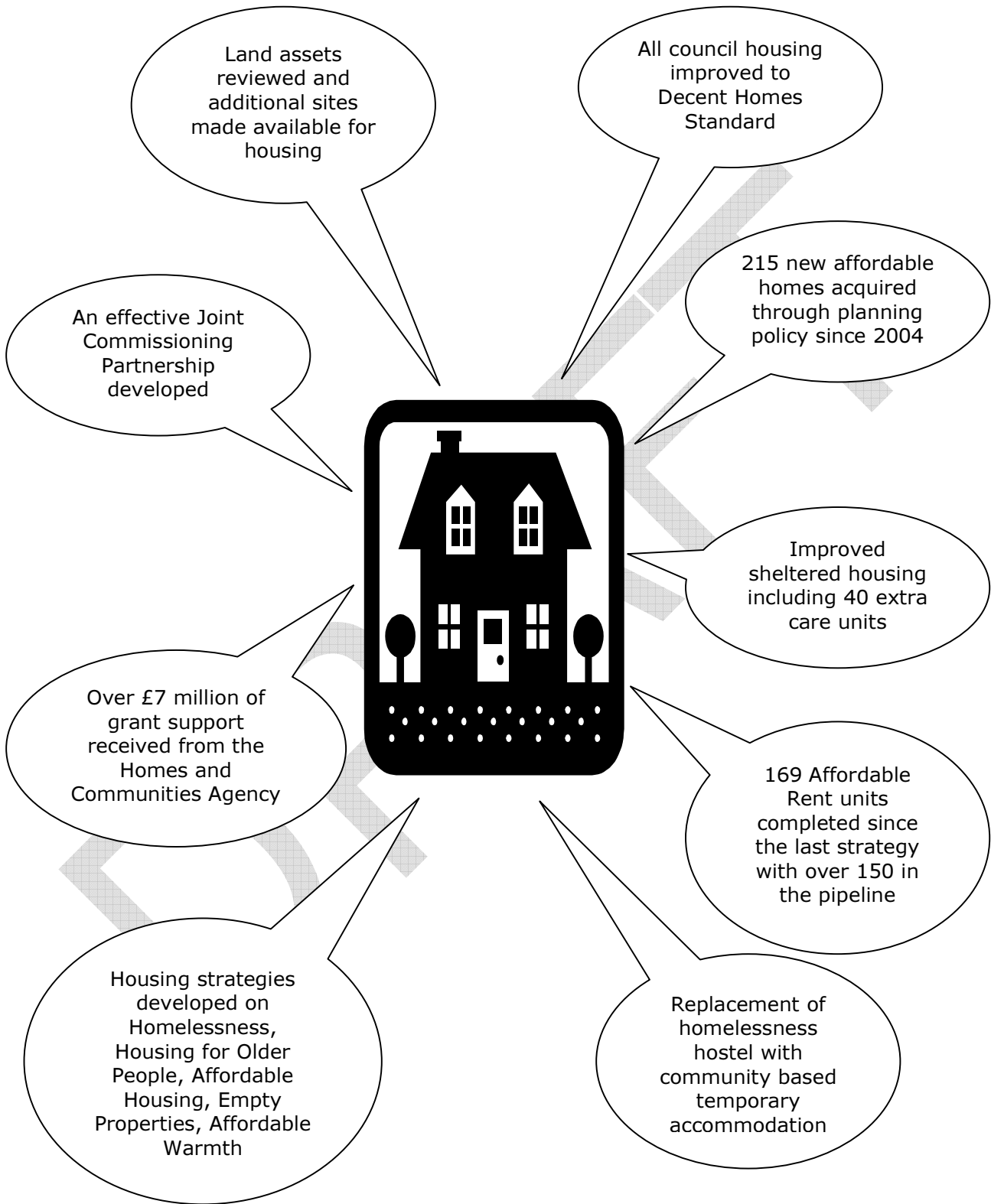
More direct action will be taken in respect of Council housing. The asset management plan for Six Town Housing will contain environmental improvements so that all Council estates become desirable places to live. Better use will be made of local lettings policies to promote community cohesion. Action will also be taken to reduce the impact of problem tenants with the tenancy agreement in particular addressing issues around anti social behaviour. 'Troubled families' and 'Family Intervention Tenancy' initiatives will also be considered as a means of maintaining tenancy standards, promoting well being and obtaining a better use of resources.

Key Issues

- Paying attention to the environment
- Improving the quality of council estates
- Addressing anti social behaviour and other activities that are detrimental to a decent neighbourhood

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4.6 Achievements



5.0 HOUSING CHALLENGES AND PRIORITIES

The last few years have been particularly successful in terms of our strategic response to the development and provision of housing in response to local needs. This has seen the delivery of the previous Housing Strategy and the introduction of a number of new and exciting initiatives.

The current strategy must build on these achievements whilst recognising the trends identified in previous sections, the financial situation and demographic challenges ahead. The key issues that have emerged have been evaluated and translated into 5 priority objectives that will place Bury in a strong position to respond to the housing needs of the Borough:

Objective 1: Delivering a sufficient and suitable supply of housing in the Borough

The Housing Need & Demand Assessment 2011/12 demonstrated the need for additional housing in the Borough across all tenure types. Implicit within the aim to deliver 400 new homes (net) per annum, is a requirement to ensure the right type of housing is built in the right locations. There is a gap in the market for properties with fewer bedrooms but there is still demand for traditional family accommodation and larger properties in specific areas to meet the needs of ethnic and faith communities. Anticipating future demographic needs, household formations and preferred living styles will go a long way to improving the quality of the housing offer in the Borough.

The policy framework is already aligned with Planning Policy and the Housing Strategy has shared priorities and targets. Work is now required, in partnership with housing providers, to translate these plans into actions. How we use resources is a key factor to making this happen. Capacity and funding will be at a premium and we need to ensure that efforts are applied to projects that deliver the required outcomes at best value. This means engaging in projects that produce a return on investment, take the form of 'invest to save' or generate a pre-defined level of social value to the Borough.

Maintaining a balanced market will be a prime consideration. Whilst owner occupation should remain the predominant form of tenure, we will support initiatives that offer residents a choice of accommodation (including properties for rent) providing such schemes meet the Government's suitability criteria and create decent homes that are affordable to

local residents. It is only through enabling different forms of provision and tenure types that we are likely to close the gaps that are emerging in terms of house size and affordability.

Objective 2: Affordability

Providing sufficient housing that people can afford – and keep – represents a major challenge. It is essential that the Council continues in its role as 'enabler' to respond to future demand particularly as the Housing Need & Demand Assessment 2011/12 highlighted the need for 2,414 affordable housing units over the next 3 years.

This increasing demand also needs to be set in the context of the current economic and housing climate. The potential for a reduced social housing stock due to increased incentives to tenants to exercise their Right to Buy; increased numbers of applicants for social housing due to reducing accessibility of home ownership and increasingly volatile job markets; and stalling of many housing developments offering affordable home ownership have increased pressure of social housing waiting lists.

As a Borough, Bury has been successful in attracting external funding to develop sites for affordable rent. However, with tightening Government budgets, grants available to support these schemes are uncertain. The Council therefore needs to work up a range of initiatives with housing providers to extend the range of products on offer to residents and be able to take advantage of opportunities that may be presented. How this may be achieved – and how the Council could better use existing assets and regulatory powers will be explored through other strategies and initiatives including, an updated Affordable Housing Strategy.

Objective 3: Fewer empty properties

Empty properties blight neighbourhoods. The actual costs of the environmental damage, anti-social behaviour and security are high whilst the emotional cost and negative impact on the appearance of those communities is even higher.

Creating decent neighbourhoods and regenerating areas is essential to underpinning the Borough's future and economic prospects. It is therefore essential to build on previous successes in obtaining funding to address the problem. It is equally important to work with owners and landlords to reinforce their personal responsibility to maintain property

(education) and focus state intervention (enabling or enforcement) where there is no other option. Non-occupation will be monitored across the townships and the intelligence used to target interventions where there is the greatest economic or social return. Further details will be set out in an updated Empty Property Strategy.

Objective 4: Good quality accommodation

A prosperous, sustainable Borough is one where people want to live and decent housing is one of the main criteria. It is essential that the Council maximises the available Housing Revenue Account (HRA) Headroom in order to pump prime the development and improvement of housing to meet these needs. The majority of houses in the Borough fall into the category of meeting decency but there is a large minority which have issues because of their design and/or age. The biggest concern is energy efficiency where the level of heat loss in those properties puts many of our residents into fuel poverty and places the health of our population at risk.

To address this issue – and contribute to Greater Manchester’s commitment to becoming a low carbon economy – we will support energy efficiency and cost reduction initiatives such as Green Deal and energy switching which benefit our residents. Further details will be laid out in our Affordable Warmth Strategy.

We will also improve our intelligence on property, particularly within the private sector, to understand where the greater problems lie so that we can improve the targeting of effort and resources. This includes the private rented sector where we will encourage Landlord Accreditation to promote better standards and work to promote such properties to our residents. We will also take action against those landlords that wilfully fall below what is acceptable and seek to exploit their tenants.

Council housing met the Decent Homes Standard on time by 31 December 2010 and Six Town Housing (the Council’s Arms Length Management Organisation) is charged with maintaining that standard. Through Six Town Housing’s Business Plan / Annual Delivery Plan, the Council will look to extend the standard to the wider environment so that tenants are able to live in decent neighbourhoods as well as decent homes.

The demographic patterns are increasing demand for specialised properties whether due to age, health or family circumstances and these trends are set to continue. Responding to these changes will take time although the issues are already here. Accordingly, the Council will have to adopt a range of solutions which will include some new build, some conversion of existing properties and better matching of properties to need. Identifying adapted properties across the Borough is essential so that customers can be redirected where appropriate rather than committing scarce resources to adaptation works that could be avoided.

Objective 5: Partnership development

This strategy can not be delivered by the Council alone. Experience shows that success depends on organisations in the public and private sector coming together to pool expertise, commitment and resources. With national and local budgets under increasing pressure, it is essential that like-minded partners continue to work together to provide the collective benefits.

In 2013, the Council has refreshed its Housing Joint Commissioning Partnership, providing the opportunity for organisations to demonstrate their support for the Borough. It is important that the successes of previous years are built on, but also that new ideas are identified and supported by members of the new partnership.

In 2017, the Council's Housing Management Contract is due for renewal. This provides an opportunity to review operating and structural arrangements for the management and maintenance of around 8000 social houses. There will a number of options available:

- Inviting bids for a single Arms Length Organisation operating to the same or similar contract conditions
- Bring the function back into the Council
- Voluntary transfer of the function to a Housing Association out of Council control
- Fragmentation – breaking the stock into segments to allow bids from communities to self manage their estates or neighbourhoods as Housing Associations or Tenant Management Organisations

For affordability reasons, there is a need for social housing. The issue is whether the stock should be retained under the direct control of the Council. There are advantages. By

retaining a housing stock the Council influences key aspects of housing management including rent levels, allocation policy and repairs strategy. With that comes day to day responsibility for tenant liaison, scheduling repairs and operating within a finite budget which may be inadequate to achieve everything that is needed or expected by tenants.

Retaining the housing stock also carries with it the risk of Right to Buy. Whilst the Council is committed to owner occupation and a vibrant private sector market, reducing the social housing stock is not in the long term interests of the Borough. Sizeable discounts coupled with the costs of new build are insufficient to replace properties sold on a one for one basis. A key consideration for the next contract therefore will be the numbers of properties needed to sustain an independent Council housing stock, the likelihood of maintaining that level of stock and options/ability/resources available to add more properties to the stock should it be required.

