

# AGENDA FOR



## CABINET

Contact: Julie Gallagher  
Direct Line: 0161 253 6640  
E-mail: [julie.gallagher@bury.gov.uk](mailto:julie.gallagher@bury.gov.uk)  
Web Site: [www.bury.gov.uk](http://www.bury.gov.uk)

**To: All Members of Cabinet**

### Councillors:

E O'Brien (Leader, Cabinet Member, Finance and Growth)  
T Tariq (Deputy Leader, Cabinet Member Children, Young People and Skills)  
A Simpson (First Deputy and Cabinet Member Health and Wellbeing)  
J Black (Cabinet Member Cultural Economy)  
C Cummins (Cabinet Member Housing Services)  
D Jones (Cabinet Member, Communities and Emergency Planning)  
A Quinn (Cabinet Member Environment and Climate Change)  
T Rafiq (Cabinet Member, Corporate Affairs and HR)  
L Smith (Cabinet Member, Transport and Infrastructure), C Cummins (Cabinet Member, Housing Services), D Jones (Cabinet Member, Communities and Emergency Planning), A Simpson (First Deputy and Cabinet Member Health and Wellbeing), E O'Brien (Leader, Cabinet Member, Finance and Growth), A Quinn (Cabinet Member for Environment and Climate Change), T Tariq (Deputy Leader, Cabinet Member Children, Young People and Skills), J Black (Cabinet Member for Cultural Economy) and T Rafiq (Cabinet Member, Corporate Affairs and HR)

Dear Member/Colleague,

### Cabinet

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

<b>Date:</b>	Wednesday, 29 July 2020
<b>Place:</b>	Virtual via Microsoft Teams
<b>Time:</b>	6.00 pm until 7.30pm
<b>Briefing Facilities:</b>	If Opposition Members require briefing on any particular item on the Agenda, the appropriate Director/Senior Officer originating the related report should be contacted.

## **AGENDA**

### **1 APOLOGIES FOR ABSENCE**

### **2 DECLARATIONS OF INTEREST**

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

### **3 PUBLIC QUESTION TIME**

Members of the public are invited to submit written questions about the work of the Council and the Council's services two clear calendar days prior to the meeting.

Approximately 30 minutes will be set aside for Public Question Time, if required.

### **4 MINUTES** *(Pages 1 - 8)*

Minutes of the meeting held on 10<sup>th</sup> June are attached.

### **5 COVID-19 RESPONSE AND RECOVERY UPDATE** *(Pages 9 - 26)*

The Leader of the Council and Cabinet Member for Finance and Growth, will report at the meeting. Report attached.

### **6 THE COUNCIL'S FINANCIAL POSITION - 2019/20 OUTTURN** *(Pages 27 - 50)*

The Leader of the Council and Cabinet Member for Finance and Growth, will report at the meeting. Report attached.

### **7 THE COUNCIL'S FINANCIAL POSITION 2020/21 AS AT 30 JUNE 2020** *(Pages 51 - 74)*

The Leader of the Council and Cabinet Member for Finance and Growth, will report at the meeting. Report attached.

### **8 APPROACH TO DEVELOPING THE MEDIUM TERM FINANCIAL STRATEGY 2021/22 – 2025/26** *(Pages 75 - 82)*

The Leader of the Council and Cabinet Member for Finance and Growth, will report at the meeting. Report attached.

### **9 RESERVES STRATEGY** *(Pages 83 - 94)*

The Leader of the Council and Cabinet Member for Finance and Growth, will report at the meeting. Report attached.

### **10 GREATER MANCHESTER'S CLEAN AIR PLAN - TACKLING NITROGEN DIOXIDE EXCEEDANCES AT THE ROADSIDE - UPDATE** *(Pages 95 - 110)*

Cabinet Member for Environment and Climate Change will report at the meeting. Report attached.

**11 HIGHWAY INVESTMENT STRATEGY - TRANCHE 2** *(Pages 111 - 120)*

Cabinet Member for Transport and Infrastructure will report at the meeting. Report attached.

**12 GREATER MANCHESTER HIGHWAYS ALLIANCE PROCUREMENT FRAMEWORK** *(Pages 121 - 128)*

Cabinet Member for Transport and Infrastructure will report at the meeting. Report attached.

**13 CIVIL FINANCIAL PENALTY POLICY** *(Pages 129 - 138)*

Cabinet Member for Housing Services will report at the meeting. Report attached.

**14 VEHICLE REPLACEMENT STRATEGY (PART A REPORT)** *(Pages 139 - 144)*

Leader and Cabinet Member for Finance and Growth and the Cabinet Member for Environment and Climate Change will report at the meeting. Report attached.

**15 NEXT PHASE MODELLING OF THE HOUSING DEVELOPMENT PROGRAMME (PART A REPORT)** *(Pages 145 - 154)*

Leader and Cabinet Member for Finance and Growth will report at the meeting. Report attached.

**16 URGENT BUSINESS- LOCAL OUTBREAK PLAN RESOURCE PROPOSAL** *(Pages 155 - 166)*

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

**17 EXCLUSION OF PRESS AND PUBLIC**

To consider passing the appropriate resolution under Section 100 (A)(4), Schedule 12(A) of the Local Government Act 1972, that the press and public be excluded from the meeting for the reason that the following business involves the disclosure of exempt information as detailed against the item.

**18 VEHICLE REPLACEMENT STRATEGY (PART B REPORT)** *(Pages 167 - 170)*

Leader and Cabinet Member for Finance and Growth and the Cabinet Member for Environment and Climate Change will report at the meeting. Report attached.

**19      NEXT PHASE MODELLING OF THE HOUSING DEVELOPMENT  
PROGRAMME (PART B REPORT) *(Pages 171 - 182)***

Leader and Cabinet Member for Finance and Growth will report at the meeting. Report attached.

**20      GYPSY AND TRAVELLER COMPENSATION ARRANGEMENTS *(Pages  
183 - 190)***

The Leader of the Council and Cabinet Member for Finance and Growth will report at the meeting. Report attached.

<b>Minutes of:</b>	<b>CABINET</b>
<b>Date of Meeting:</b>	10 <sup>th</sup> June 2020
<b>Present:</b>	Councillor E O'Brien (in the Chair) Councillors J Black, C Cummins, D Jones, T Rafiq, A Simpson, L Smith and T. Tariq
<b>Also in Attendance</b>	Councillor N Jones and M Powell
<b>Apologies:</b>	Councillor A Quinn

**The meeting was streamed live on the Council Website.**

---

## **CA.02 DECLARATIONS OF INTEREST**

Councillor Rafiq, Cabinet Member for Corporate Affairs and HR declared a personal interest in respect of agenda item CA.08A as the BAME Officer for Bury South Constituency Labour Party.

## **CA.03 PUBLIC QUESTION TIME**

No questions were asked under the item.

## **CA.04 MINUTES**

### **It was agreed:**

Minutes of the meeting held on 26<sup>th</sup> February 2020 and 13<sup>th</sup> May 2020 be approved as a correct record and signed by the Chair.

## **CA.05 RADCLIFFE STRATEGIC FRAMEWORK**

The Leader, Councillor O'Brien presented a report updating Cabinet on the work that has been undertaken by Deloittes to prepare a draft Strategic Framework for Radcliffe. The Leader reported that continued regeneration of Radcliffe remains a priority for the Council.

The recommendations for key interventions within the draft Framework include:

- Creation of a central public hub within the town centre
- Creation of new leisure facilities
- Refurbishment of Market Chambers building
- Opening up of the review
- Revised car parking strategy

The Leader reported that Deloittes have already undertaken comprehensive early engagement with a range of key stakeholders during the preparation stage of the SRF. Now that the SRF is in a draft format, this stakeholder engagement needs to continue in order to seek the views and inputs from the wider public, key businesses and other key partners to ensure that the final framework is fit for purpose.

### **Delegated decision:**

### **Cabinet agrees to:**

Approve the draft Strategic Radcliffe Framework, the proposed consultation process and the identified delegated requests and to note the longer-term intention to create a Council Investment Fund to support interventions during the SRF delivery programme

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

The Strategic Regeneration Framework will provide the context for future development and the proposals for consultation are reasonable in the current pandemic. It is important that any future capital expenditure position is regularly monitored to ensure that the priorities of the Council are being delivered and ongoing legal input will be required.

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

Identify any amendments to the Strategic Regeneration Framework or the consultation process before the consultation starts.

## **CA.06 CORPORATE CAPACITY PROPOSALS**

Following consideration at a meeting of the Human Resource and Appeals Panel prior to Cabinet, the Cabinet Member for Corporate Affairs and HR, presented a reported which provided details of a proposal to establish additional corporate capacity within the organisation.

Councillor Rafiq, Cabinet Member for Corporate Affairs reported that the Council and CCG agreed an integrated structure for the two organisations in January 2020, including an intention to include transformation capacity. This report sets out an update on recruitment to the agreed structure including leadership of the transformation programme.

The Cabinet Member for Corporate Affairs and HR reported that as the proposals constitute a change to the Council staffing establishment, a period of formal consultation will take place in accordance with the Council's agreed policy and procedures.

### **Delegated decision:**

Cabinet agreed to endorse the recommendations as a basis to undertake a formal consultation exercise:

- One of the two Deputy Chief Finance Officer posts is reconfigured into Director Financial Transformation and Deputy Chief Finance Officer at Chief Officer Band H, for which additional costs will be met from transformation funding.
- A Programme Manager is appointed at Chief Officer Band A with responsibility for the governance of the overall transformation programme.
- Members thank Karen Dolton for her service to Bury Council and recruitment to the post of Executive Director Children and Young People is approved to commence immediately.

- That the post of Assistant Director Education be deleted and replaced by a post of Director of Education with recruitment to commence on the appointment of the Executive Director Children and Young People.
- To approve the long term secondment of an officer, with a remit to lead the implementation of the neighbourhood model including continuation of
- Community Hubs.
- A new post of Assistant Director Public Service Reform at Chief Officer Band D is established and recruitment begins as a matter of urgency.
- A new post of Executive Policy and Research Advisor is established.

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

The proposals in this report consolidate the Council's high quality emergency response to date; provide the capacity to maintain the statutory functions and maintain momentum for reform in the context of agreed transformation ambitions and the Bury 2030 strategy.

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

To reject the recommendations.

## **CA.07 PROPOSALS FOR SPRINGS TENANTS MANAGEMENT ORGANISATION**

The Cabinet Member for Housing Services, presented a report providing details for the Springs Tenant Management Organisation to become a self-financing tenant management organisation, to enable them to manage the Springs Estate more effectively, build resilience in the community and improve tenant satisfaction and neighbourhood regeneration.

The Cabinet Member for Housing services reported that a Proposal Notice will be issued to all tenants, followed by a formal secret ballot, at least 50% of all votes cast + 1 must be in favour of the self-financing proposal. A continuation ballot will take place every 5 years as it does at present. The Council and Six Town Housing will determine service levels/charging arrangements for the services they currently provide. Regular governance and monitoring meetings will be held between STMO and STH to gauge performance and ensure compliance.

### **Delegated decision:**

1. Support the proposal for Springs Tenant Management Organisation to become a self-financing tenant management organisation, subject to a formal ballot of tenants on the Springs Estate.
2. Approve the arrangements for implementation as set out in this report.

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

The process must follow the Housing (Right to Manage) (England) Regulations 2012, which give Tenant Management Organisation's the right to manage and propose to their local authority, how that should operate. The process outlined in the report is in accordance with those regulations and has had the benefit of legal advice. Further legal input will be required in finalising the management agreement.

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

Do nothing – The Council would continue to manage the Springs Estate.

## **CA.08 COVID 19 UPDATE**

The Leader of the Council, presented a report providing details of the impact of COVID-19 across the Borough. The report gives a strategic overview of the Council's response to the national emergency, the impacts on service delivery and financial impact. The report also sets out a framework for the development of a recovery plan.

Bury Council has overseen a significant and timely response to the emerging threat of the pandemic in Bury. This has involved the redeployment of staff to support the most vulnerable and to maintain essential services, support to businesses and suppliers, strong partnership working with health and care and other agencies, a significant communications effort and close working with local communities and voluntary groups. Schools and early year's settings have also been supported to rapidly adjust to new government guidance.

The Leader reported to maintain focus on our priorities during the response phase, six objectives were agreed:-

1. To support the NHS and social care to cope with the demands on their services.
2. To keep providing the essential services the Council provides to the people and businesses of Bury.
3. To help to reduce transmission of the coronavirus.
4. To support our workforce in all parts of the Council and the CCG.
5. To support volunteers and community action to help residents who are isolated and in need of help.
6. Supporting the economy of Bury and businesses.

Overall, the Council has overseen a significant and timely response to the emerging threat of the pandemic in Bury. This has involved the suspension of a number of services, the redeployment of staff to support the most vulnerable, extensive support to business and suppliers, a significant communications effort and close working with local communities and voluntary groups. Schools and early years settings have also been supported to rapidly adjust to new government guidance.

### **Delegated decision:**

1. That the Cabinet record its thanks for all the front line and support service staff that have continued to provide vital services across the Borough;
2. That the Cabinet record its thanks for the work of organisations, staff and volunteers across Bury, including voluntary, faith and community groups, who have enabled a strong co-ordinated response across Bury and ensured vulnerable residents receive the support they need;
3. That the Cabinet note the report and the actions taken in response to the Covid-19 pandemic; and
4. That the Cabinet endorse the proposed approach to recovery.

## **8A EQUALITIES UPDATE**

Councillor Rafiq, Cabinet Member for Corporate Affairs and HR presented a supplementary paper providing Members of the Cabinet with an Equalities update. This papers sets out a summary of the current approach to equality within the Council and One Commissioning Organisation partnership and



proposals for further work to protect vulnerable communities during the current pandemic and to further equality objectives within the partnership.

**Delegated decision:**

Cabinet agrees to:

- Note the current commitment to equality including the approach to staff risk assessments, which will expand at pace
- Endorse the Council's approach to proposed equality strategy work. A similar decision will be sought from the CCG Governing Body in order that this work may progress via the Strategic Commissioning Board

**CA.9 MINUTES OF ASSOCIATION OF GREATER MANCHESTER AUTHORITIES/GREATER MANCHESTER COMBINED AUTHORITY**

For information only.

*NB: The Chair agreed that the following item "Resetting the Education Service in Bury / additional support" that was not included on the published agenda could be considered as a matter of urgency.*

**CA.10 URGENT BUSINESS – RESETTING THE EDUCATION SERVICE IN BURY/ADDITIONAL SUPPORT**

Councillor Tariq, Deputy Leader, Cabinet Member for Children, Young People and Skills provided Members of the Cabinet with a report outlining the work the Department of Children and Young People have undertaken to support Schools in the safe return of children to school.

This report provides a further update on the progress being made during the Covid-19 pandemic to reset the education service. It presents the conclusions of the latest Public Health England analysis of the Bury position, in a regional and national context.

Councillor Tariq Deputy Leader, Cabinet Member for Children, Young People and Skills reported to Members of the Cabinet the latest national guidance on pupil return to school and proposed a local response to resetting the education. As well as key issues and concerns which have been identified and mitigation to secure safe practices, whilst the service is being recovered over the coming weeks and months.

**Delegated Decision:**

Cabinet agrees to:

Subject to COVID secure health and safety provisions being met, that the target dates for Schools to return, are as follows:

- no later than 22<sup>nd</sup> June for groups of Reception, Year 1 & Year 6 and;
- week commencing the 15th June for Year 10, other year groups will return no later than the new academic year, in line with national guidance

**CA.11 EXCLUSION OF PRESS AND PUBLIC**

**Delegated decision:**

Cabinet agrees that under Section 100 (A)(4), Schedule 12(A) of the Local Government Act 1972, that the press and public be excluded from the meeting for the reason that the following business involves the disclosure of exempt information as detailed against the item.

## **CA.12 FIRST PHASE HOUSING SITES**

The Leader of the Council, presented a report to agree a mechanism to enable the Council to respond quickly to both, changes in the housing market and intelligence on the first phase sites, in order to get best value and on site as soon as possible.

### **Delegated Decision:**

The Cabinet agrees to:

1. Agree that every site will come back to Cabinet with a full financial appraisal before any detailed submission for planning is made.
2. Agree delegation of housing procurement decision to the Section 151 officer, in consultation with the Leader, in accordance with Council procurement Policy.
3. Agree same delegation to add new sites into the first phase program if required to achieve best value and get on site to timescales.

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

This report seeks delegated authority to flex our procurement route (re the development of "First Phase Housing Sites") in response to changes in the housing market. Not having that flexibility could be detrimental to value for money.

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

To reject the recommendations.

## **CA.13 ITRENT CONTRACT**

The Cabinet member for Corporate Affairs and HR, presented a report providing details of the Council's HR/Payroll system contractual negotiations.

### **Delegated decision:**

Cabinet agrees to:

- Note the position on the i-Trent contract and the need to ensure arrangements are in place when the contract ends on 31 July 2020;
- Approve Option 2 (detailed in the body of the report) as the approach for securing the licence;
- Note that the costs will be met from within the Council's approved Capital programme;
- Note the risks relating to procurement and the mitigations that are in place to manage this.

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

It is in the best overall interest of the Council to proceed in this manner to ensure that an effective payroll system is in place at the expiry of the current contract.

**Other option considered and rejected:**

To reject the recommendations.