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6.0 MAKING IT HAPPEN – MAXIMISING OUR RESOURCES

Delivering the strategy cannot be achieved by any one single agency; a partnership approach is required involving all sectors of the community if the Borough is to get the housing it needs.

The local authority has an important role in enabling and driving delivery. Excellent relations have been maintained with private developers, registered housing providers and lending institutions to build confidence in the housing market. To date, interest in the Borough has remained comparatively high with housing associations investing in projects to deliver over 180 affordable housing units by 2017, few private developments stalling and finance being available for people wishing to access affordable housing options. Having planning permission for over 3,000 housing units already approved and in the system, the Borough is well placed to benefit when market conditions improve. Maintaining and developing these partnerships are critical to future success. The Council needs to continue its work with this range of partners to actively seek development and related funding opportunities. Working flexibly and strategically will place the Council and these organisations in strong positions to respond more effectively and flexibly to any opportunities that arise, rather than being in a continually reactive situation.

The Council will also review the use of land and property to support the development of housing and employment within the Borough. Under-utilised assets, and land that is surplus to requirements, will be released and opportunities sought to put the resources to a more productive use.

New build alone however is not the answer. A balance has to be struck between the new and the old. Some funding for existing homes maybe available through the Homes and Communities Agency and bids will be made where there is a business case to secure this investment. Occasionally, Council priorities will not reflect national funding criteria and, in these cases, alternative approaches will be required. Some outcomes can be achieved through the use of legislative powers (such as section 106 arrangements) or by using the Council's influence to enable projects to go ahead. Others may be facilitated at an opportunity cost (through use of land or in kind support from staff) whilst others such as bringing empty properties back into use, improving the quality of accommodation or mitigating the impact of welfare reform will require the application of money.

The Council continues to make a significant financial commitment to the provision of housing services in the Borough with around £12 million per annum being channelled into Six Town Housing to manage the Council's housing stock. Through the Management Agreement and delivery mechanisms post 2017, the Council will seek to maximise its return on this investment to improve the suitability and sufficiency of social housing to develop better neighbourhoods where people want to live.

There are a range of resources available to support delivery of the Housing Strategy as follows:

- The existing Council Capital Programme, e.g. Disabled Facilities Grants (DFGs)
- Existing Housing Public Sector Capital Programme - currently based upon historic "Major Repairs Allowance" (MRA) levels and Disabled Facilities Adaptations (DFAs).
- Identification of any available resources / headroom within the HRA business plan
- Prudential Borrowing – by the Council
- Borrowing by Six Town Housing Limited
- External Funding Opportunities – e.g. Homes & Communities Agency (HCA)
- Partnership Working – e.g. engaging with other housing providers in the Borough

For all options it is essential that a full and robust business case is developed, taking full account of the following:

- Revenue and Capital costs of any proposal (including any loan charges)
- Financial benefits to the Council, the Housing Revenue Account and Six Town Housing Limited e.g. rental income
- Secondary benefits to the Council, e.g. management of demand for Adult Care packages, additional Council Tax etc.
- Contribution to achieving the goals of the Housing Strategy
- Benefits derived for tenants and residents of the Borough
- Local political priorities
- Contribution to the Council's Corporate Plan

Funding arrangements for individual proposals will be tailored in light of the above.

It is also essential that any proposals are developed within existing governance arrangements, notably the Council's Treasury Management Strategy and the Prudential Indicators that underpin it.

A similar strategy is to be developed for Six Town Housing Limited outlining operational limits for external debt and other key treasury indicators.

Likewise all proposals must be approved in line with the Council Constitution; e.g. Cabinet, Council etc as appropriate.

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7.0 ACTION PLAN

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Building Bury's Future

Bury's Housing Strategy – Action Plan

2014 – 2024

January 2014



Outcomes & Targets	Actions	Tasks	Lead/Partners	Resources
Objective 1: Delivering a sufficient and suitable supply of housing in the Borough				
Meet the objectives of the Core Strategy to deliver 2,000-5,000 new dwellings over the life of the Housing Strategy	Maintain a supply of land available for housing	<p>Use of Core Strategy and Strategic Land Availability Assessment to identify suitable areas</p> <p>Identify housing opportunities from the Council's Disposals list</p> <p>Focus on Brownfield sites to protect the Greenbelt</p>		
Reduce the number of stalled sites from xxxx to xxxx	Unlock stalled sites within the Borough	<p>Support bids from registered providers and private developers to AGMA and the Homes & Communities Agency (HCA) to increase housing delivery</p> <p>Identify opportunities/funding through Bury's Housing Joint Commissioning Partnership</p>		
Preserve the mix of housing tenures in the Borough	Respond to the findings of the Housing Need & Demand Assessment 2011/12 and other housing assessments	<p>Ensure use of section 106 affordable housing powers to promote mixed developments on new build schemes</p> <p>Target efforts of the Bury's Housing Joint Commissioning Partnership to meet needs of specific groups (such as older people, disabled residents)</p> <p>Develop and support bids so that social housing is maintained at around 15% of the market</p>		

Outcomes & Targets	Actions	Tasks	Lead/Partners	Resources
Ready supply of adapted properties to meet the needs of people with long terms conditions	Meet housing needs of people with disabilities	<p>Identification of adapted stock across all tenure types</p> <p>Promote concept of lifetime homes in design of new and refurbished housing</p> <p>Increasing financial support from registered providers to convert social rented housing</p> <p>Development of financial products to encourage adaptations</p>		
Housing meets the diverse housing needs of the Borough	Identify and respond to demand in the Borough	<p>Address supply issues identified in Housing Need and Demand Assessments through specific sub-strategies</p> <p>Undertake Housing Need & Demand Assessments to track progress</p>		
End Homelessness	Address causes of homelessness and rough sleeping in the Borough	Identify priorities and develop proposals to address the issues through a specific Homelessness Strategy		
Objective 2: Affordability				
Increase the proportion of housing that is within financial reach of local residents	Promote affordable housing within all townships as part of the overall housing tenure balance in the Borough	<p>Secure 25% (10% in regeneration areas around Bury and Radcliffe town centres) affordable housing units on all large sites with a net gain of 15 of more dwellings through section 106 agreements</p> <p>Support projects and external; funding bids from Bury's Housing Joint Commissioning Partner to</p>		

Outcomes & Targets	Actions	Tasks	Lead/Partners	Resources
		<p>increase the amount of lower cost housing</p> <p>Maximise Council assets to promote new affordable housing</p> <p>Promote economic regeneration and other growth initiatives to increase local earnings and improve the choice of housing open to local residents</p>		
No households live in properties that they are unable to afford or are not suited to their needs	Eliminate over crowding and under occupancy in the rented sector	Support those affected by Welfare Reform to find alternative accommodation		
Objective 3: Fewer Empty Properties				
Reduced void properties in the private and public sector	Encourage full utilisation of the housing stock	<p>Encourage and support owners to bring properties back into occupation including use of Council Tax and other financial powers</p> <p>Develop projects to maximise external funding opportunities to tackle empty properties</p> <p>Monitor void levels in the public sector and respond as appropriate to minimise rent loss and increase letting availability</p> <p>Identify priorities and develop proposals to address the issues through a specific Empty Property Strategy</p>		

Outcomes & Targets	Actions	Tasks	Lead/Partners	Resources
Objective 4: Good Quality Accommodation				
Range of choice and quality of housing available to all residents	Improve quality of housing in the private sector	Reduce number of properties with Category 1 hazards Raise standards in the private rented sector		
Good quality social housing	Maintain decent homes standards across all registered provider housing stock	Monitoring of standards to ensure 100% decency in Council-owned housing Work with housing associations to maintain standards		
Reduce number of people in fuel poverty	Improving energy efficiency of homes in the Borough	Implement GM energy efficiency initiatives in the Borough, e.g. ECO Toasty, energy switching campaigns, Green Deal Refresh of the Affordable Warmth Strategy and Action Plan Working with householders to encourage better energy efficiency measures		
Reduction in anti social behaviour	Addressing anti social behaviour and other activities that have a detrimental impact on decent neighbourhoods	Zero tolerance approach to anti social behaviour in Council owned stock Corporate approach to tackling anti social behaviour Work with private rented sector landlords, registered providers and tenants to improve the quality of neighbourhoods and the environment		

Outcomes & Targets	Actions	Tasks	Lead/Partners	Resources
Increased supply of housing to more effectively meet the needs of the Borough	Pump prime new housing development and improvement initiatives through HRA Headroom	<p>Identification of schemes to meet specific housing needs</p> <p>Identification of potential sites for development</p>		
Objective 5: Partnership development				
Adequate response to Housing Need & Demand Assessments	Collaborative and partnership working across all sectors to deliver sufficiency and suitability in the housing market	<p>Maintain good working relationships between housing providers and developers</p> <p>Promote strong relationships with multi-agency boards to improve the standard and choice of housing in the Borough</p> <p>Maximise bidding opportunities to deliver the strategy for the benefit of the Borough and local residents</p>		

Analysis of:

DRAFT HOUSING STRATEGY

CONSULTATION

INTRODUCTION

Following Cabinet approval on the 18th September 2013, extensive consultation on the draft Housing Strategy 2013-2023 was commenced using a variety of methods to maximise opportunities for response. This report analyses the comments received from the workshops and the on-line voting tool.

Questions were asked in relation to:

- whether respondents supported our five key housing priorities (delivering a sufficient and suitable supply of housing in the Borough, affordability, fewer empty properties, good quality accommodation and partnership development);
- what respondents felt we needed to do to deliver these priorities;
- what respondents felt was the most important priority;
- whether the strategy was easy to read;
- whether respondents understood what the strategy was trying to achieve; and
- whether there was anything else the strategy needed to consider.

The results of interactive voting sessions and a summary of the workshop discussions from all four events are combined and shown below.

In total **88** responses were received on the draft Housing Strategy, with people from a range of backgrounds expressing their views.

ANALYSIS OF THE RESPONSES

People responding to the consultation via either the workshops or the on-line survey were asked to state which of the five priorities identified in the draft strategy they felt were the most important. Both methods of consultation produced similar results with the top three priorities stated as:

1. Delivering a sufficient and suitable supply of housing
2. Affordability
3. Good Quality Accommodation

Those responding were also asked what they thought the Council needed to do to deliver against each of the priorities. Below is a summary of comments made online and at the workshops:

1. Delivering a sufficient and suitable supply of housing in the Borough:

- The importance creating mixed tenure developments.
- A need for the Council to help to identify land for development.
- Choice of housing for older people.
- Potential issue with availability of finance preventing the delivery of enough homes in the Borough.
- Need a range of housing to meet the needs of all customers.
- Need for 1-bedroom properties.
- Need for larger, 3- and 4-bedroom properties.
- Need should be met through refurbishment of existing properties, not all new development.
- Importance of protecting the Green Belt and developing on Brownfield sites, particularly those with existing planning permissions.
- Occupants should be held more accountable for their homes.

2. Affordability:

- Concerns about the costs of private renting.
- Costs of renting all types of accommodation felt to be high / difficult to meet, especially with benefit changes.
- The problems people are facing with increasing fuel poverty and living costs, and the impact this can have on ability to pay rent.
- Importance of affordable housing in the Borough.
- The importance of making people aware of the different affordable housing options, such as discounted outright sale and shared ownership.
- The need to avoid excluding some people by having too restrictive local lettings policies.
- Need to ensure a range of tenures are available, including home ownership, rent to buy, and renting.
- Need to balance affordable housing requirements with development costs if housing schemes are to be delivered.