**COUNCILLOR E O'BRIEN**

**Chair**

**(Note: The meeting started at 6pm and ended at 8.02pm)**

This page is intentionally left blank

# REPORT FOR DECISION



<b>DECISION OF:</b>	<b>The Cabinet</b>
<b>DATE:</b>	<b>29 July 2020</b>
<b>SUBJECT:</b>	<b>Covid-19 Response and Recovery Update</b>
<b>REPORT FROM:</b>	<b>Leader of the Council and Cabinet Member for Finance and Growth; and Cabinet Member for Communities and Emergency Planning</b>
<b>CONTACT OFFICER:</b>	<b>Geoff Little, Chief Executive and Bury CCG Accountable Officer</b>
<b>TYPE OF DECISION:</b>	Non Key Decision.
<b>FREEDOM OF INFORMATION/STATUS:</b>	This paper is within the public domain.
<b>SUMMARY:</b>	This report builds on the report to Cabinet on 10 June 2020 and provides an update on the Council's planning for recovery from Covid-19.
<b>OPTIONS &amp; RECOMMENDED OPTION</b>	<p>Cabinet is asked to:-</p> <ol style="list-style-type: none"> <li>1. Note the progress on the Borough's response to the Covid-19 emergency; and</li> <li>2. Approve the proposals for a 10 point plan for immediate recovery over the next six months as set out in section 8 of this report and the proposals for medium term recovery combined with the development of the Bury 2030 strategy as set out in section 14 of this report.</li> </ol>
<b>IMPLICATIONS:</b>	
<b>Corporate Aims/Policy Framework:</b>	Do the proposals accord with the Policy Framework? <b>Yes</b>

<b>Statement by the S151 Officer: Financial Implications and Risk Considerations:</b>	The financial impact of Covid-19 is outlined in section 7 of this report and in more detail in reports on the Council and CCG budgets elsewhere on the agenda for this Cabinet meeting.
<b>Equality/Diversity implications:</b>	None in relation to this report.
<b>Considered by Monitoring Officer:</b>	<p>The Council is a Category 1 responder under the Civil Contingencies Act and as such is at the core of the response to meet the Covid-19 emergency. The Council is subject to a full set of civil protection duties including putting in place emergency plans, business continuity and public information arrangements, all in cooperation with other local responders.</p> <p>The Council also has duties and powers in relation to public service provision. It must comply with the law and have regard to guidance issued by the government.</p> <p>At the present time a balance must be struck between those duties and powers and the need to comply with legislative restrictions connected with Covid-19 and its health and safety obligations. The report identifies those obligations and the actions being taken to address them.</p>
<b>Wards Affected:</b>	All.
<b>Scrutiny Interest:</b>	Overview and Scrutiny.

## 1.0 INTRODUCTION

- 1.1 At its meeting on 10 June 2020, the Cabinet received a report on the Council's response, with partners, to the Covid-19 crisis. The report gave details of the impact of the pandemic on Bury people, communities and businesses and the action taken to:
- Support the NHS and care services through the peak of infection;
  - Reduce the risk infection in the community;
  - Maintain delivery of essential Council services and other public services; and
  - Support communities, businesses and Council staff.
- 1.2 The report in June also gave an outline of the planned recovery phase.
- 1.3 This report provides an update on the progress of the pandemic in Bury and then a more detailed explanation of the plan for recovery.

## **2.0 RESPONSE**

- 2.1 Bury was the first local authority in the North West with a confirmed case of Covid-19, which was reported on 4 March 2020. Planning had been underway prior to this to stand up the local emergency response, with partners, through the establishment of the Borough Wide Co-ordination Group.
- 2.2 Greater Manchester (GM) declared a major incident on Friday 20 March 2020. This activated the multi-agency response arrangements in line with the GM generic response plan and the pandemic flu plan.
- 2.3 During March and April a co-ordinated health and care response plan was developed which detailed the system response to the crisis, based on worst case scenario planning across three phases. The first phase related to the rapid hospital discharge processes needed at the end of March to support the acute sector to free up beds, mandated nationally. The second phase related to immediate support needed to manage the increase of Covid-19 cases, and the third to manage the 'peak' of Covid-19 cases, based on worst case scenario. The plan was focussed on community based health and care services and how they should be re-configured to meet the needs of people with Covid-19, as well as those with other health needs.
- 2.4 The first peak of cases in Bury was around the Easter Weekend, up to the 17<sup>th</sup> April 2020. We are now seeing both the infection rate and number of deaths involving Covid-19 continuing to fall from a peak of 47 deaths in the week ending 17 April 2020 to 4 deaths in the week ending 26 June 2020<sup>1</sup>. The peak was lower than the worst case scenario but resulted in a long, shallow reduction from the peak; with hospital deaths declining more rapidly than care home deaths.
- 2.5 In Bury there have been a total of 237 deaths up to 3<sup>rd</sup> July 2020. As of 16 July 2020, there have been 1286 confirmed cases of Covid-19; a cumulative rate of 6.8 per 1000 population and a 7 day rolling average of 1.17.

## **3.0 RECOVERY**

- 3.1 Planning work is now under way to support the recovery from Covid-19 in Bury. This work is critical to support Bury's residents, the economy and businesses during this rapidly changing situation. It will also enable reforms to be made to the delivery of public services across the Borough, including with key health and care partners, and for the Council to make sustained changes to how it operates internally. The recovery work will also include the financial recovery required for the Council and Bury One Commissioning Organisation (OCO) given the very significant impacts that the pandemic has had on the financial position of the Council, as with all other Local Authorities and NHS Clinical Commissioning Groups (CCGs).
- 3.2 Bury's approach to recovery will be in three phases aligned to the wider Greater Manchester approach:
  1. Release from lockdown
  2. Living with Covid-19
  3. Building back better

---

<sup>1</sup> Data from the Office of National Statistics

- 3.3 These phases are not discrete from one another and will run concurrently. There will be overlaps influenced by a combination of national guidance and local conditions, such as the prevalence of cases locally at any given time. As such, local recovery planning will be flexible and evolve to take account of potential future peaks and subsequent measures.

### **4.0 THE CHALLENGE OF RECESSION**

- 4.1 It is now widely recognised that the economic crisis caused by Covid-19 will lead to the most severe economic disruption experienced in modern times. Early indicators suggest that the 'sudden stop' in general economic activity is more severe than during the depths of the 2008 financial crisis.
- 4.2 The Office for Budget Responsibility predicts an unprecedented national economic contraction of up to 35% in the next quarter of the year, potentially leaving an additional 2 million people unemployed. The National Institute of Economic and Social Research has estimated the total economic effects could be as high as £800 billion nationally over the next ten years.
- 4.3 Looking forward the challenge is threefold: keeping Covid-19 infection under control through the Local Outbreak Plan and lifting the lockdown safely; supporting people and businesses through the recession; and doing both whilst tackling a severe budget crisis for the Council and the OCO.
- 4.4 The Council will therefore need to be agile and flexible in responding to the requirements of different components of the Borough's economy, with a focus on activities that will support sustained growth over time while helping, where it can, to remobilise those sectors that are disproportionately affected.

### **5.0 LIFTING OF THE LOCKDOWN SAFELY**

- 5.1 In recent weeks, the lockdown guidance has eased and a number of further specific guidance notes have been received which have informed our actions and response.
- 5.2 The Council and the OCO have played a vital role in ensuring that consistent and clear messaging has been communicated to ensure that residents and businesses receive up to date, accurate and accessible information as the guidance on restrictions changed, as lockdown has been lifted.
- 5.3 The Council have established Town Centre Recovery Boards to provide forums for businesses to raise issues and suggestions about their town centre as restrictions have been lifted. Action plans have been developed for each town centre to respond to emerging intelligence and opportunities. These Boards and the Bury Business Leadership Group have played a key role in the planning process to bring economic activity back to town centres, but in a way that ensures that public health and safety is protected as far as possible, in line with the following principles:-
- To be flexible and creative in allowing businesses to reopen and when safe, trade beyond their existing curtilage making use of the street/space around their property.
  - Require a business-led approach with the Council playing an enabling/support role.
  - Focus on encouraging a food-led approach rather than one that is drink-led in order to minimise problems and management and operational issues



associated with the consumption of alcohol (including anti-social behaviour and congregation of crowds not socially distancing).

- Run throughout the whole summer season (potentially until the end of October 2020).
- To maintain safe distancing as a key principle.

- 5.4 To support the re-opening of non-essential retail, the Council deployed Town Centre Stewards to monitor how footfall and queues had been operating and to determine whether targeted action was required. The Rock, Mill Gate and the retail parks have all put systems and measures in place to ensure the safety of shoppers. Safety measures were introduced at Bury Market including directional signs, safe working risk assessment checklists, social distancing markings and queue control measures.
- 5.5 A number of practical measures have also been adopted in support of the hospitality sector. For example:
- Parking restrictions were implemented on Bridge Street, Ramsbottom and Silver Street, Bury to ensure the safety of staff and the public.
  - A fast-track process is in place to manage requests from businesses for temporary changes to their business operation (e.g. outdoor seating or closure of parking bays etc.), with safety being a paramount consideration.
  - Changes to processing temporary event notices and waiving of fees for these applications until 1 December 2020.
- 5.6 The Covid-19 pandemic had a sudden and substantial impact on the arts and cultural heritage sector. The Town of Culture Steering Group has continued to meet during the pandemic and has been considering support to this sector. An assessment of specific cultural organisations has been undertaken to understand impact on income, expenditure and activity - tracking rate relief, business grants and national funding that has been secured. This sector plays a vital role in relation to the vibrancy of places and improving the health, wellbeing, resilience and happiness of residents and therefore culture has been identified as a key priority in the ten point recovery plan, described in section 8 of this report.

## **6.0 REDUCING THE RISK OF A SECOND PEAK AND FURTHER PEAKS**

- 6.1 Building public confidence in the release from lockdown is central to the recovery planning by the Council and OCO. This will include ensuring that information about public safety and infection control is well managed.
- 6.2 The Bury Covid-19 Outbreak Control Plan was approved on 29<sup>th</sup> June 2020 describing control measures, roles and responsibilities should there be a local outbreak. Key components of this are:
- Ensuring the provision of Infection Prevention Control advice and support to prevent and manage local outbreaks.
  - Supporting contact tracing in complex situations.
  - Enabling access to testing for everyone who needs it.
  - Making sure vulnerable and high risk individuals and communities are protected and are supported should they need to self-isolate.
  - Planning for, managing and mitigating potential wider consequences.
  - Putting data and intelligence systems in place to enable effective data management and surveillance of local transmission.

- 6.3 The Council's approach to contact tracing and outbreak management is a whole-system response which links to both National and GM levels. The plan will continue to evolve as the situation develops so that it stays relevant.
- 6.4 In order to meet these aims the local response has six key elements:
1. A single point of contact for Covid-19 issues.
  2. A core health protection team.
  3. Points of contact for key sectors.
  4. Dedicated support for data analysis and intelligence.
  5. Dedicated communications support.
  6. Enforcement.
- 6.5 They are unpinned by two further components that will be central to the Bury Covid-19 response:
- a) Close integration with local and national testing pathways.
  - b) Community hubs.
- 6.6 A communications plan has been developed, as this will be a central part of outbreak management and infectious disease control. Bury's Covid-19 response includes both proactive communications, such as reinforcing adherence to social distancing rules, infection control measures and compliance with requests to isolate together with reactive communications, such as in the event of an outbreak.
- 6.7 In addition to reactive outbreak management, the Infection Control Team and partners across the Council and OCO are providing proactive support to high risk settings, including care homes and care providers, schools, and businesses.

## **7.0 FINANCIAL IMPLICATIONS**

- 7.1 The impact of Covid-19 on the Council and OCO finances will be significant and will extend well beyond the period of the immediate crisis. Assumptions made in assessing the potential impact are likely to change significantly over the course of time. Managing the Council's financial position within existing reserves will be challenging.
- 7.2 In response to the Covid-19 crisis the government has made available £3.7bn discretionary funding nationally to Local Authorities, of which Bury's share is £12.3m. In addition, some additional specific grants have been made available to provide funding to cover additional costs that will be incurred as a result of specific grant criteria. These funding allocations have also been reflected in the 2020/21 budget and a separate report to this meeting of the Cabinet provides more detail on this.
- 7.3 The Council is forecasting an overspend of £7.524m this year. This is not unexpected given the pressures faced by Covid-19 and reflects the monitoring that has been reported to the Minister for Housing, Communities and Local Government. Whilst the Council has seen an increase in some costs, the most notable impact has been on income loss. When set in February 2020, the 2020/21 budget was considered to be challenging but deliverable, however the position has now changed considerably. In responding to this, the Council

will consider options for managing the in-year impact and to consider how the longer term impact can also be managed.

- 7.4 The budget review process has started and a report will come back to Cabinet in the autumn.

### 8.0 IMMEDIATE RECOVERY ACTION – NEXT SIX MONTHS

- 8.1 Whilst the Council and OCO continue to manage the ongoing response phase of the pandemic, it must at the same time, plan and deliver action on recovery.
- 8.2 The Living with Covid-19 phase of recovery is anticipated to be influenced heavily by the potential impacts of significant economic downturn and the risk that this magnifies inequalities within the Borough. It is important that the Council and OCO, working with other public services, steps up action now to support Bury people and businesses through recession, before this peaks.
- 8.3 The extent of activity and support required across the borough in this context is potentially significant. To ensure resources are appropriately prioritised the following principles are proposed as a basis for the work plan:
- Activity should be targeted on the individuals, families and businesses which most need assistance. Targeted requirements will be identified through a data-led approach, applied at a neighbourhood level.
  - Public services must be joined-up and integrated across individuals and their families to provide bespoke support which maximises resources.
  - Delivery will be mobilised on an emergency response model, whereby the key actions are prioritised and effective use of resources are allocated through the de-prioritisation of other work. Delivery will be a team effort around all public service partners in Bury, together with community and faith groups.
- 8.4 Within this context the Cabinet is recommended to approve a **ten point plan of immediate recovery priorities** for the next six months, with the objectives of kick-starting the local economy; protecting the most vulnerable and strengthening resident confidence and engagement as follows:



## **8.5 Summer provision for our children**

- 8.5.1 A programme of summer activity is being developed to engage our most vulnerable children, many of whom have not been in school since spring. The activity programme will be designed to support school readiness for the new academic year by giving children the benefit of a structured environment and social development over the summer. This programme will be delivered by local partners and community groups overseen by the Early Help Partnership.

## **8.6 No rough sleepers**

- 8.6.1 The Council will continue to protect our most vulnerable, specifically by giving all rough sleepers the strongest possible offer of support in order that they do not feel it necessary to return to the streets. The Homelessness Partnership will play a key role in sourcing accommodation requirements beyond the A Bed Every Night scheme and will implement national and regional initiatives.

## **8.7 The Bury opportunity guarantee**

- 8.7.1 The Council will give every Bury resident a guarantee that, through the Council Community Hubs and voluntary action co-ordinated by Bury Voluntary Community Faith Alliance (VCFA), they may access a personal opportunity to step towards recovery following Covid-19. This include opportunities to:
- Improve their health and wellbeing for those who may be struggling to re-adjust to normal life after lockdown or to rehabilitate following the virus.
  - Access all-age mental health support through the newly created Single Point of Access, for people vulnerable because of Covid-19; including the additional impact that isolation or bereavement has had.
  - Volunteer as a basis for personal development or social engagement; or access volunteering support.
  - Access a programme of apprenticeships, internships, traineeships of work experience which will be developed by the Council and OCO with leadership from Bury College.
  - Access support for those who leave school after Year 11, through joined-up vocational and educational support with a particular focus on young people who are Not in Employment, Education and Training (NEET).

- 8.7.2 Access to opportunities will continue to be through existing services as far as practicable, with a generic “front door” via the community hubs for people who do not know what sort of support is available or they may benefit from.

## **8.8 Anti-poverty strategy refresh**

- 8.8.1 A Task and Finish group led by the Citizens Advice Bureau will be established to refresh the Council’s anti-poverty strategy and deliver specific interventions which harness the strength of both state and society to provide the best possible safety net for residents. This will include extending the proactive work already underway through the Council’s Revenue and Benefits Team to support residents to navigate the benefits system and access swift and appropriate financial support and also ensuring full uptake of the Healthy Start food voucher scheme.

## 8.9 Year of Culture

8.9.1 The Council has now created a catalogue of the cultural offer across all arts organisations; freelancers and independent artists. Every contributor who has reported a cancelled event this year will be contacted personally for advice and assistance in resuming their plans or planning an alternative. Investment in the Borough's culture infrastructure was provided for in the 2020/21 budget and will be directed towards supporting to the arts sector in recovery.

8.9.2 In the meantime, the Town Centre Recovery Boards will be supported to showcase and progress their local offer and events to drive the recovery of their locality. In support of this, the Council will:

- Prepare guidance on safe delivery of events in the context of social distancing. This guidance will supplement that already prepared for faith leaders to assist the return of communal workshop.
- Establish a borough Safety Board to deliver a multi-agency forum for events management.

## 8.10 Health and care recovery

8.10.1 The Council and OCO will support the health and care system recovery strategy. This will include progressing the integration of mental health services and social prescribing resource linked to the community hubs into the Local Care Organisation (LCO) Integrated Neighbourhood Teams and the Active Care Management programme to support those most vulnerable and those with complex needs.

8.10.2 Wider strategic interventions to support residents with a return to good health and ease pressure on the system more widely will be overseen the Strategic Commissioning Board (SCB).

## 8.11 Backing Bury businesses

8.11.1 The Council has developed a good knowledge of local businesses to understand key business sectors at-risk and particular businesses within them, in order that support can be targeted. In this context, the Bury Business Leadership Group and the Town Centre Recovery Boards will be key to developing local commercial strategies and support.

## 8.12 Working well

8.12.1 The Working Well suite of interventions are GMCA's flagship locally developed interventions, which puts multi-agency support around individuals to enable them to access and remain in work. The working well model follows three key principles of delivery:

- Personalised support, through a keyworker model, to enable people to tackle their personal barriers to employment and progression.
- Integration between the Working Well initiative and local services, to ensure individual complex needs are properly supported within and outside of the programme.

- Offering an “eco system” of work, health and skills to ensure multiple outcomes for individuals can be secured through a seamless and sequenced, tailored offer of support.

8.12.2 The Council and OCO will embed, promote and support funded activity that is further developed by the GMCA and partners to ensure all parts of the system are aware of funded support. This will ensure Bury’s leaders can further develop and embed joined up delivery across the system.

### 8.13 **Economic recovery strategy**

8.13.1 The Council has the benefit of recent economic analysis which was commissioned as part of Brexit preparations. This information will be used to inform an economic recovery plan which will be independently validated.

### 8.14 **Championing the borough’s key workers**

8.14.1 The Council has publically commended the work of hundreds of keyworkers across the borough for their personal contribution during the emergency. The gratitude that we must show this group is sincere and will continue. The Council and OCO will make the case to Government for investment in Health and Social Care to allow for high quality terms and conditions for key workers, in particular front line adult social care staff.

## 9.0 **EQUALITIES**

9.1 The pandemic and economic recession will both have a disproportionate impact on the most deprived communities and neighbourhoods, including where concentrations of Black, Asian and Minority Ethnic (BAME) combine with deprivation. The Public Health England report “disparities in the risk and outcomes of Covid-19 (June 2nd 2020)” provided emerging evidence that (BAME) communities are disproportionately affected by Covid-19.

9.2 In this context it is important that the Council and OCO takes action to:

- Protect BAME communities and other vulnerable groups during the current pandemic.
- Ensure that our organisations and culture is equality-proofed and provides the conditions for a diverse workforce and partnership to thrive.

9.3 Workforce risk assessments of staff across public services including schools and primary care have been undertaken to seek to reduce, avoid or eliminate risks identified.

9.4 An independent partner has been commissioned to undertake an equalities audit across both the Council and OCO to produce a strategy and outcomes framework, also taking into account actions which may be required as a result of the Public Health England report referred to in 9.1 above. The work will include engagement with BAME and other communities to inform the strategy. A report will be presented to the Strategic Commissioning Board, as a partnership deliverable and to take the opportunity of furthering system-wide partnership leadership on equalities.

- 9.5 Evidence is also emerging in relation to an increase in deprivation and in-work poverty – especially in those areas where life expectancy and healthy life expectancy are already negatively impacted. The Council and OCO have developed a vulnerability index, using the government’s definition of vulnerability.
- 9.6 The Council and OCO have already taken a number of actions to support economically vulnerable residents including:
- Additional £100k in the Bury Support Fund (hardship crisis) to expand the tax support relief
  - Provision of additional advice and support in relation to benefits.
  - Free school meals and roll-out of the national voucher scheme.
  - Additional £200k Welfare Fund to support increase in demand to support those experiencing in-work poverty or new economic hardship as a result of Covid-19.
- 9.7 Further actions within the ten point plan of immediate recovery priorities, as described in section 8 of this report are also being developed to support this cohort of people.

### **10.0 COUNCIL AND OTHER PUBLIC SERVICES**

- 10.1 Business continuity plans have been reviewed in light of government guidance. All Council and OCO services will be resumed to operate as normal, on a Covid-19 secure basis, from August 2020 with the exception of the Civic Halls and Council events, which are subject to further planning.
- 10.2 Council staff will remain deployed from home as far as practicable, with a review in September, in line with the review of Council and Committee meeting arrangements.

### **11.0 COMMUNITY HUBS**

- 11.1 Bury’s community emergency response to the pandemic continues. Five community Hubs were established very quickly in Ramsbottom, Prestwich, Radcliffe, Whitefield and Bury using 100 redeployed Council staff with a leadership team drawn from the Council and OCO. Bury Voluntary, Community and Faith Alliance (VCFA) supported by recruiting over 800 community volunteers, and a mobile phone app was launched to track all volunteering tasks. The app, built for free by Manchester company ANS, supported by Microsoft UK and the GMCA has been at the heart of the operation, ensuring that none of the thousands of tasks were misplaced. Repeat contacts with residents were recorded into a mini case management system, whose data can be added to the proposed system wide data engine room.
- 11.2 A dedicated Covid-19 phone line was established as part of the Contact Centre which became the virtual front door to the Community Hubs and onwards through specifically designed pathways to the wider system such as mental health, debt advice and befriending.

- 11.3 By 30<sup>th</sup> June 2020, the Hubs had responded to requests for support from 2587 people. The scope of work undertaken by the Hubs began with emergency food supply for shielded people, through the provision of free food boxes from the Government, thousands of shopping trips by Bury volunteers to shielded and non-shielded residents, organising priority supermarket delivery slots for people, setting up phone and card payment services with local shops through the Bury Directory as well as a response to hardship through support for Bury's food banks. The Hubs also delivered medication in partnership with local pharmacies, a befriending service in partnership with Age UK and access to services providing support with mental health, debt, benefits advice and employment advice. Each community Hub was partnered by a foodbank.
- 11.4 The role of the hubs is evolving from response to recovery. The Government announced new guidance for shielded people, with some relaxations from 6 July and then a pause in shielding at the end of July. In response:
- The VCFA is leading a piece of work to secure sustainable volunteering capacity.
  - Households which have been provided with food delivery support have been helped to secure a priority supermarket delivery slot.
  - The Council has started a discussion with the Local Pharmacy Committee to hand medication deliveries from hub volunteers back to the local pharmacies over the next 6 weeks.
  - A staggered transition of Council staff back to substantive roles is underway and residual resourcing arrangements being determined.
- 11.5 Plans are to be developed for a lessons learned event with voluntary sector colleagues over the summer and a voluntary sector led bid for funding has been developed to progress that. There will be a programme of thanks and recognition programme for the Hub volunteers and staff.

### **12.0 HEALTH AND CARE RECOVERY PLAN**

- 12.1 Nationally, the NHS is in the process of planning to bring back some of the activity that was postponed during the immediate Covid-19 response. This includes screening activities in primary care and more routine levels of planned care in acute services. Both of these however, are more complex than pre Covid-19 due to the levels of infection, prevention and control (IPC) measures that need to be in place.
- 12.2 More locally, planning has continued including close liaison with the Northern Care Alliance over the type of activity that can be accommodated, what impact that has on out of hospital services, and what the levels of risk may be. Work is underway to bring back planned activity e.g. for cancer patients and other non-Covid-19 activity. Also planning is underway for winter pressures and risk of second wave of Covid-19.
- 12.3 Planning assumptions are currently that bed occupancy will be zoned and then capped at 80%, and that urgent care flows need to be reduced by a third to maintain social distancing.



- 12.4 Patients with the most urgent clinical needs are being prioritised and this does mean that a considerable number of patients may have to wait for up to 18 months for their surgical treatment. In order to manage this, discussions are planned with primary care to establish levels of patient need, on-going requirements for surgery and whether alternative treatments may be more suitable.
- 12.5 Significant work is underway to return primary care to business as usual ('back but better'). Key considerations are:
- How all cohorts of patients will receive primary medical services- those with Covid-19 type symptoms/isolating due to exposure to Covid-19; those shielding and everyone else.
  - How to build on the learning and new ways of working introduced since the start of the pandemic.
  - How to ensure consistency in the availability of services to the Bury registered patients.
  - Ensure that patient's views on service prioritisation and delivery models are built into the approach.
- 12.6 In addition, primary care will be a key interdependency for the majority of the health and care system recovery programme.
- 12.7 The Bury Health and Care system recovery plan is now in place. This is a key part of the Borough-wide recovery plan and aims to secure a shift in how we deliver health and care away from hospital care and towards integrated services in the community, prevention and early intervention; with the Council and OCO working with partners, particularly through the Local Care Organisation (LCO) to ensure delivery of improved and integrated community based health and care provision. The recovery plan also sets out the strategy to resume delivery capacity and manage the backlog of demand and enable residents who require both mental and physical rehabilitation support following the emergency to be supported back to health.
- 12.10 The seven priority programmes within the plan are:-
1. Planned Care: Focussed around 3 key areas of reforming elective care, out-patients and diagnostic processes.
  2. Urgent Care: Implementing a review of urgent care which has recently been approved by the SCB.
  3. Mental Health: Aligned to the Thriving in Bury strategic approach; coping and thriving, getting help, getting more help and risk management and crisis support
  4. Social Care: Creating sustainable and innovative social care services to support people living independently at home. Key work areas include modernising Learning Disability services, delivering excellence in social care, living well at home and supporting the providers of social care.
  5. Strategic Finance: develop a Bury system health and care financial plan and framework to support both financial and environmental sustainability in decision making to achieve shared strategic priorities and outcomes.
  6. Neighbourhood Integration: provide a sustainable, integrated approach to Bury people's needs at a neighbourhood level that focuses on early help, primary and secondary prevention and community development.
  7. Population Health: The Bury population health plan was approved in January 2020, giving the basis for key areas of development and

programmes of work, primary and secondary prevention of LTC, Adverse childhood experiences and mental wellbeing, health related behaviour change, starting well, Supportive relationships, social connections and community empowerment and health protection.

- 12.11 These programmes will be supported by 3 enabling workstreams, digital, workforce and estates.
- 12.12 Demand modelling nationally for health and care services suggests this will be a very challenging period, supporting service recovery, addressing a backlog (for example elective waiting lists) and moving in to the normal preparations for winter demand.
- 12.13 There is a strong focus on the recovery of the health and care system, but it will be recognised that supporting health and wellbeing is a core theme cutting across all nine of the other prioritised actions of this plan.

### **13.0 SCHOOLS, COLLEGES AND CHILDREN'S SERVICES**

- 13.1 The schools and early years services in Bury have and continue to remain open. The children of critical workers and vulnerable children continue to attend their local school or early years setting; and we are supporting a progressive and measured increase in their numbers.
- 13.2 Children with more complex special educational needs continue to attend special schools commensurate with the shielding regimes which have been put in place, with the support of the health teams; this to protect our most clinically vulnerable of our pupils.
- 13.3 Both our local colleges are admitting students; using appropriate risk assessments.
- 13.4 Each school and early years setting has a robust risk assessment to support its professional decisions on receiving pupils, its site management, protection of staff and site users with a particular focus on shielding and the position of BAME staff who each require an individual risk assessment. There is a continuing focus on effective hygiene, appropriate cleaning and deep cleaning arrangements.
- 13.5 Trust and Confidence: parents, carers staff and other school users will understandably want to be assured that we have in place systematic and rigorous measures to ensure health, safety and well-being. We have embedded our responses to this challenge in the detailed Bury Children's Services Recovery Plan. This plan covers the full range of Children's Services functions including Early Years, Early Help, Education (including SEND) and Social Care. It also covers the wider factors which need consideration, including Physical and Mental Health, Workforce Development, Quality Assurance and Practice Improvement.
- 13.6 Children's Services are aware that there are additional risks and vulnerabilities facing our families over the summer holidays and therefore this year we have taken on a greater co-ordination role in respect of activities available to ensure information is provided and directed to our more vulnerable families as well as supporting access. For families that have a Social Worker or Early Help worker, we will be monitoring their engagement in the activities available to encourage and ensure our more vulnerable children are receiving the daily

stimulation and activity they need to mitigate the risks we know are present for them in terms of their education and development. In addition we have also agreed some dedicated time from our Youth and Locality Early Help Services to deliver activities which we will specifically support our families to engage in.

- 13.7 A process to reset the Education Service has been developed to recover the learning, skills and life opportunities for our children and young people. Whilst some children have flourished during the Covid-19 pandemic lockdown, others, including our most vulnerable children (those Children who have an allocated social worker, those children who are looked after by the local authority, those children in receipt of free school meals or in receipt of and Education, Health and Care Plans (EHCP)) will have lost valuable learning and unless we focus sharply on their needs, will have significantly constrained life chances.
- 13.8 Over the medium term, for at least the next academic year, the following activity is proposed:
- School and early years setting based strategies for pupil well-being and recovery of learning; each school, early years setting, locality hub and the PRU are developing its own approach to assessing the needs of all pupils, including identification of those who have become newly vulnerable. In responding to those needs, support is available through the Local Authority, Multi Academy Trusts and Dioceses. This will include support from a range of LA services across Education and Inclusion and links with health partners in addition to safeguarding.
  - Support from the Local Authority and the Bury Teaching Schools Alliance, with additional regional HMI support is focused on key priorities; three cross-service themes have been identified as being critical in resetting an effective service delivery. The three themes link to recovery learning with a focus on specific vulnerable groups (children who are transitioning from one education establishment to another, children with SEND, the newly vulnerable and children who have fallen further behind in their learning than their peers). The three themes are School Readiness, the recovery curriculum and strengthening the impact of support for SEND and inclusion. Up to the end of August 2020, HMI will support and challenge LA Officers in the implementation and evaluation of the LA's Covid-19 recovery plan.
  - The National Covid-19 Catch Up one-off funding grant, to primary and secondary schools, will be available during the next academic year to support 'catch up' due to lost teaching time. Headteachers will be able to use this funding flexibly against need however, there is an expectation that this will include one to one and small group tuition. The scheme recognises that all children and young people will have lost time in education as a result of the pandemic. This means that additional support can be provided both to disadvantaged pupils and more widely to address gaps in learning and so raise attainment.
  - Local deployment of the National Tutoring Programme. This innovative partnership with the Sutton Trust, the Education Endowment Foundation and other partners, offers access to high quality individual tuition for some of the most disadvantaged pupils through approved and accredited Coaches and Tutors. This is a centrally funded subsidised programme for

the 2020/21 academic year with legacy activity in 2021/22.

## 14.0 BURY 2030

- 14.1 Reviewing the Borough's overarching long term strategy and narrative will be a crucial part of the forward planning work. Prior to Covid-19, work had started to develop a new ten-year strategy for Bury – Bury 2030. Bury was set to make a name for itself by developing a plan to become the first post-industrial northern place to achieve higher than national rates of growth with lower the national levels of relative deprivation. The budget set at Council in February 2020 included ambitious investments to further this work including in carbon neutral, town centres, public service reform and internal transformation of the Council.
- 14.2 The Council's ambitions are not diminished but it must be acknowledged that Covid-19 has completely changed the context and potentially extended delivery timescales and challenge.
- 14.3 The Building Back Better phase of the emergency recovery will therefore be addressed within the wider Bury 2030 strategy which will include a period of community consultation which remains scheduled for autumn 2020.
- 14.4 Five emerging design principles, from which priorities may be identified and resourced, will guide activity over the next period:-
1. **Green** i.e. celebrating the beauty of the borough and a commitment to eco-leadership.
  2. **Digital** first.
  3. **Local** to acknowledge the strong feedback from our communities that they identify as townships and/or communities of interest, not necessarily borough-wide. The Council is responding to this through the creation of a neighbourhood model.
  4. **Healthy** to reflect the strength of partnership between health and other public services in the borough and the commitment to improving health outcomes across the borough.
  5. **Economically** recovered. A guiding principles throughout the strategy will be to facilitate economic recovery as well as longer term growth, in the context of the pandemic and profound impact across resident's livelihoods.
- 14.5 The strategy has been developed across the five themes of the Local Industrial Strategy and within each theme two priorities for the two years ahead:
- People
    - Health
    - Neighbourhoods
  - Place
    - Carbon neutral
    - Regeneration
  - Ideas
    - Culture
    - Recovery
  - Infrastructure

- Housing
  - Transport
  - Business Environment
    - Education and skills
    - Inclusive business growth
- 14.6 The neighbourhood model will be central to delivering Bury 2030. Partners have agreed to organise place-based services across each of the current 5 neighbourhood footprints:
- Bury East
  - Radcliffe
  - Whitefield
  - Ramsbottom
  - Prestwich
- 14.7 Within each neighbourhood there will be 3 separate but unified teams including Community Hubs, which are designed to be the 'front door' for community engagement with public services the default "place" where people think to engage, on both a digital and physical basis. Behind Community Hubs are the specialist public services which provide targeted support on a risk stratified basis: Integrated Health and Care Team, providing active case management and all-age early help dealing with children's social care and schools and adults where public services meet to integrate services at a case management level. In support of the neighbourhoods an overarching data warehouse will capture trends/evaluation/inform risk stratification.

### **15.0 THE GREATER MANCHESTER (GM) RECOVERY PLAN**

- 15.1 The GM Recovery Coordination Group has developed a GM Recovery Strategy, with one key aim: "To support the Greater Manchester City Region, including its communities, businesses and public services, to recover following Covid-19. As well as addressing adverse impacts, this will involve striving to build back better, including by developing a fairer, greener society, with better health outcomes and a faster growing economy."
- 15.2 The GM recovery plan comprises 13 thematic plans, which are being developed for
- |   |                                   |
|---|-----------------------------------|
| • Children, young people and families       | • Crime and disorder              |
| • Thriving and productive economy           | • Public sector finance           |
| • Transport connectivity and infrastructure | • Digital                         |
| • Place making                              | • Environment                     |
| • Communities and support services          | • Response debrief and evaluation |
| • Health and Wellbeing                      | • Communications                  |
|   | • Legal                           |

- 15.3 As part of the recovery planning work, GM needs to ensure that the groups undertaking recovery work include representation from all aspects of GM life, including communities and places, public, private, voluntary, community, faith and social enterprise sectors and unions. This will be important to ensure a true 'co-development' of Building Back Better.