3. Empty Properties:

- Need to increase Council Tax on empty properties.
- Explore incentives or support to help owners bring empties back into use.
- Need to take action where properties are left empty.
- Need to protect communities from anti social behaviour caused by empties.
- Action needs to be taken against rogue landlords. Need action to regulate against subletting.
- Need to promote positive initiatives, such as the Landlord Accreditation Scheme.
- Work with landlords / owners of empty properties.
- Focus on bringing empties back into use rather than building new housing.

4. Good Quality Accommodation:

- Concerns about standards of accommodation in the private rented sector.
- Concerns that standards in parts of the private rented sector are tolerated in the Borough because people really want to live here.
- Council needs to work collaboratively with private landlords to raise standards; otherwise there is a need to take enforcement action.
- More rigorous inspection of the private rented sector proposed.
- Negative impact on estates from poorly maintained former 'Right to Buy' properties.
- Need incentives, such as Green Deal, to address fuel poverty and its associated negative effects.
- Need to use quality to positively affect health of residents.
- Promote quality accommodation provided by Registered Providers.

5. Partnership Development:

- Partnership working is important to improve standards and the environment.
- Build on existing successful partnerships.
- Develop partnerships with developers.
- More involvement for tenants.
- More partnership working to support cross border moves.

Additional Priorities

While the majority of respondents stated that they supported the five priorities, to close the workshops attendees were asked to identify any other issues or priorities which had not been covered in earlier discussions. Observations made included:

- Excellent strategy, but needs resources to deliver.
- Need to consider a range of options to maximise resources available to the Borough.
- Need effective communication with tenants.
- Support needed to prevent homelessness.

Further Comments

Analysis showed that there was a good representation from a range of stakeholder groups, therefore demonstrating that the intended audience for the consultation had been reached.

Encouragingly the majority of respondents stated that the draft strategy was easy to read and that they understood what the strategy was trying to do.

CONCLUSIONS

The majority of respondents to the consultation were supportive of the priorities contained in the draft Housing Strategy, giving encouragement to further progress our draft proposals.

While the number of people taking the opportunity to comment on the draft Housing Strategy was quite low, good discussions took place at all the events, with a wide range of different people from developers, councillors, staff and residents providing useful input into the discussions.

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REPORT FOR DECISION



REPORT TO:	CABINET OVERVIEW AND SCRUTINY
DATE:	18 DECEMBER 2013 14 JANUARY 2014
SUBJECT:	MEDIUM-TERM FINANCIAL STRATEGY
REPORT FROM:	DEPUTY LEADER/ CABINET MEMBER FOR FINANCE & CORPORATE AFFAIRS
CONTACT OFFICER:	MIKE OWEN, EXECUTIVE DIRECTOR OF RESOURCES STEPHEN KENYON, ASSISTANT DIRECTOR OF RESOURCES (FINANCE & EFFICIENCY)
TYPE OF DECISION:	KEY
FREEDOM OF INFORMATION/STATUS:	The report is for publication.
SUMMARY:	<p>The report presents Members with a draft medium Term Financial Strategy for their consideration. The draft Strategy covers the years 2015/16 to 2016/17 and sets out the assumptions underpinning the draft budget forecasts for those years.</p> <p>This covering report outlines, at a strategic level, the challenges facing the Council in the light of the further and significant Government funding reductions announced as part of the 2013 Spending Review and suggests an initial strategic response to the position.</p>
OPTIONS & RECOMMENDED	Option 1 - to approve the Medium Term Financial Strategy

OPTION	<p>Option 2 - to reject or amend the draft Strategy</p> <p>Option 1 is the recommended option in order to ensure that the Council has a clear budgetary framework to take it through the challenges ahead.</p>
IMPLICATIONS:	
Corporate Aims/Policy Framework:	Do the proposals accord with the Policy Framework? Yes
Statement by the S151 Officer: Financial Implications and Risk Considerations:	The draft MTFS does not require any additional resources itself. However it will play a key role in directing the work required to produce a balanced 3 year budget for the Council.
Statement by Executive Director of Resources:	Wider resource issues will depend on final budget allocations made by Members.
Equality/Diversity implications:	A comprehensive Equality Impact Assessment has been completed.
Considered by Monitoring Officer:	Yes
Wards Affected:	All
Scrutiny Interest:	Overview and Scrutiny Committee

TRACKING/PROCESS

DIRECTOR: Mike Owen

Chief Executive/ Senior Leadership Team	Cabinet Member/Chair	Ward Members	Partners
Yes	Yes		
Scrutiny Committee	Committee	Council	
14/1/14	18/12/13		

1.0 INTRODUCTION

- 1.1 The draft Medium term Financial Strategy (MTFS) attached to this report sets out the background to the Council's funding position for the coming two years (2015/16 and 2016/17), the assumptions made in preparing the budget forecast set out in the Strategy, and the Council's proposed approach to developing a significant cuts programme in order to deliver a sustainable balanced budget going forward.
- 1.2 Finance is central to all activities of the Council; virtually everything the Council does has a financial implication; whether it involves incurring costs, or generating income. Also the way money is spent influences the way services are delivered, the extent of the services we can deliver, the quality of our services and also how effectively the Council's vision can be fulfilled and the wishes of our residents met. For the purpose of this report the finances which are affected mostly are the net budget of £140m and what is termed the 'controllable' budget valued at £100m (which excludes items such as past pension costs, levies, debt charges etc.)
- 1.3 Local Government is experiencing unprecedented challenges. Ever increasing demands are being placed on services as a result of the economic environment, statutory duties, demographic changes and residents' expectations and this is happening at the same time as Government funding is being considerably reduced.
- 1.4 Analysis of all public spending cuts shows that over the past 4 years local government has borne the brunt of Government spending cuts and in Bury the Council has seen its Government funding cut by over 30%. These cuts, together with rising costs and more demand for our services, means that the Council's budget has been cut by £38 million since 2010.
- 1.5 Based on the assumptions set out in the Strategy the Council now needs to cut a further £15.8m from its budget in 2015/16 and should Government spending cuts carry on at the same level then it is estimated that another £15m may have to be cut in 2016/17. This means that by the end of 2016 we will have taken approximately 70% of our controllable budget, and this should be considered in light of the fact that Bury is a Council that is already recognised as providing services at very low cost.
- 1.6 The times ahead will be difficult, and the Council has some very difficult choices to make, not the least in reconciling the need to make cuts with the need to meet our legal duties, and to satisfy as far as possible the wishes of our residents.
- 1.7 Budget cuts of this magnitude will have a significant impact on residents and the Leader of the Council has written an open letter that sets out clearly the difficulties that the Council faces and the potential impact on the services that the Council provides.
- 1.8 However, these funding challenges also present an opportunity to pro-actively review the services we deliver, how we deliver them, and how to secure maximum value for money. We have previously done this through the "Plan for Change" but it is clear that the position set out in the draft MTFS will require even more radical solutions to be found.

- 1.9 This report builds on the points made within the MTFS and outlines, at a strategic level, the challenges facing the Council in the light of the Government funding reductions announced as part of the 2013 Spending Review and suggests an initial strategic response to the position.

2.0 BACKGROUND

- 2.1 In considering the budget position set out in the MTFS Members are reminded of the extent of the cuts that Bury has been forced to make since the coalition Government came to power:

Year	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000	Total £'000
Savings	9,575	8,656	9,871	*7,432	35,534

Note:* This is the level of cuts identified in Plan for Change 2. They equate to £430 per household.

- 2.2 In the Chancellor's March budget there was reference to a further 1% reduction in the level of Government funding for local authorities for 2014/15; this has subsequently been confirmed and means that Bury needs to find an additional **£2.220m** of cuts.
- 2.3 This takes the 2014/15 cuts figure to **£9.652m** and the total cuts to **£37.754m**.
- 2.4 This equates to **28%** of the net budget (which stands at approximately £140m) and when compared to the 'controllable' budget (at £100m) the percentage rises to 38%.
- 2.5 The figures also exclude the fact that several £m of additional savings had to be made to both revenue and capital budgets as a result of cuts in specific grants that were imposed in the emergency Budget tabled immediately after the coalition came to power.

2015-17

- 2.6 Turning to the following two years, the headline figures set out in the CSR on 26 June 2013 indicated that Councils would face a further cut in funding of 10% for 2015/16. However what has now become clear from detailed consultation documents is that whilst the CSR headlines suggested a 10% real terms cut in overall funding for local government for 2015/16 the actual real term reduction in the basic allocation to local authorities is significantly higher than this and stands at around 14%.
- 2.7 There are several reasons for this including the fact that £1bn has been set aside from the settlement for allocation outside the main business rates retention system. This includes much of the 'new' money announced in the Spending Review and an increase in the amount of funding held back for the Business Rates Safety Net (because DCLG believe business rates performance nationally will be worse than originally anticipated) and for the New Homes Bonus (NHB).

- 2.8 These figures have been worked through the Council's budget model, taking account of basic pressures e.g. 1% pay award, increments, levies etc. and assuming that the Council Tax is frozen (qualifying us for a 1.1% grant).
- 2.9 The result is that for 2015/16 and 2016/17 we face a revised combined savings requirement of nearly **£31m**:

2015/16	£15.807m
2016/17	£15.554m

Further details behind these figures are provided within the MTFs itself.

- 2.10 It must be stressed that in line with the Council's cash ceiling rules these figures **exclude** any legislative / service pressures reported by Departments.
- 2.11 Finally Members are reminded that whilst the budget forecasts for 2014/15 and 2015/16 set out in this paper and the MTFs are based on the DCLG exemplifications these allocations remain 'draft' pending confirmation of final Settlements. In the case of 2016/17 the figures can be no more than 'best guesses' because Government spending levels and Departmental allocations will all be subject to future Spending Reviews which are unlikely to take place until after the next General Election.

3.0 STRATEGIC OVERVIEW

- 3.1 To date a significant majority of the cuts made have involved efficiency savings and the Council has striven, successfully, to protect front-line services. However this does not mean that the cuts have been without pain. Over 350 posts have been removed and of these around 100 posts were at senior manager grade, meaning that nearly 50% of such posts have been removed. It is clear that as time goes on the effect of these cuts and resource losses will become more and more apparent.
- 3.2 Whilst it is always the case that incremental improvements can be made to efficiency and that some reductions can be made in areas that do not directly impact on services to the public it is also clear that as a low spending authority Bury is reaching the point where cuts can no longer be made from pure efficiency savings. Posts have been shed, buildings closed, staff pay and conditions restricted, energy bills cut, recycling rates increased and purchasing costs slashed. Those options that are more straightforward and have the least impact on service users have already been taken and there is very little scope to repeat or extend these cuts in the future.
- 3.3 This means that Council Members, residents, and service users now need to be aware that, given the budget reductions that have been made so far, a further reduction of £31m will have a much more profound and direct effect on front line services. The scale of the impact of these cuts cannot be over-estimated and there is little doubt that they will strike at the very heart of what the Council does and what the public have got used to the Council doing.