### **16.0 CONCLUSION**

- 16.1 The Cabinet will continue to be kept up to date with developments as this situation is expected to continue to evolve.
- 

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

10 June 2020 Cabinet report.

#### **Contact Details:-**

Geoff Little  
Chief Executive and Bury CCG Accountable Officer  
Email: [G.Little@bury.gov.uk](mailto:G.Little@bury.gov.uk)

**REPORT FOR DECISION**

<b>Agenda</b>	
<b>Item</b>	

<b>MEETING:</b>	<b>CABINET</b>
<b>DATE:</b>	<b>29 JULY 2020</b>
<b>SUBJECT:</b>	<b>THE COUNCIL'S FINANCIAL POSITION – 2019/20 OUTTURN</b>
<b>REPORT FROM:</b>	<b>LEADER OF THE COUNCIL</b>
<b>CONTACT OFFICER:</b>	<b>MIKE WOODHEAD, JOINT CHIEF FINANCIAL OFFICER</b>
<b>TYPE OF DECISION:</b>	<b>KEY DECISION</b>
<b>FREEDOM OF INFORMATION/STATUS:</b>	This paper is within the public domain
<b>SUMMARY:</b>	<p>This report sets out the final financial position for the council for 2019/20. The report sets out the position for both revenue and capital and provides an analysis of the variances, both under and overspending.</p> <p>A separate report setting out the treasury management outturn position will be presented to Cabinet in September.</p>
	Cabinet is asked to:

<b>OPTIONS &amp; RECOMMENDED OPTION</b>	<ul style="list-style-type: none"> <li>• Note the final overspend on the 2019/20 revenue budget of £5.003m and that this includes a higher than anticipated contribution to the pooled fund of £10.5m;</li> <li>• Note that the additional contribution to the pooled fund was agreed at the end of the last financial year as a mechanism of accessing additional funding for the CCG and that this will be offset by a lower contribution, of the same value, in 2020/21;</li> <li>• Approve the allocation from reserves of £0.850m and note that this is factored into the out-turn position;</li> <li>• Note the final position on the collection fund;</li> <li>• Note the final position on reserves of £55.561m at the end of 2019/20;</li> <li>• Note expenditure of £32.686m on capital programmes during the year and the outcomes achieved;</li> <li>• Note the slippage of £18.373m and approve that this can be carried forward and added to the 2020/21 capital programme.</li> <li>• Note that the final treasury management outturn report will be presented to Cabinet in September 2020.</li> </ul>
<b>IMPLICATIONS:</b>  <b>Corporate Aims/Policy Framework:</b>	The proposals accord with the Policy Framework
<b>Statement by Section 151 Officer:</b>	The financial implications are set out in the report.
<b>Equality/Diversity implications:</b>	No
<b>Considered by Monitoring Officer:</b>	Yes
<b>Are there any legal implications?</b>	No



<b>Staffing/ICT/Property:</b>	No
<b>Wards Affected:</b>	All
<b>Scrutiny Interest:</b>	Overview and Scrutiny Committee

**TRACKING/PROCESS**

**DIRECTOR:**  
**MIKE WOODHEAD**

Joint Executive Team	Cabinet Member/Chair	Ward Members	Partners
	Yes		
Scrutiny Committee	Cabinet	Committee	Council
	29 JULY 2020		

---

## **THE COUNCIL'S FINANCIAL POSITION – 2019/20 OUTTURN**

### **1 PURPOSE OF THE REPORT**

- 1.1 This report outlines the outturn financial position of the council at the end of 2019/20. The report sets out the position for both revenue and capital and provides an analysis of the variances, both under and overspending.
- 1.2 The report sets out the impact on the council's reserves and provides context for a reserves strategy that will ultimately provide greater oversight and control over reserves in future years at a time of great financial uncertainty.

### **2 SUMMARY**

- 2.1 The council's budget overspent by £5.003m representing 3.60% of the annual budget. Included in the overspend is a higher than planned contribution to the pooled fund that was agreed in March 2020 and the application of £3.650m in reserves, without which the council would have achieved an in year underspend of £1.847m.
- 2.2 In agreeing the higher than planned contribution to the pooled fund in 2019/20, the CCG was able to access additional funding that can be used for the benefit of Bury residents and will be offset by a lower than planned contribution in 2020/21. This decision has impacted on the overall final position of the Council although will be fully offset in 2020/21 when the contribution to the pooled fund will be £10.5m lower than budgeted for. This means that there will be an underspend on this budget line and that a contribution to general reserves will be made to offset the impact in 2019/20.
- 2.3 The variances in the budget are set out in the report and include a number of savings targets that were not achieved and have been offset by underspends in the non-service specific budgets. Some of these savings targets were historic savings targets from previous years that are no longer considered deliverable. To promote greater financial accountability and deliverability, these issues have been addressed as part of the 2020/21 budget setting process. The position has however been managed through underspends in the non-service specific budgets.
- 2.4 The overall position on reserves has improved largely due to a review of the Council's reserves and provisions and these have been re-profiled to reflect current and future risks and ensure the council is as financially resilient as possible. There has however been an increase in the deficit on Dedicated Schools Grant reserve and this will be an area of focus in 2020/21.
- 2.5 A total of £32.686m has been spent on capital projects throughout the year. There is however further slippage on the programme and funding needs to be carried forward into 2020/21 in order for the work to be completed. New capital gateway processes are in the process of being implemented to reduce this level of slippage in future years.

### **3 FINANCIAL OVERVIEW - REVENUE**

- 3.1 In 2019/20, the Council's net revenue expenditure was £143.865m. The final out turn position is set out in Table 1 below and shows an overspend of £5.003m.
- 3.2 Whilst this appears to be a worsening of the position to that reported at the end of Quarter 3, the final position reflects an increased contribution to the pooled

fund of £10.5m that was agreed by Cabinet in March 2020 and supported the CCG in accessing further funding in 2019/20. In addition to this, the final position reflects;

- the change in the Council Minimum Revenue Provision policy that was agreed by Full Council in February 2020 which reduced the cost of MRP;
- use of reserves, some of which were planned when the budget was set and some which have been drawn down during the year to manage emerging pressures. Full details are set out in the report.

**Table 1**

<b>2019/20 Revenue Out Turn Position – as at 31 March 2020</b>				
<b>Directorate</b>	<b>Approved Budget</b>	<b>Out Turn</b>	<b>Variance (Under)/Over Spend</b>	<b>% (Under)/Over Spend</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	
Communities and Wellbeing	71.427	83.819	12.392	
Children, Young People and Culture	39.908	42.134	2.226	
Operations	12.411	12.372	(0.039)	
Resources and Regulation	8.739	9.457	0.718	
Business, Growth and Infrastructure	(0.508)	0.647	1.155	
Art Gallery and Museum	0.565	0.642	0.077	
Housing General Fund	0.033	0.597	0.564	
Non-Service Specific	6.287	(5.803)	(12.090)	
<b>TOTAL</b>	<b>138.862</b>	<b>143.865</b>	<b>5.003</b>	<b>3.60</b>

3.3 It should be noted that budgets at service level have been adjusted to those previously reported to centralise technical budgets over which service managers have no control. This will aid financial control in the future and gives greater clarity to budget holders. Of the reported overspend on the Communities and Wellbeing Directorate, £10.5m relates to the additional contribution the Council made to the pooled budget as outlined above.

3.4 Details on individual services are set out in the next section of the report and a full analysis of savings targets and progress against these is set out at Appendix 1.

### **Communities and Wellbeing Directorate – Overspend £12.393m**

**Table 2**

<b>2019/20 Revenue Out Turn Position – as at 31 March 2020</b>			
<b>Communities and Wellbeing Directorate</b>	<b>Approved Budget</b>	<b>Out Turn</b>	<b>Forecast (Under)/Over Spend</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Housing Related Services	0.907	0.635	(0.272)
Care in the Community	31.136	33.232	2.096
Commissioning – Other Services	16.754	16.593	(0.161)
Finance, Customer Services and Asset Management	2.680	12.876	10.196

Adult Social Care Operations	7.077	6.276	(0.801)
Public Health	10.026	10.026	0
GM Transformation Fund	0	0	0
Workforce Modernisation and	0.233	0.299	
Adult Education			0.066
Civic Venues	0.175	0.555	0.380
Environment	0.527	0.935	0.407
Communities	1.043	1.009	(0.034)
Parks and Countryside	0.221	0.157	(0.063)
Sport and Leisure	0.648	1.226	0.578
<b>TOTAL</b>	<b>71.427</b>	<b>83.819</b>	<b>12.392</b>

3.5 The Communities and Wellbeing Directorate overspent by £12.392m of which £10.5m relates to the additional contribution to the pooled fund, without which the reported overspend would be £1.892m. Of this, £1.751m relates to planned savings that have not been delivered. In addition to this the Directorate has applied reserves of £1.453m. The main variances within the Communities & Wellbeing directorate are as follows:

- **Finance and Customer Services** overspent by £10.196m. The overspend largely relates to a £10.5m contribution to the pooled fund;
- **Care in the Community** overspent by £2.096m due to £1.1m of underachieved savings regarding low cost care package reviews, £0.2m of unfunded transition cases and £0.8m resulting from increased complexity of need of existing and new service users and demographic growth pressures;
- **Adult Social Care Operations** underspent by £0.801m due to staffing vacancies across a number of Adult Social Care Operations services that are currently undergoing transformation;
- **Housing Related Services** underspent by £0.272m. The underspend largely related to additional housing benefit other contractual income;
- **Sports & Leisure** overspent by £0.578m due to the impact of non-achievement of historic savings;
- **Civic Venues** overspent by £0.380m due to the impact of non-achievement of historic savings and in year income shortfalls;
- **Environmental Services** overspent by £0.407m due to non-achievement of historic savings.

### Children and Young People – Overspend £2.226m

**Table 3**

2019/20 Revenue Out Turn Position – as at 31 March 2020			
Children and Young People Directorate	Approved Budget	Out Turn	(Under)/Over Spend
	£m	£m	£m
Learning – Non Schools	3.077	2.758	(0.319)
Early Help and School Readiness	0.980	0.824	(0.156)

Social Care and Safeguarding	23.218	23.405	0.187
Other Management Costs	0.674	3.008	2.334
Strategy/Commissioning	1.875	1.918	0.043
Departmental Wide	8.716	8.721	0.005
Libraries	1.368	1.500	0.132
<b>TOTAL</b>	<b>39.908</b>	<b>42.134</b>	<b>2.226</b>

3.6 The Children, Young People and Culture overspent by £2.226m of which £2.026m relates to the planned savings that were not be delivered. The main variances are:

- **Learning – Non Schools** underspent by £0.319m largely due to salary savings across a number of teams with the main variances reported on the Education Psychology Service which is currently under review (-£0.154m) and the School Improvement Service that achieved additional traded services income and salary savings (-£0.110m);
- **Early Help & School Readiness** underspent by £0.156m due to funding received from the GM Innovations fund to support the implementation of the Early Help Stockport Families Model and vacancies in the Locality Teams;
- **Social Care and Safeguarding** overspent by £0.187m due to increased use of agency staff to cover maternity leave/secondments and vacant posts in the Safeguarding Teams (£0.143m) and the Emergency Duty Team (£0.117m) and an overspend on external legal fees (£0.202m) due to a number of high cost court cases. These overspends were offset by vacancies, additional funding to support the growing number of Unaccompanied Asylum Seeking Children (UASC) and Care Leavers, a reduction in the use of direct payments and commissioned services from children with disabilities and a contribution from the Social Care Support Fund to support Residential, Independent Foster Agency and Care Leaver Support services.
- **Other Management Costs** overspent by £2.334m due to the non-achievement of savings including savings on pension liabilities, relocation from Higher Lane, procurement Reviews and transformation of Children's Social Care.
- **Libraries** overspent by £0.132m due to increased running costs.

#### Operations Directorate – Underspend £0.039m

Table 4

2019/20 Revenue Out Turn Position – as at 31 March 2020			
Operations Directorate	Approved Budget	Out Turn	(Under)/Over Spend
	£m	£m	£m
Grounds Maintenance	1.680	1.643	(0.037)
Street Scene	3.096	3.110	0.014
Engineers	1.274	1.315	0.041
Winter Maintenance	0.271	0.368	0.097
Transport and Workshop	0.304	0.251	(0.053)
Waste Management/Street Cleansing	5.785	5.684	(0.101)
<b>TOTAL</b>	<b>12.410</b>	<b>12.371</b>	<b>(0.039)</b>

- 3.7 The Operations Directorate budget underspent by £0.039m, the main reasons for which are savings on lease contracts that have come to an end in the transport service offset by additional training costs in the winter maintenance service.

### Resources and Regulation Directorate – Overspend £0.718m

**Table 5**

2019/20 Revenue Out Turn Position – as at 31 March 2020			
Resources and Regulation Directorate	Approved Budget	Out Turn	(Under)/Over Spend
	£m	£m	£m
Operational Services	(0.622)	(0.712)	(0.090)
Central Support Services	9.246	9.881	0.635
Trading Services	0.115	0.288	0.173
<b>TOTAL</b>	<b>8.739</b>	<b>9.457</b>	<b>0.718</b>

- 3.8 The Resources and Regulation Directorate overspent by £0.718m. The out turn includes a contribution from reserves (£0.930m) to support some one-off cost for posts within the Customer Support and Collections team, cost of elections and to support some ICT developments. There are also a number of one off costs relating to exit payments that will support the delivery of savings in future years. The main variances for the directorate are:

- **Finance** overspent by £0.391m is largely due to delayed achievement of savings in relation to insurance and a finance restructure (£0.300m), payment of one-off exit costs (£0.200m) and overspends on staffing (£0.085m) offset by additional income and some underspends across the service. Within the final position, reserves of £0.369m have been used to offset the non-delivery of a saving in the revenue and benefits service without which the overspend would be £0.760m;
- **Human Resources/Corporate People** underspent by £0.047m due to the payment of one-off exit costs (£0.324m) offset by lower than budgeted costs on apprenticeships (£0.135m), savings achieved from the recent restructure (-£0.200m); and some underspends across the service;
- **Legal and Democratic** overspent by £0.200m due to additional costs from the recent elections, (£0.241m) and additional staffing costs (£0.044m) offset by savings in Members Allowances (-£0.088m) and additional income for Registrar of Births, Deaths and Marriages and Trading Standard & Licencing (-£0.071m). Within the final position, reserves of £0.356m have been used to offset the non-delivery of savings, without which the overspend would be £0.556m
- **Trading Services** overspent by £0.173m due to additional income for the cleaning service (-£0.195m) offset by overspends in the Catering Services (£0.367m) as a result of increase in food prices and salaries in salaries and reduced levels of income. These figures also include initial losses relating to the COVID -19.

**Business, Growth and Infrastructure – Overspend £1.155m****Table 6**

<b>2019/20 Revenue Out Turn Position – as at 31 March 2020</b>			
<b>Business, Growth and Infrastructure Directorate</b>	<b>Approved Budget</b>	<b>Out Turn</b>	<b>(Under)/Over Spend</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Business Growth Management Team	1.082	1.230	0.148
Regeneration	0.108	0.137	0.029
Planning and Development Control	0.584	0.385	(0.200)
Property Management and Admin Buildings	(2.497)	(1.696)	0.801
Strategic Housing	0.494	0.392	(0.102)
Architects	(0.279)	0.200	0.479
<b>TOTAL</b>	<b>(0.508)</b>	<b>0.647</b>	<b>1.155</b>

3.9 The Business, Growth and Infrastructure Directorate overspent by £1.155m of which £0.228m is due to the non-delivery of savings. The out turn includes a contribution from reserves (£0.768m) to support some management costs within the service and some growth projects without which the overspend would be £1.923m. The main variances for the directorate are:

- **Business Growth Management** overspent by £0.148m due to additional costs of the Accommodation Review (£0.074m), cost of consultancy including for the Facilities Management review (£0.218m) and other minor overspends (£0.044m) offset by underutilised carbon reduction commitment budget (-£0.188m);
- **Regeneration** overspent by £0.029m due to unachieved savings targets (£0.050m) offset by salary savings/minor underspends (-£0.021m);
- **Property Management and Admin Buildings** overspent by £0.801m due to an overspend in Admin Buildings for urgent compliance work for the Town Hall and higher than anticipated running costs of buildings (£0.519m), additional building costs on the markets (£0.070m) and loss of income due COVID-19 for markets (£0.100m) and reduced Town Centre income (£0.048m);
- **Strategic Housing** underspent by £0.102m due to increases in income and salary savings in Urban Renewal (-£0.095m) as well as additional income from home improvements (-£0.007m);
- **Architects** overspent by £0.479m due to severance costs (£0.137m) and lost capital income (£0.342m) due to delays in the capital programme delivery;
- **Planning & Building Control** underspent by £0.200m is due to salary savings (-£0.114m) and additional income (-£0.086m).

**Art Gallery and Museum – Overspend £0.077m****Table 7**

<b>2019/20 Forecast Revenue Out Turn Position – as at 31 March 2020</b>			
<b>Art Gallery and Museum</b>	<b>Approved Budget</b>	<b>Out Turn</b>	<b>(Under)/Over Spend</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Art Gallery and Museum	0.565	0.642	0.077
<b>TOTAL</b>	<b>0.565</b>	<b>0.642</b>	<b>0.077</b>

3.10 The Art Gallery and Museum overspent by £0.077m due to under recovery of income offset by some savings due to staff vacancies.

**Housing General Fund –Overspend £0.564****Table 8**

<b>2019/20 Revenue Out Turn Position – as at 31 March 2020</b>			
<b>Housing General Fund</b>	<b>Approved Budget</b>	<b>Out Turn</b>	<b>(Under)/Over Spend</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Housing General Fund	0.033	0.597	0.564
<b>TOTAL</b>	<b>0.033</b>	<b>0.597</b>	<b>0.564</b>

3.11 The Housing General Fund overspent by £0.564m due to the contribution to the bad debt provision for higher than anticipated bad debts (£0.221m), net Housing subsidy (£0.356m) offset by minor underspends (-£0.013m).

**Non Service Specific – Underspend £12.090m****Table 9**

<b>2019/20 Revenue Out Turn Position – as at 31 March 2020</b>			
<b>Non Service Specific</b>	<b>Approved Budget</b>	<b>Out Turn</b>	<b>(Under)/Over Spend</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Passenger Transport Levy	13.264	13.140	(0.125)
Environment Agency	0.100	0.100	0.000
Manchester Airport	(5.635)	(5.635)	0.000
Persona Dividend	(0.200)	(0.200)	0.000
Disaster Expenses	0.011	0.028	0.017
Townside Fields	0.000	(0.058)	(0.058)
Corporate Management	2.535	1.883	(0.653)
Chief Executive's Office	0.505	0.497	(0.008)
GMWDA Levy	13.763	11.184	(2.579)
Car Lease Salary Sacrifice	0.000	0.025	0.025
Poverty Strategy	0.050	0.033	(0.017)
Service Pressures	0.000	(1.418)	(1.418)
Cost of Borrowing	4.000	2.710	(1.290)
Provisions/Reserves	0.502	(4.382)	(4.884)
Non Service Specific Grants	(3.768)	(4.868)	(1.100)
FRS17 Costs	(19.962)	(19.962)	0.000
Accumulated Absences	1.120	1.120	0.000
<b>TOTAL</b>	<b>6.287</b>	<b>(5.803)</b>	<b>(12.090)</b>



3.12 The Non Specific Service budget underspent by £12.090m due to:

- Passenger Transport Levy – agreement was reached with the Greater Manchester Combined Authority to reduce passenger levies across Greater Manchester Authorities (-£0.125m);
- Disaster Expenses – Additional costs incurred relating to emergency repairs and flood damage (£0.017m);
- Townside Fields – additional receipt relating to management costs (£0.058);
- Corporate Management – reduced spending on subscriptions and initiatives (-£0.653m);
- Returned retained rates from GMCA (-£1.418m);
- Lower than budget contribution to non-service specific reserves (-£4.884m);
- Reduced costs of borrowing due to loans not being taken out in line with expectations (-£1.290m) largely due to slippage in the capital programme;
- Additional grant funding to support impact of COVID-19 (-£1.100m)
- GMWDA levy – reduction in levies across GM Authorities (-£2.579m).

3.13 Some of the underspends are considered to be recurring and have been adjusted as part of the 2020/21 budget setting process.

#### 4 Delivery of the Savings Plan

4.1 Planned savings of £8.008m are included in the 2019/20 revenue budget. The majority of Directorates were not be able to meet their 2019/20 savings target with an overall shortfall of £4.181m. These shortfalls are reflected in the outturn position set out in the report. The council's 2020/21 budget setting process took account of the non-delivery of savings in 2019/20 and considered whether these were deliverable in future years. Where this is not considered possible, the savings targets have been built back into the budget from 2002/21 onwards in support of approach to instil greater financial ownership and accountability by providing budget holders with budgets and savings targets that are challenging but deliverable.

4.2 The outturn position includes budgeted exit costs of c£1.6m that will reduce costs in future years that will contribute to the savings targets. Where staff left the council during the year, a part year saving has been achieved and a full year saving will be achieved from 2020/21 onwards.

#### 5 Reserves

5.1 At the end of 2018/19 the council's useable reserves were £32.551m and Council agreed that £5m would be drawn down and applied to support the budget. These are set out in the table below.

**Table 10**

Reserves Approved as part of the 2019/20 Budget Setting Process	
Description	Amount
	£m
ABG Top slice	0.454
Connexions	1.408
Airport Share	0.949
Performance Reward Grant	2.072
BCCI	0.127
<b>Total</b>	<b>5.009</b>

- 5.2 In addition to this, Directorates have applied reserves totalling £3.650m of which £2.8m was approved in December. A further £0.850m has been applied from the elections reserve and the transformation reserve to support the elections process and other agreed programmes and initiatives. These are included in the out turn position set out in the report and cabinet is asked to approve the use of these reserves.
- 5.3 As part of the year end processes a review of the council's balance sheet has been undertaken. Of particular focus has been the council's provision for risks including insurance risk. COVID-19 has also impacted on the risk profile of the council and therefore, as assessment of other risks has been factored into the review.
- 5.4 An independent assessment of the insurance risk faced by the council has been carried out by the council's insurance brokers and estimated that the level of provision held by the council is in excess of that required. This provides an opportunity for some rebalancing of reserves and provisions to ensure that the council's financial resilience is as strong as possible and able to help mitigate the considerable financial demands going forward.
- 5.5 Whilst rebalancing of reserves and provisions to reflect changes in financial risk is prudent, the way in which the council uses its reserves has also been considered. From this, a reserves policy has been developed that will ensure reserves are held to manage financial risk and promote financial sustainability and in doing so will:
- Ensure reserves are held to maximise the ability to use reserves flexibly and to deliver the authority's priorities;
  - Hold reserves at a corporate/directorate level unless there is a business/technical reason for not doing so.
- 5.6 A proposed reserves strategy is presented to Cabinet as a separate report for approval. As part of this work, reserves have been consolidated and streamlined and reserves at the end of the financial year are:

**Table 11**

<b>Analysis of Reserves at 31 March 2020</b>	
	<b>£M</b>
General Reserves	6.989
Directorate Risk Reserves	0.992
Volatility and Fiscal Risk	34.174
<b>Total Management of Risk Reserves</b>	<b>42.155</b>
Corporate Priorities	7.794
External Funding/Grants	20.794
<b>Total Earmarked Reserves</b>	<b>28.588</b>
<b>TOTAL COUNCIL RESERVES</b>	<b>70.743</b>
<b>School Reserves</b>	
Individual School Budgets	5.551
Individual School Balances relating to academies	(0.666)
DSG Central Reserve	(20.067)
<b>TOTAL SCHOOL RESERVES</b>	<b>(15.182)</b>
<b>TOTAL NET RESERVES</b>	<b>55.561</b>

- 5.7 It should be noted that guidance on the school reserves is still awaited following the change to the Terms and Conditions of the DSG that set out that Local Authorities are no longer able to fund any deficits within the DSG. The route to obtaining Secretary of State permission to override the Terms and Conditions have not yet been articulated. The Department for Education (DfE) has indicated that councils should not set aside provisions within their accounts to offset DSG deficits. However this is inconsistent with the National Audit guidance which confirms previous advice that there is no statutory basis for having a negative DSG reserve and the accounting code under which the accounts are prepared 'neither anticipates or allows for a voluntary earmarked balance to be presented in a deficit position'. Therefore to comply with the DfE guidance and the accounting code, the DSG deficit reserve is offset by the Council's earmarked reserve and will continue to do so until a permanent resolution is in place.
- 5.8 The level of reserves has increased over the year and are available to support the Council in managing the financial risks going forward. Some significant grants were received at the end of the financial year relating to COVID-19 and are therefore fully committed and will be fully utilised in 2020/21. Monitoring of reserves will be a key part of the overall financial strategy to manage the impact of COVID-19 in 2020/21 and future years.

## 6 OTHER BUDGETS

### Schools Budget

- 6.1 The maintained schools delegated budgets reserve (excluding academies) increased to £5.551m by the end of the year with an in-year increase of £0.377m. Further information is set out in the table below:

**Table 12**

Phase	Number of Schools	Balance B/F 1 April 2019	In-Year Movement 2019/20	Balance C/F 31 March 2020
		£m	£m	£m
Nursery	1	0.025	0.009	0.034
Primary	48	3.097	-0.469	2.628
Secondary	10	1.423	0.792	2.215
Special	3	0.629	0.045	0.674
<b>TOTAL</b>	<b>62</b>	<b>5.174</b>	<b>0.377</b>	<b>5.551</b>

- 6.2 During the year the council has seen an increase in the number of schools that have reported an end of year deficit with the number increasing from 4 to 8. The total value of these deficits is £0.548m. All 8 have set budget plans for 2020/21, approved by their Governing Body's, which demonstrate full recovery of their deficits carried forward within 1 year.
- 6.3 A total of 13 schools have excessive balances at the end of the financial year compared to 9 the previous year. The maximum permitted surplus thresholds are 9% for nursery, primary and special schools and 6% for secondary schools. The total value of the excessive balances is £0.807m. In compliance with the approved Scheme for Financing Schools provision for Controls on Surplus Balances, all of these schools' surplus balances have been scrutinised by Schools' Forum in order to ensure plans are in place to spend these accumulated surpluses on the children

in school now. The Schools Forum were satisfied with the outcome of the reviews and did not recommend any surplus clawback for the 2019/20 financial year.

- 6.4 In total, 50% of schools saw a reduction in their end of year position and 50% saw an increase. Monitoring of school budgets takes place throughout the year and will be kept under review especially where recovery plans are in place. A significant increase in funding was awarded to schools for 2020/21 and therefore it is anticipated that they overall position at an individual schools level will improve.
- 6.5 The deficit on the non-schools element of the Dedicated Schools Grant (DSG) increased by £5.436m at the end of 2018/19 to £20.067m. This is a significant risk to the council.
- 6.6 For 2019/20 the Department for Education (DfE) required all councils to complete a recovery plan should their overspend on the DSG exceed 1%. The council has an agreed 5 year recovery plan, however, in recognition of the increasing deficit, a detailed review of the budget and the actions to be taken to bring it back into a balanced position will be reported to Cabinet in September 2020.
- 6.7 The main reasons for the in-year overspend are:
- Primary Inclusion Partnerships (£0.2m)
  - Secondary Inclusion Partnerships and SEMH Hubs (£0.4m)
  - SEND EHCP top up funding to all mainstream schools and academies to comply with statutory finance and SEND requirements (£1.6m)
  - Increased numbers of Education and Health Care Plans (£0.8m)
  - Paediatric Disability support (£0.1m)
  - Increased capacity at Bury's special school provision (£0.5m)
  - Increased volumes of placements to high-cost out of borough provision, including independent Alternative Provision (£2.5m)
- 6.8 In accordance to the agreed recovery and profiled into the 5 year plan, the current investment is expected to reduce the number of high-cost SEND placements out of borough by stemming the flow and having more in borough placements. The 5 year timeline is required in order to ensure the sufficiency and capacity of places can be developed and delivered and to ensure all schools have enhanced inclusion provision and support which will prevent children requiring to be placed in expensive independent placements.

### **COLLECTION FUND**

- 6.9 In February 2020 it was reported that there was a surplus on the collection fund of £17.235m of which £15.808m was to be allocated to the Council and £1.427m to be allocated to the Greater Manchester Combined Authority. The final position on the collection fund has been confirmed and there is a further surplus of £0.265m. This will be released in 2021/22 and will be subject to decision making when the budget is set in February 2021.

### **HOUSING REVENUE ACCOUNT**

- 6.10 The Housing Revenue Account (HRA) delivered a surplus of £1.412m and further information is set out in the table 12 below.

**Table 13**

<b>2019/20 Revenue Out Turn Position – as at 31 March 2020</b>			
<b>Housing Revenue Account</b>	<b>Approved Budget</b>	<b>Out Turn</b>	<b>(Under)/Over Spend</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Income</b>			
Dwelling Rents	(29.158)	(29.059)	0.099
Non-Dwelling Rents	(0.193)	(0.208)	(0.015)
Other Charges	(1.020)	(1.058)	(0.038)
<b>Total Income</b>	<b>(30.371)</b>	<b>(30.325)</b>	<b>0.046</b>
)			
<b>Expenditure</b>			
Repairs and Maintenance	6.896	6.864	(0.032)
General Management	7.344	7.352	0.008
Special Services	1.335	1.353	0.018
Rents, Rates and Other Charges	0.058	0.057	(0.001)
Increase in Bad Debts Provision	0.471	0.419	(0.052)
Capital Charge	4.626	4.647	0.021
Depreciation	8.419	7.182	(1.237)
Debt Management Expenses	0.041	0.045	0.004
Contribution to/(from) reserves	(0.361)	0.000	0.361
<b>Total Expenditure</b>	<b>28.829</b>	<b>27.920</b>	<b>(0.909)</b>
<b>Net Cost of Services</b>	<b>(1.542)</b>	<b>(2.405)</b>	<b>(0.863)</b>
Interest receivable	(0.066)	(0.062)	0.004
Principal Repayments	0.177	0.180	0.003
Revenue Contributions to Capital	1.421	0.865	(0.555)
<b>Sub Total</b>	<b>1.532</b>	<b>0.983</b>	<b>(0.549)</b>
<b>Operating (Surplus)/Deficit</b>	<b>(0.010)</b>	<b>(1.422)</b>	<b>(1.412)</b>

6.11 There are a number of variations that have contributed to the surplus however the main reasons are:

- **Depreciation** – the calculation method has been reviewed resulting in a reduction in the charge for the year. As the depreciation charge is ultimately used to fund capital programme expenditure any reduction is matched by a corresponding increase in Revenue Contributions to Capital.
- **Contribution to/(from) reserves** – the planned contribution from reserves was not required in 2019/20, primarily as a result of the reduced funding required for capital programme works. The unused £0.361m remains in the HRA balances for use in 2020/21 or future years.
- **Revenue contributions to capital** – A lower than budget contribution as a result in the change in the depreciation calculation and slippage on planned capital schemes within the capital programme. It is anticipated that an additional £1.963m contribution will be required in 2020/21 to complete the 2019/20 programme; this is in addition to the slippage already identified and included in the 2020/21 approved HRA budget. This is however subject to council approval.

- 6.12 Other factors that impact on the HRA year-end balance include void levels, the level of rent arrears and the levels of Right to Buy sales. Details on the end of year position in relation to these are:
- **Void**s The rent loss due to voids for 2019/20 was on average 1.06%. The original dwelling rents budget allowed for a void level target of 1.1%. This generated a small surplus £0.012m.
  - **Arrears** The rent arrears at the end of 2019/20 totalled £2.075m, an increase of 25.3% from the start of the year when arrears totalled £1.656m. Of the total arrears £0.850m relates to former tenants and £1.225m relates to current tenants. An estimated £0.877m of current tenant arrears are in cases where either the under occupancy charge applies or the tenants are in receipt of Universal Credit rather than Housing Benefit; this is an increase of £0.264m from the start of the year reflecting the increase in the number of tenants claiming Universal Credit and the impact this can have on the arrears position with payments received for a number of weeks, in arrears and sometimes with delays.
  - **Right to Buy Sales** The original HRA budgets assumed 60 Right to Buy sales during 2019/20. The actual number of sales in 2019/20 was 62.
- 6.13 A major element of the HRA's costs is the Management Fee paid to the authority's ALMO, Six Town Housing. As the ALMO is a wholly owned Council company it is appropriate for Cabinet to take a view on the company's financial position.
- 6.14 Six Town Housing's draft accounts for the 2019/20 financial year show that the ALMO made a surplus of **£0.442m** on a turnover of **£20.807m**, a rate of 2.1% (for 2018/19 the rate was 1.2%); the surplus for 2019/20 excludes pension adjustments made in line with FRS102 requirements.
- 6.15 Six Town Housing have developed a Reserves Policy (with input from the Council's section 151 Officer) which determines the minimum level of balances that the company should hold; the minimum level for 2019/20 was assessed to be £1.069m and the draft accounts indicate cash and short term deposits totalling £2.924m at the end of 2019/20. The use of reserves is subject to the terms of the Management Agreement between Six Town Housing and the Council.

## 7 CAPITAL PROGRAMME

- 7.1 The Council's capital programme was originally set at £52.599m. Since then schemes have been added to the programme and some schemes that were slipping have been carried forward, with the agreement of Cabinet, to 2020/21 giving a revised capital programme of £46.505m. Since then a further £4.554m has been added to the 2019/20 capital programme bringing the overall capital programme to £51.059m. This includes a strategic investment in the Manchester Airport Group that was approved by Full Council in March 2019 and the financing for which was agreed in March 2020.
- 7.2 Some of the other schemes have been approved under delegation and supported by a revenue contributions and others were agreed in previous financial years but have only been added to the programme when the work has commenced. A review of processes for the capital programme is being carried out as part of the Capital Gateway process to avoid this happening in future years and will ensure that the capital programme is updated as soon as the decision is made. A summary of the changes is set out in the table below:

**Table 14**

Scheme	Value £m	Funding
Additional DFG	0.409	Offset by increase in grant
HRA	(0.517)	HRA Funded
Demolition of Wheatfields School	0.080	Capital Receipt
Demolition of Millwood School	0.250	Capital Receipt
Cycling and Walking Strategy	0.182	GM Funded
ZWP Lighting Towers	0.182	Revenue Funded
Strategic Investment	3.737	Prudential Borrowing
Other Minor Schemes Under Delegation	0.231	Revenue Funded
<b>Sub Total</b>	<b>4.554</b>	

7.3 Full details on the Capital programme are set out in Appendix 2 and a summary of the key elements are as follows:

- **Carry Forward**

7.4 Expenditure on the capital programme is £18.373m lower than anticipated. This is in addition to the £20.384m that was approved for carried forward by Cabinet and which has been agreed as part of the 2020/21 capital programme. It is proposed that a further £18.373m be carried forward to 2020/21. When this is taken into account the final capital programme for 2019/20 is £32.686m.

### Financing

7.5 As well as approving the revised spending in the capital programme, the council must also ensure it has sufficient funds available to meet its capital payments in each financial year. The table below shows how the planned and forecast capital expenditure was financed.

**Table 15**

Funding the Revised Capital Programme 2019/20	
	£m
Capital Programme 2019/20	32.686
	<b>32.686</b>
Funded By:	
External Funding and Contributions	(11.772)
Use of Capital Receipts	(1.081)
Prudential Borrowing	(10.610)
General Fund and Reserves	(1.221)
Housing Revenue Account	(0.865)
Major Repairs Reserve	(7.137)
<b>TOTAL</b>	<b>(32.686)</b>

7.6 In delivering the capital programme in 2019/20 the council has:

- Relocated the integrated Community Equipment Service;
- Adapted residents homes to make them more accessible
- Repaired flood damage across the borough;

- Replaced 3 G pitches at Goshen Leisure Centre;
- Introduced traffic calming measures including 20mph zones across the borough
- Maintained and improved the highways infrastructure across the borough;
- Refurbished Radcliffe library.

7.7 New Capital Gateway processes are currently being implemented for the 2020/21 financial year that will review new schemes against corporate priorities and the council's capital strategy and embed effective monitoring and reporting arrangements. The new gateway process will ensure that:

- schemes are prioritised and presented to members for consideration at appropriate times during the year
- schemes are a strategic fit with corporate priorities
- adequate resources are identified at the start of the process to ensure sufficient capacity is available to deliver the projects within anticipated timescales
- effective monitoring is carried out so that any slippage or delays can be considered and reported
- effective project management practices are embedded for all projects

7.8 A review and update of the council's capital strategy is also being carried out and will be resented to Cabinet later in the year. This is particularly important in light of the work on the Bury2030 strategy and the COVID-19 crisis and will ensure that the capital strategy is aligned to the future outcomes and objectives of the council.

7.9 The treasury management out turn report will be presented to Cabinet in September 2020 as it was in the process of being finalised alongside the finalisation of the statement of accounts..

## **8 FUTURE YEARS**

8.1 Effective financial planning is key to the sustainability and operation of all local authorities. The development of the council's medium term financial strategy shows that there is a significant financial challenge in future years. The COVID-19 crisis that emerged at the end of the last financial year poses significant, and potentially unprecedented financial risk for the future. With uncertainty over government funding, the delay in key funding review and implementation plans including the CSR, fair funding review and business rates retention review , the council need to be more than ever financially resilient and to deliver on its plans including its savings plans.

8.2 Plans for the 2020/21 financial year were subject to a significant degree of external scrutiny and challenge to ensure they were deliverable. In addition to this, the reliance on one-off short term funding through reserves and also the carry forward of historic unachievable savings were addressed as part of the 2020/21 budget setting process to provide a greater degree of stability and to ensure financial plans were realistic.