- 3.4 The proportion of cuts that will have to be made in 2015/16 and future years that will impact on front-line services and possibly even on vulnerable people will be far higher than those implemented as part of past budget rounds. Cuts will be more difficult to identify and more complex (and expensive) to deliver particularly because the cuts that have previously been made to budgets mean that the remaining resources and services fall within the more "statutory and regulatory" category meaning that the Council has far less scope to make cuts.
- 3.5 All of this means that the financial year starting in April 2015 will be one when residents begin to see considerable changes to the way the Council operates and this will undoubtedly begin to affect people's daily lives. In order to meet this level of budget cuts the Council will have to radically examine services and look for every available opportunity to transform service delivery and approach and as a result the Council will look and feel very different in the future.
- 3.6 There will also have to be a radical change in the relationship between the Council and the borough's residents and service users. People's expectations about the level of service they can expect from the Council will have to be managed downwards and in turn the Council will need to ask people to help us to reduce our costs by changing behaviour that drives up our costs (e.g. littering; dog fouling) or by helping us to deliver services.
- 3.7 Whilst at this stage it is not possible to predict in detail the impact on the Council's workforce it is inevitable that further budget reductions on the scale set out in the report will result in a further significant reduction in the number of jobs within the organisation.
- 3.8 Over the next few months the Council needs to work through both a high level strategic response to these issues and begin to construct a set of practical organisational and service proposals to meet the financial challenge. The urgent priority is to develop proposals that will see reductions implemented by 1st April 2015 but that these need to be developed as part of a medium term financial plan that places these detailed budget options within a two-three year timeframe.
- 3.9 This is especially important because making widespread changes to services is both complicated and time consuming and based on past experiences we know that change takes time and also that it is often beneficial to make one larger change rather than a series of smaller changes.

Post 2015 Challenges

- 3.10 It is also essential that this work takes place within a clearly defined policy context and it is inevitable that part of this work will involve identifying those services and outcomes that are not seen as affordable or priorities for delivery by the Council going forward. It is worth highlighting at a strategic level what some of the policy considerations might be in the future. These changes are likely to include the following:

Changing the expectations about what the Council can deliver – In the future, the Council will not be able to meet all the public's needs/expectations or be able to deliver services at the quantity/quality/standard that we currently provide. The Council will need to be up-front about the need to cut services, spell out why levels of service are reducing, develop more targeting or in some circumstances stop delivering services altogether.

Working more closely with individuals and communities to deliver services – The Council will not be organisationally or financially able to meet all service needs in the future and therefore will need to work with individuals and communities to encourage them where possible to undertake more for themselves. This is an approach that we will need to consider across all the Council's services where we do not have an individual statutory requirement. For example, the Council may provide facilities or equipment but community/voluntary groups/individuals may have to organise events, maintenance, support etc. themselves. This approach builds on the very long standing and successful 'self management' partnerships operating for bowling greens, football pitches and play areas and, more recently, with the Park Rangers' service. More of this approach is needed and involves engaging and encouraging a greater partnership between the Council and voluntary community groups in providing services in their area.

A stronger focus on demand reduction - Part of the principles behind Public Service Reform is to manage the demand for services, reduce this demand where possible and to identify more cost effective ways of meeting the demands that remain. It is important that we adopt the same approach to the delivery of the Council's mainstream services. We have had some success in this through the change in the refuse collection facilities in that we have changed people's attitude to recycling and thereby reduced the amount of expensive residual waste disposal. All Departments will need to consider how they can influence demand for their services in the future and how demand reduction can play a role in delivering savings over the medium term.

An examination of alternative ways of delivering remaining Council services – In order to maintain the level of services delivered to the public, in some areas it may be more cost effective to deliver these services through an alternative mechanism to direct provision. This approach would need to be coupled with excellent commissioning and a robust quality assurance regime to ensure the maintenance of good services to the public while reducing the cost of the service to the Council. These alternative mechanisms can include setting up a Trust, a wholly owned company, a social enterprise, using the voluntary sector or the private sector etc. or shared services with other Councils. The Council of already has some services delivered in this way but given the financial challenge going forward it will be necessary to test out our current delivery arrangements against the alternatives that are available to determine what options exist to both ensure quality and deliver savings. Although it is difficult to be precise on the extent to which commissioning will increase and in what form, given that much of what the Council does is statutory in nature, in many cases the most realistic option for delivering savings will be to provide the services in a more cost effective way rather than cutting the provision further.

Changing the way Residents access services - Bury Council has been trying to widen access options in addition to providing very traditional ways residents and service users access services and secure information about services. Whilst there have been developments with the Council's web site to move to become a 24/7 Council access is still primarily through face to face contact and telephone.

The challenge for us is that we need to offer a wider range of 'self service' remote options similar to the high street experience so familiar to many of our residents, such as booking holidays, on-line shopping, and banking. In a post 2015 environment the Council will have to look to becoming a 'virtual' council where the 'high street' experience of 'self service' using smart technology becomes mainstream, whilst still offering the traditional options, but these, because of affordability, will have to steadily reduce over time.

4.0 PROPOSED TIMETABLE

4.1 In order to deal with this scale of reduced funding the Council will need to start developing its approach to the 2015-17 budget over the next few months. This is important because of the following factors:

- Developing budget options takes time, especially given the scale of the challenge that the Council is facing and the need to explore potential new approaches in many areas
- There will be a need to engage and consult the public, stakeholders, partners, trade unions and staff both strategically and on the detail of the options
- Following the approval of budget options post consultation there will be a period of implementation that typically takes between 3-6 months before the totality of the savings can be made.

4.2 In broad terms this implies the development of a strategic and operational response along the following timetable:

Now – Summer 2014 – The development of an overall budget strategy for the coming two years including detailed budget options for 2015/16 and 2016/17 if achievable

Summer 2014 – Autumn 2014 – formal consultation on the detail of the strategic budget and budget options

Autumn 2014 – Spring 2015 – Implementation of sufficient budget options to achieve the reductions required for 1st April 2015

Spring 2015 onwards – the further delivery of budget options to ensure that the overall budget reduction targets for the period are met

5.0 CONCLUSIONS

5.1 The Government cuts that we are now facing mean that the Council is moving into uncharted waters, and the MTFs indicates that we may face cuts of a further £31m in 2015/16 and 2016/17 on top of the £38 million already cut in the last three years.

- 5.2 There is no doubt that there will be very serious consequences as a result of these cuts for our borough and the many services the Council provides. All this is happening at a time when great pressure is being placed on important services such as roads, libraries; leisure, parks; and children's centres. Many of these services are in fact making pressing cases for further investment.
- 5.3 The scale of the cuts and pressures cannot be over-estimated and it is clear that we will no longer be able to rely on efficiency savings alone to balance the books.
- 5.4 We now have to strike a balance between providing services that we must provide by law, and those that we do not. The report provides a timetable for preparing budget options for 2015/16 onwards and the Council remains committed to consulting widely on any proposals as soon as this is possible.
- 5.5 However it is clear that services may have to be closed, restricted or changed in some way and whilst the Council is determined to do everything possible to reduce the impact of these changes on our most vulnerable residents, and try to offer alternative arrangements where we can it is not possible to make any guarantees at this stage.
- 5.6 This report is intended as an initial analysis of the scale of change facing the Council. At this stage Members are simply asked to approve the MTFs itself and there are no formal decisions to be made about the detail of how the Council will meet the challenges it faces. However it is critically important that everyone understands the context and the scale of the decisions so that effective long-term planning can commence and that the appropriate organisational, political and managerial leadership is applied to the issue.

COUNCILLOR JOHN SMITH
DEPUTY LEADER/CABINET MEMBER FOR FINANCE AND CORPORATE AFFAIRS

List of Background Papers:-

None

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Bury Council

Medium Term Financial Strategy

2013/14 to 2016/17

December 2013
Version 2.0

CONTENTS

1. Introduction from Councillor John Smith; Deputy Leader of the Council and Finance Portfolio holder.
2. Purpose of Medium Term Financial Strategy
3. Vision for Council Finance
4. Economic Outlook
5. Local Government Resource Review
6. Revenue Budget
7. Financial Standing/ Resilience
8. Capital Programme
9. Housing Revenue Account
10. Roles & Responsibilities
11. Links to other Strategies

1. Introduction from Councillor John Smith; Deputy Leader of the Council and Executive Member for Finance.

1.1 Finance is central to all activities of the Council; virtually everything the Council does has a financial implication; whether it involves incurring costs, or generating income. Also the way we spend money influences the way services are delivered, the extent of the services we can deliver, the quality of our services and also how effectively we are able to fulfil the Council’s vision and meet the wishes of our residents.

1.2 Local Government is experiencing an unprecedented financial challenge; in Bury reductions in our Government grant have required the following cuts;

Year	£ million
2011/12	9.575
2012/13	8.656
2013/14	9.871
	28.102

Following the Spending Review of Summer 2013, and subsequent release of draft settlement figures, the Council estimates that further cuts will be required as follows;

Year	£ million
2014/15	9.652
2015/16	15.807
	25.459

This gives a total cuts figure of nearly **£54 million** over 5 years.

Information beyond this point is not yet available, however messages from Government suggest that reductions will continue "*at the same rate*", this being the case, and factoring in the Council’s own estimates for inflation etc, then a likely cuts requirement for 2016/17 would be;

Year	£ million
2016/17	15.554
	15.554

It is stressed that this is a very provisional estimate at this stage, given the lack of information currently available.

1.3 Of course the Council must act responsibly and we are legally bound to set a balanced budget, where spending is fully met from sustainable sources of income. Not only is this a legal requirement but it is also enshrined within the Golden Rules that underpin our whole approach to setting our budget.

- 1.4 These savings equate to approximately **50%** of that element of our budget where we can realistically make reductions, and come against a backdrop of Bury being a Council that is already recognised as providing services at very low cost. The times ahead will be difficult, and some very difficult choices will need to be made, not the least in reconciling the need to make savings with the need to meet our legal duties, and to satisfy as far as possible the wishes of our residents.
- 1.5 However we intend to tackle these challenges head on and to recognise that they also present an opportunity to pro-actively review the services we deliver, how we deliver them, and search even harder for ways to secure maximum value for money. We aim to do this through our "Plan for Change".
- 1.6 Savings requirements of this magnitude will have a significant impact on residents, and the Leader of the Council has made a pledge that the budget strategy will entail the widest ever **public consultation** exercise undertaken by the Council.
- 1.7 This Strategy sets out the background to the funding position, the assumptions made in preparing the budget forecast, and the way that the Council intends to go about setting a sustainable, balanced, priority-led budget going forward.

A handwritten signature in blue ink that reads "John Smith". The signature is written in a cursive, flowing style.

Councillor John Smith
Deputy Leader of the Council and Executive Member for Finance

2. Purpose of the Medium Term Financial Strategy

2.1 The purpose of the Medium Term Financial Strategy (MTFS) is:

- To set out a vision for the way in which the Council will manage it's finances
- To demonstrate the links between finance and the Council's other corporate Strategies.
- To promote the preparation of a balanced and sustainable budget that is, as far as possible, representative of the Council's and the public's priorities.
- To act as a guide for Councillors when they come to set and manage the budget by setting out ground rules and assumptions on which budget forecasts will be made.
- To examine the potential impact on the budget of factors such as demographic changes, increased demand for services, changing ways of providing services, new powers and duties, potential changes to the system of financing Local Government and so on.
- To highlight the sensitivity of budget calculations to these factors and to economic factors such as inflation.
- To outline the Council's proposed approach to the achievement of any savings required to balance the budget.
- To model scenarios around the potential future level of Council Tax
- To document the Council's financial management and monitoring arrangements.

2.2 The MTFS will address the three main "funds" maintained by the Council – namely the General Fund (Revenue), the Capital Programme, and the Housing Revenue Account. Whist it initially covers a 3 year period, the MTFS will be updated annually on a rolling basis.

2.3 The MTFS is aimed at a wider audience than just Council Members and so other interested readers are expected to include:

- Bury residents
- Members of Parliament
- Auditors
- Partners
- Government departments
- Funding agencies
- Suppliers

3. Vision for Council Finance

3.3 The world of local government and local government finance is rapidly changing. However, to underpin this Strategy a three year vision has been developed that sets out the Council's view of its financial situation and the way in which it intends to respond to the situation:

3.2 Over the coming years we foresee that:

- Central Government grant support for local authorities will reduce by at least the levels set out in the 2010 and 2013 Comprehensive Spending Reviews. Should the world economic situation not improve then pressures on public finances may worsen and grant reductions could be worse than forecast.
- Reductions in public spending will continue beyond the life of the current Parliament (and beyond the period covered by the current Strategy).
- Limitations on the Council's ability to raise Council Tax will continue through the operation of local referenda and the point at which referenda are triggered will be as set out in the Strategy.
- All Council services, but particularly those provided by Adult Care Services and Children's Services, will see on-going and increasing pressures resulting from demographic factors (e.g. an aging population), legislative requirements, changes in attitudes towards safeguarding risk levels, changes in user expectations and from the impact of the country's economic situation. (e.g. increasing unemployment).
- There will be considerable pressure on income targets as a result of the economic downturn, particularly in the area of property and leisure related income.
- There will be greater localism of issues affecting local government, and finance in particular, such as business rate retention, localisation of Council Tax benefit, housing finance reform. These issues will bring significant challenges and risks as well as opportunities.
- There will be major and on-going changes in the pattern of service provision resulting from matters such as the transfer of Public Health into local government, the abolition of Primary Care Trusts, the development of the Manchester city region and Combined Authority, the widening of the use of Personalised budgets, the introduction of Academy schools into the national education arena and so on.
- The economic situation will lead to broadly static interest rates and slight reductions in inflation but increasing pressure on staffing budgets and increased demand for services across the whole of the Council

3.3 The Council's response to this vision will be as follows:

- To set a balanced and sustainable budget each year, underpinned by the Golden Rules set out in section 7 of this Strategy
- To take a longer-term (at least 3 year) view of costs, income and savings options
- To allocate resources (as far as possible) in line with the Council's priorities as determined through effective public consultation. However it is recognised that given we expect all budgets to be shrinking for the foreseeable future this means that large scale switches of funding between service areas will be difficult to achieve whilst also continuing to meet legislative demands
- To continue to operate a system of resource management that recognises that the most effective financial management flows from the delegation of budgets and responsibility to those parts of the organisation that commit and incur costs
- To continue to give services a very high level of financial freedom by minimising central spending constraints
- To expect services to consume their own demand and demographic pressures whilst public finances are reducing
- To make the most effective use of the opportunities provided by the unringfencing of specific grants
- To continue to ensure that reserves and balances reflect the risks inherent in the budget strategy and forecasts
- To consult widely on the budget strategy and the options for making savings with staff, the public and all other stakeholders
- To review all Council services in line with the Plan for Change toolkit (see www.bury.gov.uk) so that savings can be achieved at the same time that service delivery models are optimised

3.4 As far as capital funding is concerned, the vision will be to have a Capital Programme that is solely funded from fully supported borrowing, external grants, capital receipts and revenue. There will be no reliance on borrowing unless such borrowing meets the definitional of prudential borrowing and is supported by a sound business case. Capital receipts will only be committed towards capital schemes once the receipts have been fully realised.

3.5 The vision for the way in which the Council manages its finances is such that:

- There will be a strengthening of the relationship between the corporate and departmental finance functions, and the statutory finance officer (known as the section 151 officer)
- Departmental finance teams and budget holders will be further empowered through the operation of the scheme of delegation – ensuring sound and timely financial advice is available to front –line
- Best use will be made of technology in order to deliver efficiency savings by building on the Council’s investment in IT systems. This will allow finance staff to focus more on strategic advice giving and less on book-keeping
- There will be further developments in promoting clear reporting lines and lines of accountability,
- A strong corporate finance function will be maintained, setting standards, ensuring consistency of approach, compliance with legislation, effective stewardship, and provision of sound financial advice to Members.

4. Economic Outlook

4.1 There are two principal economic factors that impact upon Council finances;

- The rate of Inflation
- Interest Rates

4.2 Clearly other economic factors e.g. levels of unemployment have a direct impact on the wellbeing of residents, which in turn may influence demand for Council services. Other **cost drivers** are explored at section 6.6.8

4.3 Inflation

4.3.1 The Council’s gross spend approaches **£0.5 billion** per annum. Clearly on this scale, even relatively small changes to the rate of inflation can have a significant “cash” impact.

4.3.2 The Council assesses inflation in three categories;

- Pay (i.e. staff costs)
- Prices (i.e. goods & services)
- Income (i.e. fees & charges)

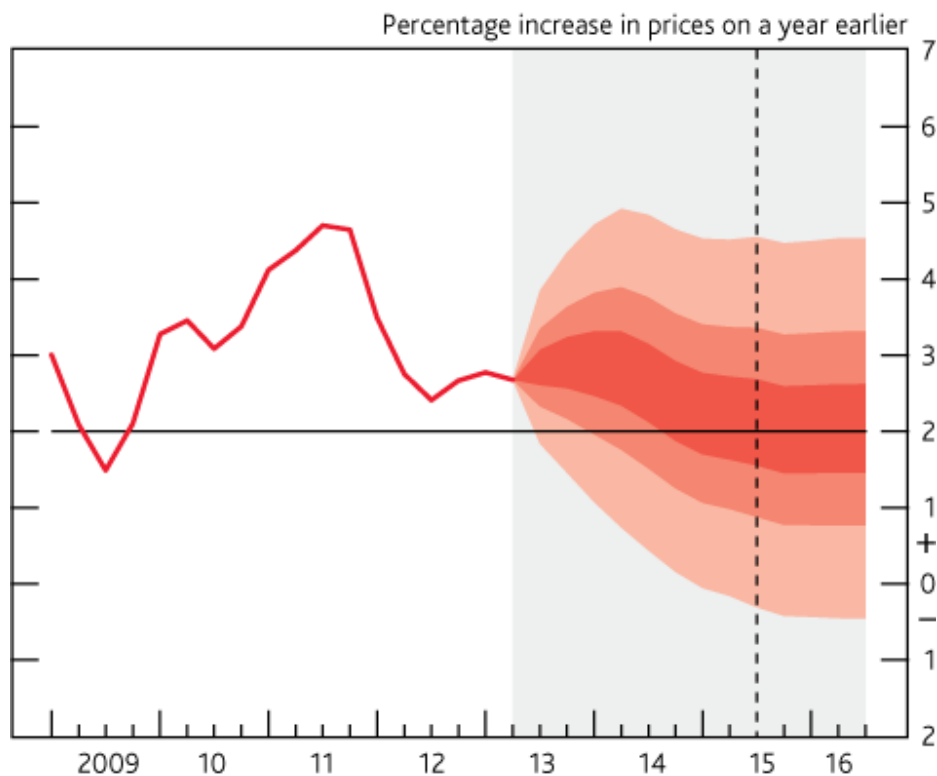
4.3.3 Forecasting inflation levels is notoriously difficult as the economy responds to a range of events including; employment levels, confidence in the housing market, fluctuating energy prices, price of imported goods, and other global economic considerations.

4.3.4 The Bank of England produces a quarterly inflation report; the latest available being August 2013. The Monetary Policy Committee’s assessment is summarised below; Key points are summarised below;

In the Committee's view, a sustained recovery in both demand and supply appears likely. The outlook for growth is stronger than in May, mainly reflecting a marked improvement in business and consumer sentiment. This stronger demand is assumed to be largely matched by an increase in effective supply capacity, such that the outlook for inflation is similar to May, with inflation expected to fall back to around the 2% target over the forecast period.

4.4 Prospects for Inflation

4.4.1 The Bank has produced the chart below, forecasting the potential level of inflation going forward; the darker colour representing greatest certainty.



4.4.2 It is clear that the range of the forecast is broad, and the Bank concludes itself that;

"The timing and extent of the likely decline in inflation are highly uncertain"

4.5 The Council's Inflation Assumptions

In order to prepare a forecast of future spending levels, the Council needs to estimate the level of inflation going forward;

4.5.1 **Pay Inflation**

Local Government staff have received no "cost of living" pay inflation for the last three years.

There is continuing pressure from Central Government to control the level of Public Sector pay; on this basis the Council has assumed 1% pay inflation for the duration of this Strategy.

Sensitivity: In the event that Local Government staff do receive a pay award, every 1.0% awarded equates to an additional £0.9 million cost for the Council. The Council's minimum level of reserves currently provide for 1.0% pay inflation (one-off).

4.5.2 **Price Inflation**

Similarly, the Council is not granting an inflation uplift in respect of non-pay budgets.

Whilst this may appear at odds with current inflation forecasts, the alternative is to grant inflationary increases, thereby resulting in an increased savings requirement.

The award of 0% non-pay inflation serves as an in-built efficiency target for budget holders and should be addressed through improved procurement practices, and greater care in the deployment of resources.

It is recognised that there are certain costs where the Council is "locked in" to unavoidable / contractual inflationary increases, notably;

- Energy Prices / Cost of Carbon Allowances
- Community Care Contracts

The Council has set aside a provision in its financial strategy to address these pressures.

Sensitivity: Every 1.0% of non-pay inflation equates to a further £350k pressure on the Council's budget.

4.5.3 **Income**

The Council generates a significant amount of income through fees & charges.

The Medium Term Financial Strategy has assumed that these charges will be subject to inflationary increases of 1.0% to keep pace with charges of competitors and other Local Authorities.

This does not mean that all fees and charges will increase by 1.0%, rather it is a guideline for Service Managers and Directors.

Assessments will have to be undertaken to assess the extent to which prices can be increased, and the potential impact upon demand / usage (elasticity of demand).

In light of these assessments, it could be that prices are raised by more, or less than 1.0% depending upon individual circumstances.

Directors also have the option of making no inflationary increase, instead fulfilling the income requirement by identifying expenditure savings elsewhere.

Sensitivity: Every additional 1.0% increase in fees and charges generates an extra £200k for the Council.

4.6 Interest Rates

4.6.1 Interest rates impact upon the Council in two ways;

- Daily "cash flow"
- Treasury Management (ie investments & borrowing)

4.6.2 As an organisation with an annual turnover of **£0.5 billion**, clearly a significant number of transactions take place on a daily basis. Some days the Council will have surplus cash available for investment, whereas others there will be a requirement to temporarily borrow. Daily cash flow is managed to extremely fine tolerances to optimise the Council's position.

4.6.3 Similarly, the Council has a number of longer term investments, and loans to finance historic capital spend; these too are managed to achieve the best possible return for the Council and the tax payer at minimal risk.

4.6.4 In 2012/13, the Council managed investments averaging **£35 million** with an average rate of return of **1.67%** (compared to a national average of **0.90%**)

4.6.5 The Council uses a specialist firm of advisors (Sector) to assist with its Treasury Management activity.

4.6.6 Sector have collated the following interest rate forecast using data from a range of sources, this suggests a gradual rise in interest rates over the next 2 – 3 years;

Sep13	Dec13	Mar14	Jun14	Sep14	Dec14	Mar15	Jun15	Sep15	Dec15	Mar16
0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%

4.6.7 Increased interest rates mean increased borrowing costs; the Authority is mitigating this risk with its approach to Treasury Management and the Capital Programme (Section 7).

4.6.8 The primary objective of the Council’s Treasury Management function will continue to be the minimisation of financing costs whilst ensuring the stability of the authority’s long term financial position by borrowing at the lowest rates of interest and by investing surplus cash to earn maximum interest, all at an acceptable level of risk.

4.6.9 Where new borrowing is required, or where existing loans mature, the strategy is to fund these internally by running down the level of cash / investments and if necessary enter into short term borrowing, rather than more expensive longer term loans.

4.6.10 Increased interest rates also present an opportunity in respect of the Council’s investment portfolio. Given the uncertainty of interest rate forecasts, for the purpose of the MTFs, the Council is taking a prudent approach and assuming no additional income in respect of its investment activity.