8.3 To support budget holders and to ensure that financial governance is as strong as possible across the whole of the council, a new financial framework is being developed and implemented over the course of the year. This will include new policies and updated governance arrangements including a reserves strategy, a refreshed scheme of delegation that links to the wider constitution review and also debt management and other financial policies. Updates will be provided to Cabinet throughout the year.



**9 FINANCIAL IMPLICATIONS**

- 9.1 The financial implications are set out in the report.

**10 LEGAL IMPLICATIONS**

- 10.1 There are no legal implications arising from the report.

**11 ASSOCIATED RISKS**

- 11.1 The content of the reports supports the Council in managing the overall financial risks and financial planning for the Council.

**12 NEXT STEPS AND CONCLUSION**

- 12.1 The financial position for 2019/ 20 will be considered in the context of the financial plans and the medium term financial strategy for future years.

## Appendix 1

Analysis of Savings Targets 2019/20 Description	2019/20 Target	2019/20 Saving Achieved	Saving Un- Deliverable in 2019/20
	£m	£m	£m
<b>Communities and Wellbeing</b>			
Public Health	0.890	0.890	0.000
Social Care review of lower cost packages/Medication visits through home care	1.400	0.250	1.150
<b>Sub Total</b>	<b>2.290</b>	<b>1.140</b>	<b>1.150</b>
<b>Children, Young People and Culture</b>			
Reduced Pension Liabilities	0.150	0.000	0.150
Business Support Functions	0.068	0.068	0.000
Traded Services Finance/HR	0.120	0.120	0.000
Early Years/Early Help Service Reviews/Transformation	2.221	0.753	1.468
Asset Management inc Libraries	0.090	0.000	0.090
Procurement Contract Reviews	0.150	0.030	0.120
<b>Sub Total</b>	<b>2.799</b>	<b>0.971</b>	<b>1.828</b>
<b>Operations</b>			
Highways Maintenance Activity Chargeable to Capital	0.600	0.600	0.000
Car Parking	0.200	0.200	0.000
<b>Sub Total</b>	<b>0.800</b>	<b>0.800</b>	<b>0.000</b>
<b>Resources and Regulation</b>			
Pay Services – Income Generation	0.050	0.020	0.030
Debt Collection	0.200	0.200	0.000
Insurances	0.100	0.000	0.100
In house legal work for insurance claims	0.200	0.062	0.138
Finance Restructure	0.200	0.100	0.100
Financial Assessments/Income Collection	0.300	0.000	0.300
Telephony Contract Savings	0.100	0.040	0.060
Reconfiguration of Security Service	0.150	0.013	0.137
Data Management/Storage Costs	0.200	0.200	0.000
Review of Discretionary Budgets	0.281	0.281	0.000
<b>Sub Total</b>	<b>1.781</b>	<b>0.916</b>	<b>0.865</b>
<b>Business, Growth and Infrastructure</b>			
Facilities Management Review	0.050	0.000	0.050
Office Accommodation Review	0.288	0.000	0.288
<b>Sub Total</b>	<b>0.338</b>	<b>0.000</b>	<b>0.338</b>
<b>TOTAL</b>	<b>8.008</b>	<b>3.827</b>	<b>4.181</b>

Capital Programme 2019/20 – Out-Turn as at 31 March 2020					
	Revised Budget as at December 2019	Adjustments in Period	Revised Budget 2019/20	Out Turn 2019/20	Carry Forward to 2020/21
	£m	£m	£m	£m	
Corporate ICT Projects	3.584		3.584	2.716	0.868
Improving Information Management	0.057		0.057	0.000	0.057
Older People	0.145		0.145	0.348	(0.203)
DFC – Devolved Formula Capital	1.379		1.379	0.824	0.555
NDS Modernisation	6.186		6.186	5.144	1.042
Targeted Capital Funds	0.000		0.000	0.050	(0.050)
Early Education Fund	0.003		0.003	0.003	0.000
Special Provision Grant	0.519		0.519	0.199	0.320
Radcliffe Library Refurbishment	0.109		0.109	0.129	(0.020)
Wheatfield's School Demolition	0.000	0.080	0.080	0.080	0.000
Millwood School Demolition	0.000	0.250	0.250	0.250	0.000
Empty Property Strategy (HRA)	0.376		0.376	0.103	0.273
Housing Development (HRA)	0.090		0.090	0.090	0.000
Housing Development	1.078		1.078	0.078	1.000
Disabled Facilities Grant	1.249	0.409	1.658	1.061	0.597
Radcliffe Regeneration Action Plan	0.478		0.478	0.246	0.232
Planning – Other Schemes	0.015		0.015	0.003	0.012
Refurbishment of Bury Market	0.100		0.100	0.108	(0.008)
Prestwich	0.250		0.250	0.000	0.250
Whitefield	0.100		0.100	0.000	0.100
Radcliffe	0.420		0.420	0.000	0.420
Growth/Place Shaping	2.715		2.715	0.000	2.715
Other Development Schemes	0.304		0.304	0.164	0.140
Property Investment	0.551		0.551	0.551	0.000
Property Management	0.000		0.000	0.000	0.000
GM Full Fibre Project	0.469		0.469	0.000	0.469
Neighbourhood Working	0.470		0.470	0.228	0.242

Capital Programme 2019/20 – Out-Turn as at 31 March 2020					
	Revised Budget as at December 2019	Adjustments in Period	Revised Budget 2019/20	Out Turn 2019/20	Carry Forward to 2020/21
	£m	£m	£m	£m	
Floods Repair and Defence	2.153		2.153	1.590	0.563
Environmental Works	0.107		0.107	0.023	0.084
Parks	0.177		0.177	0.036	0.141
Flood Repair - 3G Pitches	0.471		0.471	0.366	0.105
Street Lighting	0.601		0.601	0.840	(0.239)
Traffic Management Schemes	0.173		0.173	0.046	0.127
Public Rights of Way	0.085		0.085	0.027	0.058
Highways Planned Maintenance	9.888	(0.100)	9.788	7.071	2.717
Cycling and Walking Strategy	0.033	0.182	0.215	0.191	0.024
Bridges	0.067	0.100	0.167	0.117	0.050
Traffic Calming and Improvement	0.280		0.280	0.000	0.280
Lighting Towers	0.000	0.182	0.182	0.182	0.000
Waste Management	0.027		0.027	0.013	0.014
Civic Halls	0.039		0.039	0.039	0.000
Strategic Airport Investment	0.000	3.737	3.737	1.874	1.863
Housing Programme (HRA) Major Works	11.756	(1.213)	10.543	7.136	3.407
HRA - Disabled Facilities Adaptations	0.000	0.696	0.696	0.530	0.166
Other Minor Revenue Schemes	0.000	0.231	0.231	0.231	0.000
<b>TOTAL</b>	<b>46.505</b>	<b>4.554</b>	<b>51.059</b>	<b>32.686</b>	<b>18.373</b>



This page is intentionally left blank

## REPORT FOR DECISION

<b>DECISION OF</b>	<b>The Cabinet</b>
<b>DATE:</b>	<b>29 July 2020</b>
<b>SUBJECT:</b>	<b>The Council's Financial Position 2020/21 as at 30 June 2020</b>
<b>REPORT FROM:</b>	<b>Leader of the Council and Cabinet Member for Finance and Growth</b>
<b>CONTACT OFFICER:</b>	<b>Mike Woodhead, Joint Chief Finance Officer</b>
<b>TYPE OF DECISION:</b>	<b>Key decision</b>
<b>FREEDOM OF INFORMATION/STATUS:</b>	This paper is within the public domain.
<b>SUMMARY:</b>	This report outlines the forecast financial position of the council at the end of 2020/21 based on the information known at the end of the first quarter. The report sets out the position for both revenue and capital and provides an analysis of the variances, both under and overspending.
<b>OPTIONS &amp; RECOMMENDED OPTION</b>	<p>Cabinet is asked to:</p> <ul style="list-style-type: none"> <li>• Approve the reallocation of the Council's budget to reflect the new organisational footprint;</li> <li>• Note the announcement of £16.150m in grant funding to support the Council with the additional costs and pressure of COVID-19 and note that these have been reflected in the service budgets;</li> <li>• Note that further funding announcements have not yet been reflected in the financial position due to the fact that individual local authority allocations have not yet been made;</li> <li>• Note the forecast overspend of £7.524m, the position on reserves, the position on the Dedicated Schools Grant and the CCG funding framework;</li> <li>• Note the challenges in monitoring the collection fund and that further work is ongoing with other Greater Manchester Authorities to manage and report on the impact of COVID-19 on the fund;</li> </ul>

	<ul style="list-style-type: none"> <li>• Note the position in relation to grants for businesses affected by COVID-19;</li> <li>• Note the capital programme for the year and that further work is underway to review the programme in light of the COVID-19 crisis.</li> </ul>
<b>IMPLICATIONS:</b>	
<b>Corporate Aims/Policy Framework:</b>	The proposals accord with the Policy Framework
<b>Statement by Section 151 Officer:</b>	The financial implications are set out in the report.
<b>Equality/Diversity implications:</b>	No
<b>Considered by Monitoring Officer:</b>	Yes
<b>Are there any legal implications?</b>	No
<b>Wards Affected:</b>	All
<b>Scrutiny Interest:</b>	Overview and Scrutiny Committee



## **THE COUNCIL'S FINANCIAL POSITION AS AT THE END OF JUNE 2020**

### **1 PURPOSE OF THE REPORT**

- 1.1 This report outlines the forecast financial position of the council at the end of 2020/21 based on the information known at the end of the first quarter. The reports sets out the position for both revenue and capital and provides an analysis of the variances, both under and overspending.
- 1.2 This is the first report of the financial year and the position will change over time as trends emerge. Most notable in the current financial year is the impact of COVID-19 on the council's finances. There remain some significant challenges to forecasting as a result of COVID-19 and the position will be closely monitored throughout the year.
- 1.3 The council's budget was set in February 2020. Since then a new organisational structure has been implemented and the budget has been updated to reflect this. Additionally, some technical budgets over which budget holders have no control have been centralised. This means that, whilst the overall budget remains unchanged, the allocations between Directorates has moved and is therefore recommended for approval.
- 1.4 In response to the COVID-19 crisis the government has made available £3.7bn to Local Authorities nationally and some additional specific grants have been made available to provide funding to cover additional costs that will be incurred as a result of specific grant criteria. These funding allocations have also been reflected in the 2020/21 budget. Further announcements are expected and will be added to the budget as and when the information is available. Cabinet will continue to be updated of all changes.

### **2 SUMMARY**

- 2.1 The council is forecasting an overspend of £7.524m. This is not unexpected given the pressures faced by COVID-19 and reflects the monitoring that has been reported to MHCLG and Greater Manchester on the in-year position. Whilst the Council has seen an increase in some costs, the most notable impact has been on income loss. The MHCLG returns request details on the loss of income including council tax and business rates and the projected total loss for 2020/21, based on the June submission, is forecast at £24m. It should however be noted that, for financial planning and financial strategy purposes, the loss in income for business rates and council tax impacts in 2021/22 and will therefore be reflected in the update to medium term financial strategy.
- 2.2 When set in February 2020, the 2020/21 budget was considered to be challenging but deliverable however the position has now changed considerably. In responding to this, the Council must, and is, moving quickly to consider options for managing the in-year impact and to consider how the longer term impact can also be managed.
- 2.3 In forecasting the position, some assumptions have been made particularly around income losses. The ability to recover and improve on this will be dependent upon the extent and duration of COVID-19. With this in mind, there remains a significant degree of uncertainty and the position will change. A further

announcement of funding was made in early July however details are yet to emerge and the financial impact of this is yet to be factored in.

- 2.4 The Council has factored in £2.4m of costs that are to be funded through COVID-19 grant monies that have been made available to Clinical Commissioning Groups. The relationship between the Council and CCG within Bury as enabled some quick decision making which is helpful for financial planning purposes.
- 2.5 The planned contribution to the pooled fund in 2020/21 will be £10.5m less than is budgeted for due to the fact that an additional contribution, to the same value, was made in 2019/20 as part of a strategy to access additional funding for the CCG. This has not yet been factored into the figures although it is assumed that this will be used to increase general reserves. In 2019/20 the Council made an additional contribution to the pooled fund of £10.5m which has effectively been met by the Council's general reserves which were lower at the end of the 2019/20 than anticipated.
- 2.6 Within the Council's 2020/21 budget there was an expectation that savings of £4.162m would be delivered. The ability to deliver these in the context is continually being assessed and a total of £1.578m is deemed to be at risk. The impact of this has already been factored into the monitoring position. In line with the principles set out in the approach for the development of the medium term financial strategy, executive directors will be expected to identify other efficiencies to mitigate the financial impact.
- 2.7 The position on the collection fund will be significantly affected by COVID-19 as it is expected that the collection rates for both council tax and business rates will be lower than anticipated when the budget was set. Due to the way in which the accounting arrangements for the collection fund work, the financial impact will materialise in the 2021/22 financial year and is therefore reflected in the updated medium term financial strategy. It is however important to be clear that whilst the impact will present itself in the 2021/22 financial year, it will have occurred in 2020/21 and so we must factor this in now into our financial planning.
- 2.8 The introduction of the Council's reserves strategy will introduce greater control and scrutiny over the use of reserves and will ensure these can be targeted to managing overall financial risk and also to Council priorities. General reserves were expected to increase during 2020/21 due to a budgeted contribution to reserves (£0.567m), the CCG pooled fund contribution and the release of monies from the collection fund as set out in the report to Full Council in February 2020. At this stage, with the exception of the Dedicated Schools Grant reserve, these are not forecast to change. The position on the DSG reserve will be the subject of a future report to Cabinet.
- 2.9 The CCG financial position is uncertain due to a change in the financial framework and regime that has been introduced in response to COVID-19. Greater clarity and understanding of the position will not be known until further announcements from government are made.
- 2.10 The capital programme is currently under review and has been impacted by COVID-19. Some schemes have progressed and others have stopped or been delayed due to COVID-19. With the carry forward of schemes from 2019/20, the Council's capital budget for 2020/21 is £86.562m.

### 3 FINANCIAL OVERVIEW - REVENUE

- 3.1 Since the 2020/21 budget was set in February 2020, the Council has implemented a new organisational structure. To ensure that strong financial management can be maintained, the budget has been reshaped to reflect the new organisation and to align budgets to the relevant Executive Directors and managers. Additionally, the Council has received over £16.150m in grant funding to provide financial support for COVID-19 costs. Some of these grants were to fund new activities for which additional costs would, and have been, incurred and therefore budgets for both income and expenditure have been built into individual budgets. A list of all grants received is attached at Appendix 1. Approval of the budget on the new organisational footprint is requested of Cabinet.
- 3.2 The forecast out turn position is set out in Table 1 below and shows a forecast overspend of £7.524m, representing 4.56% of the council's net revenue budget. The forecast is based on trends and information early in the financial year and therefore will change as trends and assumptions crystallise.

**Table 1**

Forecast Out Turn Position 2020/21 – As At 30 June 2020			
Directorate	Approved Budget	Forecast Out Turn	Forecast (Under)/Over Spend
	£m	£m	£m
One Commissioning Organisation	79.502	82.065	2.563
Children and Young People	41.778	42.654	0.876
Operations	16.247	22.828	6.581
Corporate Core	13.470	13.659	0.189
Business, Growth and Infrastructure	2.800	3.359	0.559
Arts and Museum	0.577	0.639	0.062
Housing General Fund	0.553	1.116	0.563
Non Service Specific	9.964	6.095	(3.869)
<b>TOTAL</b>	<b>164.891</b>	<b>172.415</b>	<b>7.524</b>
<b>Funded By:</b>			
Government Grants	25.718	25.718	0.000
Council Tax	89.020	89.020	0.000
Business Rates	50.153	50.153	0.000
<b>Total</b>	<b>164.891</b>	<b>164.891</b>	<b>0.000</b>

- 3.3 Details on individual services are set out in the next section of the report.

#### One Commissioning Organisation – Forecast Overspend £2.563m

**Table 2**

2020/21 Forecast Revenue Out Turn Position – as at 30 June 2020			
One Commissioning Organisation	Approved Budget	Forecast Out Turn	Forecast (Under)/Over Spend
	£m	£m	£m
Adult Social Care Operations	7.441	6.885	(0.556)
Care in the Community	40.987	43.945	2.958
Commissioning & Procurement	15.968	16.112	0.144
Public Health	10.421	10.421	0.000
Departmental Support Services	4.607	4.625	0.017
Workforce Modernisation	0.078	0.078	0.000
<b>TOTAL</b>	<b>79.502</b>	<b>82.065</b>	<b>2.563</b>

- 3.4 The OCO budget is forecast to overspend by £2.563m. However £2.396m of the overspend relates to Covid-19 Infection control expenditure within the Care in the Community budget which is offset by the Infection Control grant income which sits within Non Service Specific budgets. This reduces the forecast overspend to £0.167m
- 3.5 The material OCO variances are as follows:
- **Care in the Community** overspend is due to pressures regarding self-directed support budgets within Learning Disabilities, supported living budgets within Mental Health, underachieving on the savings programme and an underspend on nursing budgets within the Older People cohort (£0.562m);
  - **Adult Social Care Operations** underspend is due to lower than budgeted staffing budgets in services that are currently undergoing transformation (-£0.556m);
  - **Commissioning & Procurement** the projected overspend is largely due to the potential delay regarding achievement of savings and additional Deprivation of Liberty Safeguarding (DoLS) assessments (£0.144m).

### Children and Young People – Forecast Overspend £0.876m

**Table 3**

2020/21 Forecast Revenue Out Turn Position – as at 30 June 2020			
Children and Young People Directorate	Approved Budget	Forecast Out Turn	Forecast (Under)/Over Spend
	£m	£m	£m
Children's Social care – Corporate Parenting	16.175	16.627	0.452
Education Services – Non Schools	15.960	16.394	0.436
Children's Social Care - Safeguarding	5.985	6.052	0.066
Social Care Strategy – Commissioning and Youth Justice	1.897	1.851	(0.046)
Early Help and School Readiness	1.761	1.730	(0.032)
<b>TOTAL</b>	<b>41.778</b>	<b>42.654</b>	<b>0.876</b>

- 3.6 The Children, Young People and Culture Directorate is forecasting an overspend of £0.876m
- 3.7 The main reasons for the variances are as follows:
- **Independent Fostering Agency Placements** increase in costs as a result of increased numbers of Looked After Children (LAC) (£0.452m);
  - **Home to school and college transport**, including Bus Escorts, higher than budgeted demand (£0.441m);
  - **Safeguarding** overspend due to building costs incurred for delays in vacating Higher Lane, and external legal fees in relation to two high-cost court cases (£0.066m);
  - The overspends are offset by underspends elsewhere in the budget.