4.6.11 Further details of the Council’s approach to Treasury Management are included in the Treasury Management Strategy

4.7 Continuous Review

4.7.1 The world and UK economies will be changeable over the lifetime of this Strategy.

4.7.2 It is important that developments are closely monitored, and that the Strategy is updated / refreshed where appropriate.

5. Business Rates

5.1 Business rates are collected by local authorities from businesses in their areas like shops, offices, warehouses and factories, historically they were paid into a central pool and redistributed as part of formula grant.

5.2 In April 2013, a new regime for Business Rates was introduced; with Councils retaining 50% of rates collected; in theory making councils more financially independent from central government and giving them a strong incentive to promote local business growth.

5.4 No changes were made to the way businesses pay tax or the way the tax is set. Rate setting powers will remain under the control of central government. Nor will

there be any changes to the existing reliefs available to eligible business ratepayers including, charities, rural businesses, sports clubs and the voluntary sector. Small Business Rate Relief is currently offered at 100%, however is set to return to 50% in April 2014.

- 5.5 Local authorities with large amounts of business property in their area and may stand to gain disproportionate amounts. Where this happens, the Government is proposing to take back a share of their growth (via a Levy) to support those authorities who experience significant drops in business rates (via a Safety Net), for example caused by the closure or relocation of a major business.
- 5.6 The new regime presents the Council with a number of significant risks, not least the volatility of the NNDR system; yields can fluctuate significantly in-year and, even more importantly, between years for reasons which are often outside of an authority's control including granting of reliefs, revaluations, business failures etc. There is a significant risk in relation to the volume and outcome of Business Rate Appeals; the Council now bears 50% of the cost of appeals, which can be backdated as far as 2010. This risk was recognised in setting the 2013/14 budget, and a provision (£600k) was made to cover the backdating of future appeals. Similarly, within the Council's Business Rate estimate (NNDR1) a 5% provision was made for the ongoing impact of future appeals.

6. Revenue Budget

- 6.1 The General Fund is the main source of funding for the majority of Council services, and is funded by the Council Tax, local fees & charges, business rates and Central Government Grant.
- 6.2 Pressures on Public Sector funding are well documented, and it is not the purpose of this Strategy to examine how or why this has occurred.
- 6.3 The fact remains that the Council is legally obliged to set a balanced budget, and reconcile this with the demands / wishes of residents.
- 6.4 The savings requirement for Bury Council over the current and next three years is;

	£ million
2013/14	9.871
2014/15	9.652
2015/16	15.807
2016/17	15.544
Total	50.874

6.5 These savings have to be made from a controllable annual budget of approximately **£100 million**.

6.6 Assessing the Savings Requirement

6.6.1 In order to quantify the level of savings required, the Council first has to make assumptions about future demands upon the budget.

6.6.2 For the duration of this Strategy, the Council has assumed the following;

	Assumption	Sensitivity (+/- 1%)
<u>Inflation</u>		
<ul style="list-style-type: none"> • Pay • Prices • Income 	<p>1.0%</p> <p>0.0%</p> <p>1.0%</p>	<p>+/- £0.900 million</p> <p>+/- £0.350 million</p> <p>+/- £0.200 million</p>
Employers Pension Contribution	1.0%	+/- £0.900 million
GM Waste Levy	Cash figure based upon estimates from levying bodies	+/- £0.132 million
Transport Levy	Cash figure based upon estimates from levying bodies	+/- £0.137 million
Council Tax Level	<p>+3.5% (2013/14)</p> <p>+0% (2014/15 / 2015/16)</p>	+/- £0.668 million

6.6.3 Inflation

- Pay, Prices & Income inflation have been addressed at Section 4.5.

6.6.4 Employers Pension Contributions

- Most staff are members of the Local Government Pension Scheme, administered by Tameside MBC.
- Staff make a personal contribution to the scheme – typically 6% of salary.
- Similarly, the Council makes a contribution to the scheme of around 16%; this is projected to rise by an average of 1.0% per annum based upon information supplied by the Fund.

6.6.5 Greater Manchester Waste Levy

- This relates to the disposal of waste, and is based upon information received from the Lead Authority.
- It should be noted that the estimated charge is based upon assumed levels of recycling, and that costs vary depending upon whether these targets are achieved, and the relative performance of other GM Councils.

6.6.6 Transport for Greater Manchester Levy

This levy funds three distinct elements;

- Regional Transport Infrastructure
- Concessionary Fares
- Transport for Greater Manchester operating costs

This strategy assumes an annual cash increase in the base levy, based upon guidance from Transport for Greater Manchester.

6.6.7 Council Tax / Council Tax Base

- This budget strategy is calculated on the basis of an annual Council Tax rise of **3.5%** for 2013/14 and **0%** for 2014/15 to 2016/17.
- The 3.5% increase for 2013/14 equated to a **0.16% increase for Bury Council services** once charges from levying bodies were excluded – hence placing the Council below the 2% referendum threshold.
- Clearly the actual level of Council Tax will be determined through the local political process (or by local referenda), however this Strategy draws attention to the fact that every 1% increase in Council Tax generates on average an additional £668,000 of income.
- The Council Tax Base relates to the number of Band D equivalent properties in the Borough, for the purpose of calculating the Council Tax. Essentially, the higher the number, the lower the tax.

- The Council Tax Base calculation has been complicated by the localisation of Council Tax Support – which is now paid as a “discount”; rather than a “benefit”. Localisation saw the Council experience a 10% cut in Council Tax Benefit Subsidy (£1.4 million); this was off-set by introducing charges for second homes, empty properties, and by ceasing the local over 65’s discount. Localisation presents significant risks as the Council will have to stand any increase in claimant numbers, or resistance to charges for second homes / empty properties. Prudent assumptions have been made in these areas, and this Strategy assumes no increase in the Council Tax base.

6.6.8 The Government continues to ask Councils to freeze the Council Tax and have offered to pay those Councils that do a grant equivalent to a Tax rise of 1%.

The actual grant payable to Bury would be £0.755m (as calculated on historic Council Tax base levels); it is unclear at this stage whether this funding is available on an ongoing basis.

6.6.9 Departmental Spending Pressures / Growth

In previous years, the Council has considered “growth bids” from departments to address service pressures, or new service requirements.

For example:

- **Demographic Pressures** – Bury’s population is currently 182,600, but it is forecast to increase to 193,000 by 2022. Bury is forecast to have 10,000 more people aged over 65 by 2025, with other large increases in the 0-14 population (circa 2,000) and 25-35 year olds (circa 4,000).
- **Increased Demand for Services** – increasingly the Council faces costs for services which are unforeseen but are a statutory duty. For example, the budget for child protection and looked after children is under significant pressure, as the number of children subject to child protection plans or taken into care has increased greatly, due to the unpredictable nature of this work.
- **Growing Expectations** – the expectations of what Local authorities can and should do on behalf of communities and individuals has increased exponentially over recent years. Future demand will need to be managed within a reducing level of resources.
- **Structural Changes** – Public Services are being transformed significantly; key developments presenting both risks and opportunities to Bury include;
 - The transfer of the **Public Health** function from the PCT to the Council wef April 2013.
 - The abolition of the PCT in April 2013 and the creation of **GP Consortia**

- The potential for schools to pursue **Academy** status
- **Welfare Reforms** / Universal Credit
- **Technological Changes** – the ability to conduct business electronically, and residents expectations to perform transactions “24/7”.
- **Legislative Changes** – e.g. the Localism Act, and the increased potential for local referenda
- **Sub Regional Activity** – development of the Association of Greater Manchester Authorities (AGMA) and the Combined Authority (CA); ensuring Bury has influence in the decision making process, and secures “fair shares” of regional funding.

Typically, Growth bids were funded from the “Priority Investment Reserve”. Given the scale of the financial challenge ahead, this strategy is written on the basis that there will be no “new money” to contribute towards these pressures; instead departments will be required to absorb spending pressures in addition to fulfilling savings targets, and absorbing inflationary pressures.

This corporate MTFS outlines the assumptions and parameters underpinning the Council’s budget setting process. Each department produces a departmental level Medium Term Financial Strategy; this provides more detailed costing of the pressures identified above, and outlines each department’s proposed response.

6.6.10 Government Funding

Following the introduction of Business Rates retention, there have been significant changes to the way Local Authorities are funded.

Historically Councils received a “settlement” comprising Revenue Support Grant (RSG) and redistributed business rates.

This has now been replaced with a “Settlement Funding Assessment” (SFA) comprising;

- Revenue Support Grant
- Business Rates Baseline
- Business Rates Top Up / Tariff

Bury receives a “Top Up” as it previously gained under the redistribution of Business Rates.

This arrangement took effect in April 2013.

SFA figures relating to the duration of this strategy are compared below (along with a rebased figure for 2012/13).

	SFA	Reduction on previous year
	£m	
2012/13 (rebased)	82.941	
2013/14	78.741	-5.06%
2014/15	70.951	-9.89%
2015/16	61.046	-13.96%
2016/17	52.524	-13.96%

The scale of cut experienced by Bury Council is considerably larger than national averages outlined below (Comparing 2014/15 and 2015/16 SFA);

Bury	-14.0%
England average	-12.4%
Metropolitan average	-13.8%
London average	-10.7%

This is nothing new, as Bury has always fared badly under the formula approach adopted by the Department of Communities & Local Government.

Poverty and deprivation are key determinants in the formula, and Bury is "perceived" to have limited problems in this respect. Although it should be noted that within the Borough, there are "pockets" where deprivation / poverty are a serious issue.

Likewise population is a key driver of the formula, and whilst the Borough's population is rising, the rate is slower than other urban areas.

It is also important to consider funding per head; in Bury's case, we are starting from a very low base; our funding (SFA) per head will be £327.85 in 2015/16.

This compares to others as follows;

Bury	£327.85
England average	£386.84
Metropolitan average	£474.42
Shires average	£481.20
London average	£589.73

If Bury was funded at the Metropolitan average, this would generate an additional £27 million. Funding at the England average would generate an additional £11 million.

6.6.11 Closing the Gap

- Traditionally, the budget has been addressed on an annual basis and has revolved around pro-rata distribution of savings targets – production of lists A & B etc...
- Some prioritisation has taken place through the Priority Investment Reserve.
- This process has served the Authority well; the Council is widely acknowledged as being low cost, and having a healthy balance sheet.
- However, the ability of this approach to fulfil such challenging savings targets over the next 3 years is limited.
- This led to the creation of the Council's "Plan for Change"; starting on 2012/13.

6.6.12 Plan for Change

Key Principles

- A managed approach assessing savings options over a 3 year period.
- Staff are our greatest asset, and our biggest cost. The 3 year approach will, for the first time, invite applications from staff for Voluntary Redundancy / Early Retirement over a 3 year timescale.
- A detailed review of core Council services, assessing how and why they are delivered; identifying more efficient working practices – STAR reviews.
- Greater engagement with the Community and volunteers – the Council acknowledges that a challenge of this magnitude cannot be tackled alone.
- Enhanced Partnership working – financial pressures apply to all our Public Sector partners, and it is recognised that there are benefits by responding to the challenge collectively.
- Openness and Transparency – The Council is committed to ensuring that residents and other stakeholders are involved early in the process, and have an opportunity to contribute to the future shape of the Council

6.6.13 Departmental Savings Targets

In the first instance, Departments have been set savings targets based upon pro-rata allocations of their perceived "**controllable budget**".

The controllable budget is calculated by taking the current net budget for each department, then adjusting for the following "non cash" items;

- FRS17 (Pensions Costs)
- Capital Charges
- Internal Recharges

It is accepted that within the resulting "controllable budget", some items are easier to control than others, or controllable over different periods of time.

Department	2013/14 £m	2014/15 £m	2015/16 £m
Chief Executives	0.793	0.725	To be determined
Childrens Services	2.012	2.427	
Env & Dev Services	2.927	2.966	
Adult Care	3.536	3.534	
Corporate Options	603	0	
Total	9.871	9.652	

Departments have developed savings options to contribute toward these targets (currently for 2013/14 and 2014/15); these are now subject to public consultation under the "Plan for Change".

It is acknowledged that the challenge for 2015/16 and 2016/17 is significant, and compounded by cuts that have already taken place.

The Council has therefore adopted a twin track approach;

- Using existing pro-rata methodology for 2014/15
- Considering alternative approaches for 2015/16 & 2016/17

It is expected that the 2015/16 methodology will be determined by the end of 2013, allowing budget options to be developed early 2014, for consultation mid 2014.

6.6.14 Consultation Process

The Council is committed to undertaking extensive public consultation, and a number of exercises have already taken place;

Stage 1 - "Choices Consultation"

In a time of limited resources, it is acknowledged that difficult choices need to be made – the Council cannot continue to deliver all of the services it presently does, in the way it does now.

Residents have been asked to rank the relative priority of the following;

- Support Vulnerable People
- Keep Bury Clean and Green
- Promoting Healthier Lives
- A Strong Local Economy
- Getting People Moving
- Encourage Vibrant and Strong Communities
- Leisure and Culture Opportunities
- Decent Place to Live
- Maintain Opportunities for High Quality Education and Training
- Better Informed and Engaged Community

The outcome of this exercise has been used by the Council in formulating its draft savings options.

Stage 2 – "Savings Options"

A 3 year package of draft savings has been developed using options put forward by Departments and the intelligence gathered at Stage 1 - Choices Consultation.

A second phase of consultation has taken place whereby residents and stakeholders were consulted on the draft package of savings (for 2013/14 and 2014/15).

Stage 3 – "Preparation of Budget"

The draft savings package will be finalised in the light of feedback received at Stage 2.

This will then go forward to form the basis of the Council's budget.

6.6.15 Timescales (2014/15)

The following timetable will apply;

Approval of initial 2014/15 savings (post consultation)	February 2013
Chancellor's Budget	March 2013
Spending Review / DCLG Indicative Allocations	July 2013

Departmental Savings Targets	August 2013
Develop Savings Options	September / October 2013
Launch "Plan for Change" – commencing formal consultation Council)	11 th November 2013
Conclude Consultation	December 2013
Finalise Budget Options (in light of above)	January 2013
Formal Budget Setting process – Scrutiny, Council etc.	February 2013

7. Financial Standing / Resilience

7.1 Golden Rules

7.1.1 The Council has built a number of basic principles into the longer-term approach to its finances by the adoption of four 'Golden Rules'. These were incorporated into the Council's financial policies by Members in February 2007 to underpin the budget setting and management process:

- The level of General Fund balances retained by the Council to meet unexpected changes in the budget or to fund events that cannot be foreseen will be based on an assessment of the risks faced by the Council but they will not be allowed to fall below the higher of £4.3 million or 2.5% of the net budget (excluding schools). This formula needs to be debated and justified in relation to the risk strategy adopted each year.
- No reliance on one-off options to fund ongoing budget pressures.
- Prudential borrowing will only be undertaken on an Invest to Save basis
- Pressures and savings will be assessed on a 3-year, rather than a 1 year basis

7.1.2 The Golden Rules are now embedded in the Council's financial policies and it is clear that they have had a positive influence on the Council's financial standing. Compliance with the Golden Rules is monitored regularly throughout the financial year.

7.2 Minimum Level of Balances

7.2.1 Under the terms of Part 2 of the Local Government Act 2003, when setting the Council Tax the authority's s151 officer – in Bury's case the Assistant Director of Resources (Finance & Efficiency) is required to report on the adequacy of the

authority's financial reserves. The s151 Officer must determine a minimum level reserves and then report on the likely balance on that reserve at the end of the year for which the Council Tax is being set and at the end of the preceding financial year.

7.2.2 Reserves can be described as amounts that are set aside to meet unexpected changes in the budget and to finance occurrences that cannot be predicted. They usually result from events that have allowed sums to be set aside, surpluses to be made, windfall gains or decisions that have caused anticipated expenditure to be postponed. Reserves of this nature can either be spent or earmarked at the discretion of the Council.

7.2.3 A minimum level of reserves is required to mitigate the effects of such things as:

- Disasters
- Fluctuations in demand
- Changes in inflation
- Unforeseen movements in interest rates

7.2.4 There is no statutory definition of a minimum level of reserves and it is for this reason that the matter is left to the judgement of the s151 officer. In coming to a judgement on this matter the s151 officer needs to take into account matters such as:

- Risks inherent in the budget strategy
- Risk management policies and strategies
- Past financial performance i.e. does the authority have a history of containing spending within budget?
- Current budget projections
- The robustness of estimates contained within the budget
- The adequacy of financial controls and budget monitoring procedures

7.2.5 The table below gives an assessment of the major issues which should be taken into account in determining the minimum level of balances:

	Risk	£000
Pay inflation Cushion: The 0% assumption made in the MTFs is felt to be prudent, however in order to mitigate risk in this area an allowance equivalent to 0.5% should be retained in balances.	H	900
Non-Pay inflation Cushion: Should inflation suddenly rise after the budget has been set, this contingency assumes a 3.0% increase in inflation on non-discretionary items and that discretionary items will be kept within budget.	M	900
Interest Cushion: Given the fact that the cost of borrowing budget reflects a baseline position in	M	100

respect of interest rates, that borrowing has been locked in and that the Capital Programme requires no new borrowing then risk in this area is felt to be on the up-side especially with short-term investment rates at an historic low.		
Uncertainty of Income Cushion: Adequate provisions are made for bad debts, however, in the past some income budgets have not been achieved and therefore it is prudent to provide a contingency for all non grant income.	H	400
Unpredictable and Demand Led Expenditure Cushion: The Council's budgets have had to be kept to a minimum level for a number of years. As a result, the flexibility to compensate for overspends, by reducing spending in other areas is limited. Conversely, significant investment has been made into 'high risk' budgets and this has helped to mitigate this risk. This contingency is now based upon 2.0% of all "demand led" expenditure largely in the areas of Children's and Adult Care Services.	H	1,200
Budget Strategy Risk Cushion: There is always likely to be a level of uncertainty around the authority's ability to achieve savings options and this contingency is based around 10% of the on-going savings options.	M	750
Emergency Expenditure Cushion: Provision must be made for the cost of emergencies that by their very nature cannot be predicted and for any uninsured losses. The Government's "Bellwin Scheme" partially protects authorities from catastrophic costs of some emergencies, but costs up to the threshold of the Bellwin Scheme will still need to be covered by reserves: The Government will pay 85% of any disaster costs above the threshold. This contingency provides for the Council's contribution, assuming a major disaster costing £3.0m. Contingency for smaller emergencies e.g. highway collapse.	L	400
	L	400
TOTAL		5,050

7.2.6 It is not expected that all of these possibilities would occur at one time and therefore the total can be reduced to reflect risk as shown in the table overleaf:

	Risk Level	Likelihood	Provision £000	Max. Impact £000
Pay inflation cushion	H	100%	900	900
Non-pay inflation cushion	M	80%	900	720
Interest cushion	M	80%	100	80
Uncertainty of income	H	100%	400	400
Demand led expenditure cushion	H	100%	1,200	1,200
Budget strategy cushion – savings	M	80%	750	600
Emergency expenditure cushion	L	60%	800	480
			5,050	4,380

7.2.7 This sets the minimum balance requirement for 2013/14 at **£4.380 million**. (rounded to £4.4 million).

7.2.8 This compares to current balances (excluding schools) as follows;

	£m
General Fund Balance 31 March 2013 per Accounts	10.730
Less : Minimum balances to be retained in 2013/14	-4.400
Less : Contribution towards cost of Equal Pay	-1.500
Difference	4.830

7.2.9 Whilst reserves above the minimum level can be released to support expenditure or reduce taxation, it is critical to note that they can only be used once. Reserves are most effective when used to support one-off items of expenditure; they should not be used to support on-going expenditure levels.

7.2.10 The minimum level of balances will be kept under constant review in light of economic conditions and other emerging pressures.

8. Capital Programme

8.1 Capital expenditure is defined as;

"that related to the acquisition, creation, or enhancement of tangible assets which yield benefit to the Council for more than one year."

8.2 Capital receipts are generated when such assets are sold.

8.3 Capital Expenditure has traditionally been funded from the following sources;

8.3.1 Prudential Borrowing

- Prudential Borrowing provides Council's with the power / discretion to take out loans to finance capital expenditure; provided loans can be proven to be prudent, sustainable, and affordable.
- The Council approves a series of Prudential Indicators each year to assist with this control mechanism; these are regularly monitored and reported upon.
- Whilst Prudential Borrowing provides a mechanism to fund capital expenditure, it can create a revenue burden for current and future generations.
- Interest is payable over the life of the loan, and Principle (Minimum Revenue Provision) is repayable over the life of the asset.
- For example, a £1.0m scheme funded over 10 years at a rate of 5% per annum would cost the following;

Minimum Revenue Provision (£1.0m / 10)	=	£100,000
Interest (£1.0m x 5%)	=	£50,000
Revenue Costs		----- £150,000 per annum
Lifetime Cost (£150,000 x 10 years)	=	£1,500,000
(It is not unusual for loans to extend to 40 years).		

Note: This calculation highlights the Revenue Cost of funding the scheme. In addition, there will be running costs relating to the asset, e.g. staffing, insurance, maintenance etc.

8.3.2 Capital Grants

- Capital Grants are made available from Government Departments and other funding agencies to finance capital schemes.
- Typically, there is a "match funding" requirement, which may mean the Council still has to undertake a degree of borrowing.
- Likewise, whilst the grant may fund the capital cost of a project, it is likely there will be on-going revenue costs arising from the scheme, e.g. staffing, maintenance etc. This in turn places more pressure on the Council's revenue position.

- The availability of capital grants is significantly reduced in the current climate.

8.3.3 Capital Receipts

- Relates to income from the sale of assets.
- Whilst assets are regularly becoming available for disposal, e.g. through service redesign, the prices obtained are currently depressed, given the current property market conditions.
- It is important that the Council carefully selects which assets to dispose of, e.g. those which no longer fulfil Council priorities, or those that are underperforming, e.g. high running costs / low usage.
- The Council's Capital Strategy assumes no reliance on Capital Receipts.
- In the event that receipts are generated, these will be used to reduce existing borrowing, or be reinvested on an "invest to save" basis.

8.3.4 Revenue Contribution

- Revenue funds can be utilised to fund Capital Expenditure (but not vice versa); whilst this offers another funding option, clearly there is a direct impact on the Council's revenue position.

8.3.5 Invest to Save

- Some capital expenditure is capable of producing on-going revenue savings, e.g. energy conservation works should lead to reduced energy bills.
- Where the revenue savings generated are sufficient to fund the prudential borrowing costs, and generate a surplus, these schemes will be permitted to go ahead – subject to production of an evidence based business case. Business cases must also consider all costs associated with running the asset over its lifetime.

8.4 The way forward

In 2010/11, the Council adopted a policy whereby it would not undertake any new capital schemes, unless they were;

- fully funded (ie 100% external grant, capital receipts, revenue) and/or
- undertaken on an "Invest to Save Basis"

It is proposed that this policy is maintained for the duration of this Strategy.