**Operations Directorate – Forecast Overspend £6.581m****Table 4**

<b>2020/21 Forecast Revenue Out Turn Position – as at 30 June 2020</b>			
<b>Operations</b>	<b>Approved Budget</b>	<b>Forecast Out Turn</b>	<b>Forecast (Under)/Over Spend</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Operations Senior Management	0.327	00321	(0.006)
Street Scene	4.874	5.044	0.170
Engineers (includes Car Parking)	1.379	3.303	1.924
Waste, Transport and Stores	6.541	6.703	0.162
Health & Environmental Protection	1.565	1.644	0.078
Parks & Countryside	0.517	0.521	0.004
Wellness Operations	2.474	4.430	1.955
Commercial Services	(0.306)	1.425	1.731
Architectural Services	(0.454)	(0.064)	0.391
Admin Buildings	(0.670)	(0.499)	0.171
<b>TOTAL</b>	<b>16.247</b>	<b>22.828</b>	<b>6.581</b>

3.8 The Operations Directorate is forecasting an overspend of £6.581m mainly as a result of COVID related loss of income across all services. The government has provided some funding to offset addition pressures and loss of income in local authorities and this is currently being held centrally within the non-service specific budget. The material variances within Operations are as follows:

- **Health & Environmental Protection** – the projected overspend is due to loss of pest control income due to only emergency works being undertaken during the COVID crisis (£0.078m);
- **Car Parking Services** – the overspend largely due to suspension of car parking charges (£1.924m);
- **Street Scene** - the overspend is largely due to due increased in highways works activity (£0.170m);
- **Wellness Operations** – the overspend is due to income loss in the Leisure Services (£1.875m) and other minor variances;
- **Commercial Services** – The overspend is due to:
  - loss of income due to closure of Civic venues (£0.500m);
  - overspend on Catering due to loss of catering income from schools (£0.534m);
  - loss of market rental income due to agreed schemes to offer rent reliefs to market traders (£0.697m);
- **Architectural Services** - the overspend is due to loss of income due to staff shortages and reduction in chargeable work to the capital programme due to Covid19 (£0.391m);
- **Admin buildings** - the overspend is due to pressures on rates, cleaning and utilities budgets (£0.171m).

**Corporate Core and Finance– Forecast Overspend £0.190m****Table 5**

<b>2019/20 Forecast Revenue Out Turn Position – as at 31 December 2019</b>			
<b>Corporate Core and Finance</b>	<b>Approved Budget</b>	<b>Forecast Out Turn</b>	<b>Forecast (Under)/Over Spend</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Corporate Core	3.513	3.710	0.197
Adult Learning	0.099	0.099	0.000
Corporate Core Finance	9.858	9.850	(0.008)
<b>TOTAL</b>	<b>13.470</b>	<b>13.660</b>	<b>0.190</b>

3.9 Corporate Core and Finance is forecasting an overspend of £0.190m as a result of:-

- **Legal Services** – the overspend is due to reduced income relating to COVID 19 and additional agency costs (£0.228m);
- **Corporate Procurement** – a reduction in income from contract management (£0.019m);
- **Communications and Engagement** – additional costs to support the communications team during COVID-19 and to cover staff absences (£0.056m)

**Business, Growth and Infrastructure – Forecast Overspend £0.559m****Table 6**

<b>2020/21 Forecast Revenue Out Turn Position – as at 30 June 2020</b>			
<b>Business, Growth and Infrastructure Directorate</b>	<b>Approved Budget</b>	<b>Forecast Out Turn</b>	<b>Forecast (Under)/Over Spend</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Economic Regeneration & Capital Growth	1.214	1.764	0.550
Housing Needs & Options	1.586	1.595	0.009
<b>TOTAL</b>	<b>2.800</b>	<b>3.359</b>	<b>0.559</b>

3.10 The Business, Growth and Infrastructure Directorate is forecasting an overspend of £0.559m as a result of:

- Property Income losses (£0.450m) some of which is resulting from an approved rent relief scheme to support businesses affected by COVID-19;
- Planning & Development Control COVID 19 income losses (£0.101m).

**Art Gallery and Museum – Forecast Overspend £0.062m****Table 7**

<b>2020/21 Forecast Revenue Out Turn Position – as at 30 June 2020</b>			
<b>Art Gallery and Museum</b>	<b>Approved Budget</b>	<b>Forecast Out Turn</b>	<b>Forecast (Under)/Over Spend</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Art Gallery and Museum	0.577	0.639	0.062
<b>TOTAL</b>	<b>0.577</b>	<b>0.639</b>	<b>0.062</b>

3.11 The Art Gallery and Museum is forecast to overspend by £0.062m due to loss of income as a result of the service being closed.

### Housing General Fund – Forecast Overspend £0.563m

**Table 8**

2020/21 Forecast Revenue Out Turn Position – as at 30 June 2020			
Housing General Fund	Approved Budget	Forecast Out Turn	Forecast (Under)/Over Spend
	£m	£m	£m
Housing General Fund	0.553	1.116	0.563
<b>TOTAL</b>	<b>0.553</b>	<b>1.116</b>	<b>0.563</b>

3.12 The Housing General Fund is forecast to overspend by £0.563m due to assumed required contribution to the bad debt provision and the projected net Housing Subsidy position.

### Non Service Specific – Forecast Underspend £3.868m

**Table 9**

2019/20 Forecast Revenue Out Turn Position – as at 31 December 2019			
Non Service Specific	Approved Budget	Forecast Out Turn	Forecast (Under)/Over Spend
	£m	£m	£m
Accumulated Absences	1.120	1.120	0.000
Chief Executive's Office	0.377	0.377	0.000
Corporate Management	1.730	1.730	0.000
Cost of Borrowing	4.978	7.234	2.256
Grants/COVID-19	0.000	(11.316)	(11.316)
Disaster Expenses	0.011	0.011	0.000
Environment Agency	0.100	0.104	0.004
FRS17 Costs	(19.962)	(19.962)	0.000
GMWDA Levy	13.763	13.763	0.000
Manchester Airport	(5.635)	0.000	5.635
Passenger Transport Levy	13.456	13.010	(0.477)
Persona Dividend	(0.200)	(0.200)	0.000
Town of Culture	0.050	0.050	0.000
Provisions/Reserves	0.174	0.174	0.000
<b>TOTAL</b>	<b>9.964</b>	<b>6.095</b>	<b>(3.868)</b>

3.13 The Non Specific Service budget is forecasting an underspend of £3.868m due to:

- **Manchester airport** – loss of dividend (£5.635m ) and loan interest repayment (£2.256m ) due to the impact of COVID-19 on the travel industry;
- **Passenger Transport Levy** – levy is forecast to be lower than anticipated (-£0.477m);

- **Environment Agency** – slightly higher levy than expected (£0.004m);
- **Grants/COVID-19** – reflects the receipt of additional grant offset by expenditure within other departments and a budget imbalance relating to the New Homes Bonus (-£11.316m).

#### 4 DELIVERY OF THE SAVINGS PLAN

- 4.1 Planned savings of £4.162m are included in the 2020/21 revenue budget. Of these £2.584m is considered delivered with the remaining £1.578m at risk. Work is currently underway with Directorates to establish whether savings can be delivered in the remainder of the year and, if not, whether any other compensating savings can be identified. A summary of the savings is set out in the table below.

**Table 10**

Assessment of Savings in the 2020/21 Budget			
Directorate	Description	Amount £m	Assessment
One Commissioning Organisation	Persona Contract	0.611	Amber
One Commissioning Organisation	Supporting People Review	0.177	Green
One Commissioning Organisation	Debt Recovery	0.100	Green
Children and Young People	School Improvement Service	0.330	Green
Children and Young People	Early Help Model	0.102	Amber
Children and Young People	Procurement review of Contracts	0.100	Amber
Operations	Procurement Review of Contracts	0.085	Green
Operations	Corporate Landlord	0.585	Green
Operations	Architects Service Review	0.200	Green
Corporate	Contract Management	0.300	Amber
Corporate	Discretionary payments	0.350	Amber
One Commissioning Organisation	Provider Fees Review	1.107	Green
Operations	Re-Wilding Grass Verges	0.065	Red
Operations	Review of Highways Fees	0.050	Red
<b>Total</b>		<b>4.162</b>	

- 4.2 In addition to the above, care package reviews were expected to reduce the financial impact of increasing demand in adult social care. A further budget pressure of £0.408m is anticipated. This may no longer be achievable due to COVID-19.

#### 5 RESERVES

- 5.1 At the end of 2019/20 the council's useable reserves were £28.588m of which £7.794m is available to support corporate priorities and the remaining £20.794m is grant funding provides for specific purposes and which it is anticipated will be utilised during the year. In addition to this, the council has general other risk management reserves. Unlike previous years, the 2020/21 budget did not include any reliance on one-off reserves although there were some one-off commitments to fund some priorities that were identified as part of the budget resolution. The 2020/21 budget did however include an increase in the planned contribution to general reserves of £0.567m.



- 5.2 General reserves were planned to increase during the year as a result of the release of monies from the collection fund and also the lower than budgeted contribution to the pooled fund to offset the higher than budgeted contribution of the same amount that was made in 2019/20.
- 5.3 The COVID-19 crisis has seen the risk profile for the Council and all local authorities increase significantly and there will be a need to maximise the benefit of all reserves going forward. A new reserves strategy has been developed that brings a consolidated approach to reserves, targeted and consolidated risk management and greater corporate oversight and control.
- 5.4 In light of the above, the position on reserves will be closely monitored throughout the year and reported as part of the quarterly monitoring from now on.

## 6 OTHER BUDGETS

### SCHOOLS

- 6.1 The council's expenditure on schools is funded primarily by the Dedicated Schools Grant (DSG). The DSG is ringfenced and can only be spent on schools related activity as set out in the Schools Finance England) Regulations 2019. The Schools Budget includes funding for a range of educational and support services provided on an authority wide basis as well as individual Schools Budget. The Schools Forum recommend the allocation of funding to schools and academies through the application of the funding formula.
- 6.2 The DSG has 4 main blocks:

**Table 11**

Block	2020/21 Budget £m
Schools	129.940
High Needs	33.209
Early Years	13.782
Central Support Services	0.774
<b>TOTAL</b>	<b>177.705</b>

- 6.3 In addition to the DSG, schools and academies also receive external funding through the following grants:

**Table 12**

Estimated external Funding 2020/21	
	£m
Pupil Premium Grant	9.108
Universal Infant Free School Meals Grant	2.369
Primary PE and Sport	1.147
Year 7 Catch Up Grant	0.195
Teacher's Pay Grant	1.473
Teacher's Pension Grant	4.909
Devolved Formula Capital	0.742
<b>TOTAL</b>	<b>19.943</b>

- 6.4 Some of these grants are subject to change due to in-year funding provision for Covid Catch-Up Grant which will subsume the Year 7 Catch Up Grant. Teacher's Pay and Pensions Grants are currently subject to mainstreaming them directly into the Schools Block formula allocation with effect from 1 April 2021
- 6.5 For 2019/20 the Department for Education (DfE) required all councils to complete a recovery plan should their overspend on the DSG exceed 1%. The council has an agreed 5 year recovery plan. The 5 year timeline is required in order to ensure the sufficiency and capacity of places can be developed and delivered within Bury.
- 6.6 Guidance on the treatment of DSG deficit reserves has been delayed due to COVID-19 and until this is received, the reporting of the deficit will continue to form part of the Council's monitoring position.
- 6.7 In accordance to the agreed recovery and profiled into the current 5 year plan, investment has been made in 2020/21 which is expected to reduce the number of high-cost SEND placements out of borough by stemming the flow and having more in borough placements. These investments include:

**Table 13**

<b>Investment/High Needs DSG Increases 2020/21</b>	
	<b>£m</b>
Special Schools increased capacity, including Elms Bank extension into St Monica's Hub	1.900
Inclusion Partnerships and Hubs	0.360
Paediatric Disability Service	0.150
Education Health & Care Plans	2.300
SEND – Preparation for Employment	0.036
<b>TOTAL</b>	<b>4.746</b>

- 6.8 Further actions to reduce DSG costs will be implemented within 2020/21 to ensure the DSG is sustainable and that the deficit reduces over time to a balanced position. Increased funding for high needs and for schools in 2020/21 was announced as part of the Local Government finance settlement which will help manage the deficit position.
- 6.9 A strategic plan around all processes, controls and governance is being finalised and will be included in the next monitoring report.

### **COLLECTION FUND**

- 6.10 The collection fund will be significantly impacted by the COVID-19 crisis as collection rates for Council Tax and Business Rates are expected to be lower than in future years.
- 6.11 In response to COVID-19 the government announced additional business rates reliefs to support small businesses and those in the retail sector. To compensate for this, local authorities have received compensatory grants. For Bury this equates to £9.344m. Forecasting business rates in the current year is difficult as a result of COVID and the award of the grant may mask a problem for future years if some of the businesses for which the council has received a grant are no longer operating next year. It is anticipated that there will be a reduction in collection rates for those businesses which are not in receipt of additional reliefs or support

from government but for whom the pandemic has had a detrimental impact on their revenues.

- 6.12 Council tax income will also be negatively impacted by the COVID-19 pandemic, both through increased support required by individuals via the Local Council Tax Support Scheme, and by reduced collection from those individuals still liable to pay the charge who may be under financial strain. The Council received £1.888m to provide a credit of £150 to those residents of working age who are eligible for Local Council Tax Support Scheme and this has been applied. Residents who become eligible during the year will also be eligible. These credits have been applied and revised bills issued.
- 6.13 These reductions in income for both business rates and council tax are difficult to quantify with the data currently available and the rapidly changing nature of the situation. Due to the regulations on the accounting treatment for the Collection Fund, this deficit will not impact until the 2021/22 financial year and is therefore reflected on the update to the medium term financial strategy.
- 6.14 The government has also announced some changes to the collection fund accounting arrangements and this will impact on timing of the financial impact to councils. Details have yet to be made available but will have the benefit of smoothing the financial impact of COVID over a longer period of time. Work is currently underway with Greater Manchester to better understand the methodology for calculating the impact on the collection fund and therefore, at this stage, a balanced position has been assumed for the current financial year. Close monitoring of the collection fund will be undertaken throughout the year.
- 6.15 The Greater Manchester Combined Authority area continues to pilot 100% business rates retention. The pilot was first implemented on 1 April 2017. The purpose of the pilot is to develop and trial approaches to manage risk and reward in a local government finance system that includes full devolution of business rates revenues. Whilst the pilot is in place, a no detriment policy is in operation under which the government guarantees that the level of business rates income/grant that a council receives can be no less than it would have been if it was not in the pilot area. The council has so far gained from being a member of pilot scheme. The implementation of the business rates review from April 2021 has been postponed.
- 6.16 A review of commitments in the pooled fund is being carried out by the Greater Manchester Combined Authority and it is anticipated that there will be a return of some funding to the Districts in 2020/21. The details of this are not yet known but will be factored into future monitoring updates.

### **HOUSING REVENUE ACCOUNT**

- 6.17 The Housing Revenue Account (HRA) is forecasting a surplus of £0.738m and further information is set out in the table 12 below.

**Table 14**

<b>2020/21 Forecast Revenue Out Turn Position – as at 30 June 2020</b>			
<b>Housing Revenue Account</b>	<b>Approved Budget</b>	<b>Forecast Out Turn</b>	<b>Forecast (Under)/Over Spend</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Income</b>			
Dwelling Rents	(29.963)	(29.935)	0.028
Non-Dwelling Rents	(0.194)	(0.196)	(0.002)
Other Charges	(1.036)	(1,105)	(0.069)
<b>Total Income</b>	<b>(31.193)</b>	<b>(31.236)</b>	<b>(0.043)</b>
<b>Expenditure</b>			
Repairs and Maintenance	7.039	6.902	(0.137)
General Management	7.452	7.315	(0.137)
Special Services	1.366	1.364	(0.002)
Rents, Rates and Other Charges	0.060	0.059	(0.001)
Increase in Bad Debts Provision	0.484	0.908	0.424
Capital Charge	4.632	4.632	-
Depreciation	8.587	7.362	(1.225)
Debt Management Expenses	0.041	0.041	-
Contribution to/(from) reserves	(1.925)	(1.925)	-
<b>Total Expenditure</b>	<b>27.736</b>	<b>26.658</b>	<b>(1.078)</b>
<b>Net Cost of Services</b>	<b>(3.457)</b>	<b>(4.578)</b>	<b>(1.121)</b>
Interest receivable	(0.067)	(0.063)	0.004
Principal Repayments	0.192	0.193	0.001
Revenue Contributions to Capital	3.322	3.710	0.388
<b>Sub Total</b>	<b>3.447</b>	<b>3.840</b>	<b>0.393</b>
<b>Operating (Surplus)/Deficit</b>	<b>(0.010)</b>	<b>(0.738)</b>	<b>(0.728)</b>

6.18 The main reasons for the forecast surplus are:

- **Depreciation** – the calculation method was reviewed in 2019/20 resulting in a reduction in the charge for future years. As the depreciation charge is ultimately used to fund capital programme expenditure this reduction has been taken into account in the forecast Revenue Contributions to Capital (see note below).
- **Revenue contributions to capital** – the change shows the net effect of schemes brought forward from 2019/20 and anticipated slippage in the programme for the current year; it is forecast that £2.357m of resources will need to be released back from the HRA balances (Business Plan Headroom Reserve) in 2021/22 to complete the 2020/21 programme.

6.19 As well as looking at the in-year financial position, it is useful to consider some of the other aspects of performance regarding the Housing revenue Account. These have all to some degree been affected by the operating restrictions and financial impacts resulting from the pandemic; this makes forecasting with any certainty very difficult.