9. Housing Revenue Account

- 9.1 The Housing Revenue Account (HRA) is primarily a 'landlord account', recording revenue expenditure and income relating to the authority's own housing stock. The main items of expenditure included in the HRA are loan charges and management and maintenance costs with the main areas of income being rents from tenants and Housing Subsidy.
- 9.2 The HRA is a ring-fenced account i.e. the authority does not have any general discretion to transfer sums out of the HRA, or to support the HRA with contributions from the General Fund, (there are certain circumstances where transfers are permitted or prescribed but these are exceptions).
- 9.3 The HRA has an average stock of 8,280 dwellings. Properties can be removed from the HRA as tenants exercise their "right to buy", however in recent years this has been minimal due to economic conditions. No significant level of "right to buy" applications is anticipated going forward.

Arms Length Management Organisation

- 9.4 In April 2005 Six Town Housing was established as an Arms Length Management Organisation (ALMO) to manage and maintain the authority's housing stock and related assets. A Management Agreement was signed between Six Town Housing and Bury Council which details the responsibilities that are delegated to the ALMO.
- 9.5 Bury Council agrees the level of Management Fee payable from the Housing Revenue Account to Six Town Housing for the provision of the delegated responsibilities; currently **£13 million**.

Rent Restructuring

- 9.6 In December 2000 the government issued a policy statement entitled 'The Way Forward for Housing' which proposed that rent setting in social housing should be brought onto a common system based upon relative property values and local earnings levels. The aim is that rents on similar properties in the same area should be the same – no matter who is the landlord.
- 9.7 In order to achieve the objectives set out in the policy statement there is now a common formula for both Local Authority (LA) rents and those of Registered Social Landlords (RSL). Restructuring and convergence of LA and RSL rents was originally intended to be completed over 10 years i.e. from April 2002 to March 2012.

HRA Reform

- 9.8 In October 2010 the Government announced that the present Subsidy system would be replaced by a system whereby council housing became self-financing at a local level; this came into effect in April 2013.

- 9.9 The Council had to make a one-off payment to the Government of £78 million in order to exit the subsidy system; this was funded by loan.
- 9.10 The self-financing system sees authorities keeping all their rental income and using this to pay for management, maintenance and major works for their housing stock, and financing the loan undertaken.
- 9.11 Essentially, the Council is required to produce a 30 year HRA business plan outlining;
- Rental income
 - Management Costs
 - Maintenance Costs
 - Finance costs re: Council's share of reallocated debt
- 9.12 Other factors will include any potential changes to rent policy (nationally or locally), and the impact of welfare reforms.
- 9.13 Any headroom within the Business Plan will be considered alongside the Council's Housing Strategy, and be subject to Tenant consultation.

HRA Minimum Level of Balances

- 9.17 As a result of the HRA being a ringfenced account, any surplus or deficit on the HRA is carried forward into the next financial year and is called the working balance.
- 9.18 Just like the General Fund, the HRA needs to have a certain level of balances in order to fund occurrences that cannot be predicted.
- 9.19 There is no statutory definition of the minimum level however as part of a longer-term approach to HRA finances the Council have assumed established a Golden Rule regarding the minimum level of HRA balances that they should not be allowed to fall below £100 per property. However the actual minimum level of balances to be retained is still reviewed each year based on a risk assessment of the major issues that could affect the financial position of the HRA.
- 9.20 Applying the above rule would require the minimum HRA working balance to be **£815,900** in 2013/14.

10. Roles & Responsibilities

- 10.1 The Council sets it's budget annually in February, for the following April to March.
- 10.2 Similarly, this Strategy has been developed to cover the three year period 2013/14 to 2015/16.
- 10.3 Clearly circumstances change over time – new demands / pressures present themselves, and equally new opportunities arise. It is essential that monitoring takes place scrupulously throughout the organisation to maintain control over changing situations.
- 10.4 Monitoring covers three key areas;
- Finance
 - Performance
 - Risk
- 10.5 Likewise, it is important that the outcome of monitoring is reported to the appropriate level within the organisation, to ensure that there is ownership of issues, and that appropriate plans for remedial action are put in place, and themselves monitored.
- 10.6 The table below highlights the respective roles of key participants in the monitoring process;

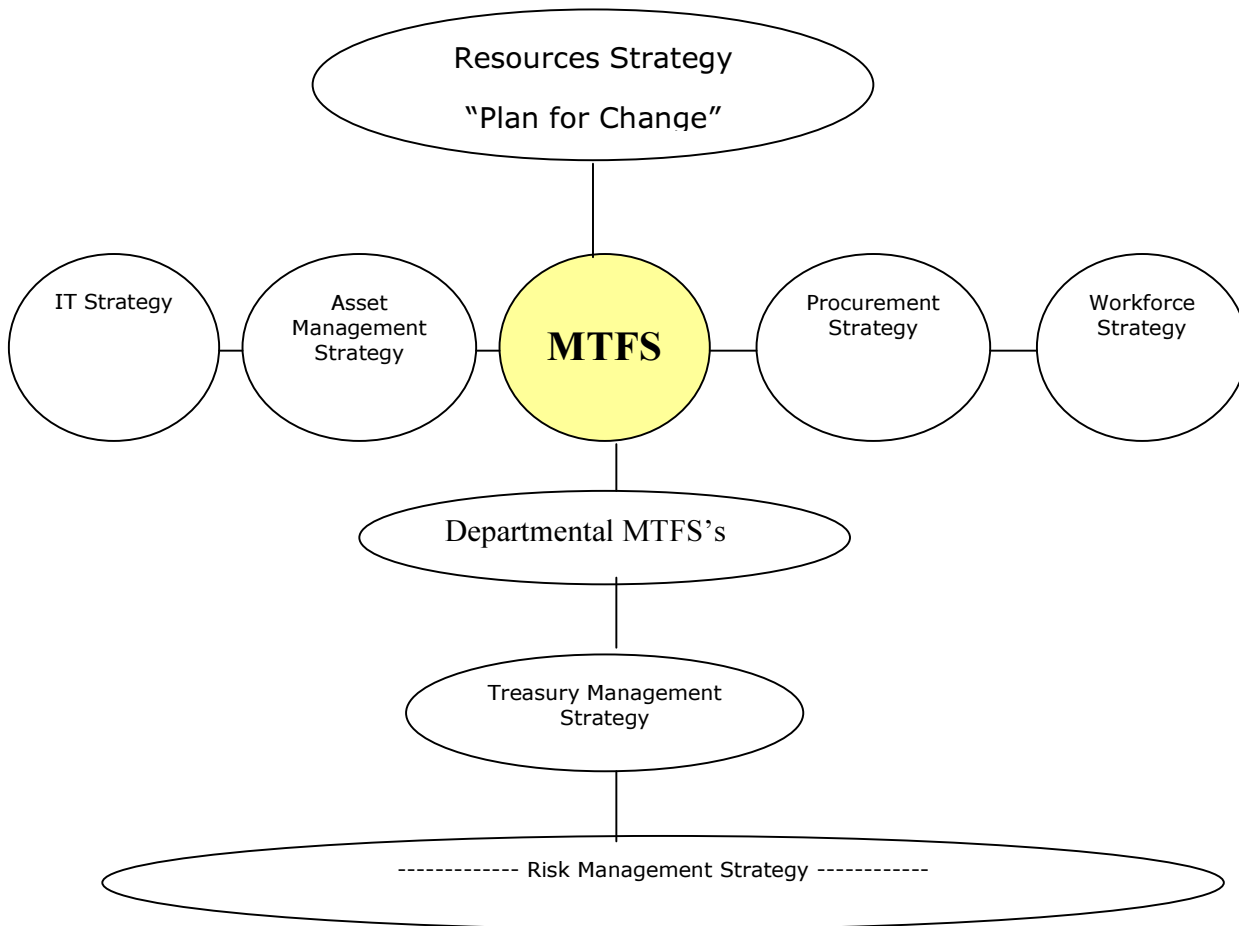
	Finance	Performance	Risk
The Executive	Quarterly Monitoring Report (linked to Performance)	Quarterly Monitoring Report (linked to Finance)	Annual Risk Management Report
Internal Scrutiny Committee	Quarterly Monitoring Report (linked to Performance)	Quarterly Monitoring Report (linked to Finance)	Annual Risk Management Report
Audit Committee	Quarterly Monitoring Report (linked to Performance)	Quarterly Monitoring Report (linked to Finance)	Quarterly Governance Statement / Strategic Risk Register
Star Chambers	Quarterly Financial Monitoring	Quarterly - presentation of	Quarterly - presentation of risk

		performance issues relevant to financial position	issues relevant to financial position
Executive Portfolio Holders	Monthly briefing outlining latest budget forecasts	Performance issues as appropriate	Risk issues as appropriate
Strategic Leadership Team	Monthly report to consider latest budget forecasts. Quarterly monitoring report	Quarterly monitoring report	Quarterly review of risk registers. Ongoing consideration of specific risk areas
Chief Officers	Monthly report outlining latest budget forecasts. Responsible for initiating and overseeing remedial action where required	Performance issues as appropriate	Risk issues as appropriate
Operational Risk Management Group (Officers)	Financial issues relevant to identified risks	Performance issues relevant to identified risks	Ongoing review of operational risks. Produce quarterly summary of live risks & proposed controls
Strategic Risk Management Group (Members)	Financial issues relevant to identified risks	Performance issues relevant to identified risks	Receive, challenge and input to quarterly risk registers
Assistant Director of Resources (Finance & Efficiency) –	Statutory finance officer – overall responsibility for council finances	Close liaison with Head of Policy & Improvement e.g. production of	Member of both operational & strategic risk management

section 151 officer	and provision of an effective finance function	quarterly monitoring report	Groups
Budget Holders	<p>Day to day responsibility for budgets as outlined in Finance Procedure rules.</p> <p>Responsible for delivery of remedial action when required</p>	<p>Maintaining performance standards, monitored through operational performance indicators</p>	<p>Identification and control of operational risks</p>

11. Links to other Strategies

- 11.1 This **Corporate MTFS** outlines the overall approach to setting the Council budget; assumptions made, pressures identified and the process going forward.
- 11.2 This strategy is underpinned by **Departmental MTFS's** which provide more detail of pressures identified at departmental level, and action plans to address these.
- 11.3 Both these strategies are driven by (and drive) the **Resources Strategy** and the **Plan for Change**
- 11.4 Whilst finance is central to the activities of the Council, a range of other strategies are required to ensure the effective use of resources, achievement of objectives, and the delivery of Value for Money.
- 11.5 The diagram below illustrates the interaction between these strategies;



IT Strategy: Embracing “best of breed” technology to ensure efficient and resilient service delivery. Opening up access channels to residents e.g. the Web.

Asset Management Strategy: Making the best use of the Council’s extensive asset base. Developing strategies where assets are under-performing, e.g. high cost, low usage – for example disposal / change of use.

Procurement Strategy: Ensuring that we purchase the right goods & services, at the best possible price

Workforce Strategy: Making best use of the Council’s dedicated workforce, and ensuring that we have the “right people in the right place at the right time”.

Treasury Management Strategy: Outlining the Council’s borrowing and investment strategy. Supports the Medium Term Financial Strategy.

Risk Management Strategy: Cuts across all activity, ensures all relevant risks are identified, appropriate responsibility is allocated, and there are adequate plans to mitigate risks.

For further information about the content of this Strategy, please contact;

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Related Documents:

- Revenue Budget Report 2013/14
- Capital Programme Report 2013/14
- HRA Budget Report 2013/14
- HRA 30 year Business Plan
- “Plan for Change”
- Resources Strategy (Jan 2012)
- Departmental MTFS’s