- **Voids** The rent loss due to voids for April to June was on average 1.14% which is worse than the 1% void target level set in the original budget. If this performance continues, there will be a reduction in rental income of

£0.043m over the original budget. Six Town Housing continue to review the voids processes and the various factors affecting demand.

- **Arrears** The rent arrears at the end of June totalled £2.268m, an increase of 8.5% since the end of March. Of the total arrears £0.842m relates to former tenants and £1.426m relates to current tenants. An estimated £1,000m of current tenant arrears are in cases where either the under occupancy charge applies or the tenants are in receipt of Universal Credit rather than Housing Benefit; this is an increase of £0.123m from the start of the year reflecting the increase in the number of tenants claiming Universal Credit and the impact this can have on the arrears position with payments received for a number of weeks, in arrears and sometimes with delays.
- **Bad Debts** The Council is required to make a provision for potential bad debts. The contribution for the year is calculated with reference to the type of arrear, the amount outstanding on each individual case and the balance remaining in the provision following write off of debts.

The forecast increase in the required contribution to the Bad Debt Provision is based on an assessment of the arrears at the end of June and the potential change in arrears for the remainder of this financial year. This is very much an estimate based on current trends and expectations and will need to be closely monitored.

- **Right to Buy Sales** The forecast for 2020/21 was set at 60, this being an increase of 15 on the level of sales assumed for Bury in the Government's self-financing valuation. There have been 14 sales in the period April to June. This is 9 more than at this point last year. The number of applications currently proceeding is lower than at this point last year (83 compared to 108). The Council's surveyors suspended Right to Buy valuations from the point of lockdown but are now looking to recommence them, subject to an approved Risk Assessment. Given the current situation it is difficult to forecast how many applications will actually proceed to completion therefore the sales forecast has been kept at 60 and will be reviewed again at the end of quarter 2; the projections of rental income have been calculated on this basis.

### CLINICAL COMMISSIONING GROUP

- 6.20 For Council budgets although the COVID-19 pandemic bring significant uncertainty and financial pressures it has not affected the setting of budgets for services. For the CCG the financial regime has changed completely. In March a command and control approach was taken in response to the COVID pandemic and interim financial arrangements put in place covering the first 4 months of the year. The contracting process was suspended with all NHS providers moved to stipulate block payments as notified by NHSE England. Independent sector hospital capacity was centrally block purchased and guidance issued on payments to all other non-NHS providers.
- 6.21 For the CCG this means we have only received firm allocations for the first 4 months of the year from April to July. The budget for the period from August (month 5) until the end of the year is currently unknown but planning guidance and notification of baseline allocation is expected imminently.

- 6.22 Once the CCG revised 12 month allocations have been announced an update on the overall position will be reported to Cabinet.

## 7 BUSINESS GRANTS

- 7.1 To support businesses affected by the COVID-19 crisis, the government made available grants of £10,000 and £25,000 to businesses that met specified eligibility criteria. Bury received £42.920m in total and has paid out a total of £36.335m – 2,771 grants of £10k and 345 grants of £25k. Within the funding made available the Council was allowed to set up a discretionary scheme, the total value of which could not exceed £1.957m. The scheme has been launched and payments have started to be made. There is likely to be funding of c£4.5m remaining on the total funding provided although, at this stage, it is expected that this will be clawed back by the government in the Autumn. Representations have been made to keep the funding and the outcome of this is awaited. For forecasting purposes, a balanced position has been assumed.

## 8 CAPITAL PROGRAMME

- 8.1 The Council's capital programme was set at £53.376m including schemes rolled forward from the 2019/20 and the budget resolution, both of which were approved by Cabinet and Full Council in February 2020. Since then, a further £18.373m has been carried forward from 2019/20, and the 2020/21 budget (£1.873m) for a strategic investment in Manchester Airport that was agreed by Full Council in March 2019 has been added to the programme. A further decision made under urgent powers for a strategic investment in the Manchester Airport Group (£12.950m) as part of a wider financial package with other GM Authorities in recognition of the impact of COVID-19 on the airport has been added bringing the overall capital budget to £86.562m.

**Table 15**

<b>Revised 2020/21 Capital Programme</b>	
	<b>£m</b>
Original Capital Programme	51.101
Council Resolution	2.275
Schemes Brought Forward from 2019/20	18.373
Strategic Investment Manchester Airport	1.863
Strategic Investment Manchester Airport	12.950
<b>Revised 2019/20 Capital Programme</b>	<b>86.562</b>

- 8.2 Full details on the Capital programme are set out in Appendix 2.

### Financing

- 8.3 As well as approving the revised spending in the capital programme, the council must also ensure it has sufficient funds available to meet its capital payments in each financial year. The table below shows how the planned and forecast capital expenditure is to be financed.

**Table 16**

Financing of the 2020/21 Capital Programme	
	£m
Revised Capital Programme	86.562
Funded By:	
External Funding and Contributions	28.855
Use of Capital Receipts	3.177
Prudential Borrowing (2020/21 approved schemes)	38.574
Prudential Borrowing (2019/20 approved schemes)	2.000
Prudential Borrowing (2018/19 approved schemes)	13.956
<b>TOTAL</b>	<b>(86.562)</b>

- 8.4 The Capital Programme will continue to be monitored closely for the remainder of the year. New Capital Gateway processes are being implemented and will review new schemes against corporate priorities and the council's capital strategy and embed effective monitoring and reporting arrangements. It is envisaged that the new gateway process will ensure that:
- schemes are prioritised and presented to members for consideration at appropriate times during the year
  - schemes are a strategic fit with corporate priorities
  - adequate resources are identified at the start of the process to ensure sufficient capacity is available to deliver the projects within anticipated timescales
  - effective monitoring is carried out so that any slippage or delays can be considered and reported
  - effective project management practices are embedded for all projects
- 8.5 As it stands a number of schemes have not yet commenced due to the impact of COVID and an assessment is currently underway to establish the status of the programme in terms of deliverability and affordability. This is linked to the work on the MTFS. For now, it has been assumed that there are no variances in the programme however work is underway to determine which schemes can realistically progress in the current year. Final proposals will be presented to Cabinet in September.
- 8.6 It should be noted that at this early stage in the financial year the actual expenditure in-year is affected by costs that were accrued for in the last financial year and will be paid for in the current year. Costs of £13.467m have been incurred to date.
- 8.7 A review and update of the council's capital strategy is also planned and will be concluded during 2020/21 for consideration and approval by Cabinet and Full Council. This is particularly important in light of the work on the Bury2030 strategy and will ensure that the capital strategy is aligned to the future outcomes and objectives of the council.

## **9 FUTURE YEARS**

- 9.1 The impact of COVID-19 will be significant to the council in the current and future financial years and regular updates to the medium term financial strategy will be undertaken. Underlying trends and factors that are impacting on the financial

strategy will need greater scrutiny that will help and support financial planning going forward. A strong alignment to the Councils' Bury 2030 strategy and other recovery plans that are to be introduced will be critical in ensuring the council has the financial levers in place to make delivery a success.

- 9.2 Financial resilience and sustainability is key and whilst recent reviews of reserves and provisions have helped strengthen the position the council they cannot be relied upon as a longer term solution. Balancing the need for long term sustainability through the delivery of ongoing savings with the need for transformation supported by reserves will be needed and will be the subject of future reports.
- 9.3 A separate report on the Medium Term Financial Strategy is presented to Cabinet for consideration and sets out some principles for managing the impact of COVID-19 in the current and financial years. If agreed, these will be applied to the management of the 2020.21 budget.

### **10 FINANCIAL IMPLICATIONS**

- 10.1 The financial implications are set out in the report.

### **11 LEGAL IMPLICATIONS**

- 11.1 There are no legal implications arising from the report.

### **12 ASSOCIATED RISKS**

- 12.1 The content of the report supports the Council in managing the overall financial risks and financial planning for the Council.

### **13 NEXT STEPS AND CONCLUSION**

- 13.1 The financial position will be considered to be closely monitored and will inform discussions with the Executive Team and Cabinet on managing the in-year position and the impact in future years. Planning for the medium term financial strategy and addressing the financial gap will be continuing over the summer months with proposals emerging from September onwards.



Analysis of Grants Received 2020/21 as a result of COVID -19			
Description	Amount (£m)	Additional Costs	Detail
COVID-19 Tranche 1	5.364	No additional costs. This grant was received in 2019/20 and is un-ringfenced and is available to support the Council to meet additional costs and loss of income as a result of COVID-19.	£1.1m of the total allocation of £5.364m was utilised within the 19/20 financial year. The balance will be utilised to offset additional costs / income losses across all services. The grant is being monitored and reflected in the forecast position of the non-service specific budget.
COVID-19 Tranche 2	5.253	No additional costs. This grant is un-ringfenced and is available to support the Council to meet additional costs and loss of income as a result of COVID-19.	The grant will be utilised to offset additional costs / income losses across all services. The grant is being monitored and reflected in the forecast position of the non-service specific budget.
Hardship Relief Fund	1.888	Criteria on how this should be allocated was provided by government. Majority to be used to fund £150 credit on council tax bills to working age residents eligible for local council tax support scheme. Remainder allocated to hardship and welfare schemes.	Currently held within the Collection Fund as most of the costs will be incurred within the fund.
Infection Control	2.396	New Costs will be incurred. Budget assumes that the grant will be offset fully by new additional costs.	All of the grant received has been allocated to care home and other organisations as specified in the grant criteria.
Re-Opening High Streets	0.169	New costs will be incurred. Budget assumes that the grant will be offset fully by new additional costs.	This grant will be paid in arrears on qualifying expenditure.
Test and Trace	1.080	New Costs. Budget assumes that the grant will be offset fully by new additional costs.	Additional costs will be reflected within the OCO department
	<b>16.150</b>		
Further announcements of funding have been made, however allocations at individual local authority level have yet to be released. This funding has not yet been reflected in the Council's budget. The Council is also assuming £2.4m grant funding made available to CCGs.			

## Appendix 2

	2020/21 Budget	Slippage Brought Forward	Revised Budget	Forecast Out Turn	Forecast (Under)/ Over Spend
	£m	£m	£m	£m	£m
<b>Radcliffe Regeneration:</b>					
Radcliffe Town Centre	0.100	0.000	0.100	0.100	0.000
Radcliffe Market Chambers	0.100	0.000	0.100	0.100	0.000
Radcliffe Library Refurbishment	0.000	(0.020)	(0.020)	(0.020)	0.000
Radcliffe Regeneration	0.300	0.000	0.300	0.300	0.000
Radcliffe Regeneration Action Plan	0.000	0.232	0.232	0.232	0.000
<b>Sub Total</b>	<b>0.500</b>	<b>0.212</b>	<b>0.712</b>	<b>0.712</b>	<b>0.000</b>
<b>Prestwich Regeneration:</b>					
Public Services Hub	0.050	0.000	0.050	0.050	0.000
Strategic Acquisition – Longfield	0.300	0.000	0.300	0.300	0.000
Prestwich Urban Village	0.200	0.000	0.200	0.200	0.000
<b>Sub Total</b>	<b>0.550</b>	<b>0.000</b>	<b>0.550</b>	<b>0.550</b>	<b>0.000</b>
<b>Ramsbottom Regeneration:</b>					
Ramsbottom Town Plan	0.200	0.000	0.200	0.200	0.000
Upper Floor Development	0.200	0.000	0.200	0.200	0.000
<b>Sub Total</b>	<b>0.400</b>	<b>0.000</b>	<b>0.400</b>	<b>0.400</b>	<b>0.000</b>
<b>Bury Regeneration</b>					
Bury Market	0.050	0.000	0.050	0.050	0.000
Bury Business centre	0.050	0.000	0.050	0.050	0.000
Elizabethan Suite Update	0.080	0.000	0.080	0.080	0.000
Bury Civic Centre – Phase 1	1.800	0.000	1.800	1.800	0.000
<b>Sub Total</b>	<b>1.980</b>	<b>0.000</b>	<b>1.980</b>	<b>1.980</b>	<b>0.000</b>
<b>Bradley Fold Regeneration</b>	<b>0.200</b>	<b>0.000</b>	<b>0.200</b>	<b>0.200</b>	<b>0.000</b>
<b>Refurbishment of Bury Market</b>	<b>0.900</b>	<b>(0.008)</b>	<b>0.892</b>	<b>0.892</b>	<b>0.000</b>
<b>TOTAL - REGENERATION</b>	<b>4.530</b>	<b>0.204</b>	<b>4.734</b>	<b>4.734</b>	<b>0.000</b>
<b>Place Shaping/Growth:</b>					
Prestwich	0.000	0.250	0.250	0.250	0.000
Radcliffe	0.000	0.420	0.420	0.420	0.000
Whitefield	0.000	0.100	0.100	0.100	0.000
Place Shaping/Growth Programme	0.000	2.715	2.715	2.715	0.000
Other Development Schemes	0.000	0.140	0.140	0.140	0.000
<b>TOTAL – PLACE SHAPING/GROWTH</b>	<b>0.000</b>	<b>3.625</b>	<b>3.625</b>	<b>3.625</b>	<b>0.000</b>

	2020/21 Budget	Slippage Brought Forward	New Scheme	Revised Budget	Forecast Out Turn	Forecast (Under)/ Over Spend
	£m	£m	£m	£m	£m	£m
<b>Sport and Leisure:</b>						
Parks and Green Space Strategy	0.800	0.000		0.800	0.800	0.000
Play Area Strategy	0.250	0.000		0.250	0.250	0.000
Outdoor Gyms	0.120	0.000		0.120	0.120	0.000
Access, Infrastructure and Quality – Parks	0.300	0.000		0.300	0.300	0.000
Grass Pitch Vert Draining	0.010	0.000		0.010	0.010	0.000
Leisure Gym Equipment Upgrade	0.500	0.000		0.500	0.500	0.000
Bury Athletics Track	0.100	0.000		0.100	0.100	0.000
Flood Repair – 3 G Pitch	0.000	0.105		0.105	0.105	0.000
3G Pitch – Bury Radcliffe	0.040	0.000		0.040	0.040	0.000
3G Pitch at Goshen	0.669	0.000		0.669	0.669	0.000
Sustainable Tennis Strategy	0.180	0.000		0.180	0.180	0.000
Radcliffe FC Facilities	0.170	0.000		0.170	0.170	0.000
Match Fund Football Grants	0.150	0.000		0.150	0.150	0.000
Non Turf Cricket Pitch	0.072	0.000		0.072	0.072	0.000
Flood Repair and Defence	0.000	0.563		0.563	0.563	0.000
Environmental Works	0.000	0.084		0.084	0.084	0.000
Parks	0.000	0.141		0.141	0.141	0.000
<b>TOTAL – SPORT AND LEISURE</b>	<b>3.361</b>	<b>0.893</b>	<b>0.000</b>	<b>4.254</b>	<b>4.254</b>	<b>0.000</b>
<b>Operational Fleet::</b>						
Vehicle Replacement Strategy	6.760	0.000		6.760	6.760	0.000
Grounds Maintenance Equipment	0.240	0.000		0.240	0.240	0.000
<b>TOTAL – OPERATIONAL FLEET</b>	<b>7.000</b>	<b>0.000</b>	<b>0.000</b>	<b>7.000</b>	<b>7.000</b>	<b>0.000</b>
<b>ICT:</b>						
ICT Projects	5.015	0.868		5.883	5.883	0.000
Improving Information Management	0.000	0.057		0.057	0.057	0.000
GM Full Fibre Project	0.000	0.469		0.469	0.469	0.000
<b>TOTAL – ICT</b>	<b>5.015</b>	<b>1.394</b>	<b>0.000</b>	<b>6.409</b>	<b>6.409</b>	<b>0.000</b>
<b>Highways:</b>						
Highways Investment Strategy – Tranche 2	4.000	0.000		4.000	4.000	0.000
Cycling and Walking Routes – Mayors Challenge	3.000	0.024		3.024	3.024	0.000
Growth Deal	0.711	0.000		0.711	0.711	0.000
Mobile Speed Signs	0.035	0.000		0.035	0.035	0.000
Full Fibre Infrastructure	0.520	0.000		0.520	0.520	0.000
Weather Station and Road Surface Temperature Sensors	0.030	0.000		0.030	0.030	0.000
Street Lighting	2.000	(0.239)		1.761	1.761	0.000
Traffic Calming and improvement	0.517	0.280		0.797	0.797	0.000
Traffic Management Schemes	0.000	0.127		0.127	0.127	0.000
Public Rights of Way	0.000	0.058		0.058	0.058	0.000
Highways Planned Maintenance	0.000	2.717		2.717	2.717	0.000
Bridges	0.000	0.050		0.050	0.050	0.000
<b>TOTAL – HIGHWAYS</b>	<b>10.813</b>	<b>3.017</b>	<b>0.000</b>	<b>13.830</b>	<b>13.830</b>	<b>0.000</b>

	2020/21 Budget	Slippage Brought Forward	New Schemes	Revised Budget	Forecast Out Turn	Forecast (Under)/O ver Spend
	£m	£m	£m	£m	£m	£m
<b>Children and Young People (including Schools):</b>						
NDS Modernisation	6.995	1.042		8.037	8.037	0.000
DFE Formula Capital	0.327	0.555		0.882	0.882	0.000
Targeted Capital Funds	0.000	(0.050)		(0.050)	(0.050)	0.000
Special Provision Grant	0.000	0.320		0.320	0.320	0.000
Radcliffe School	0.378	0.000		0.378	0.378	0.000
Condition Related Schemes – Schools	0.500	0.000		0.500	0.500	0.000
Schools Sustainability Schemes	0.250	0.000		0.250	0.250	0.000
<b>TOTAL – CHILDREN AND YOUNG PEOPLE</b>	<b>8.450</b>	<b>1.867</b>	<b>0.000</b>	<b>10.317</b>	<b>10.317</b>	<b>0.000</b>
<b>Estate Management – Investment Estate:</b>						
Demolition of Former Fire Station – Bury	0.300	0.000		0.300	0.300	0.000
177 & 179 The Rick	0.005	0.000		0.005	0.005	0.000
Portland and Chesham industrial Estate	0.010	0.000		0.010	0.010	0.000
Former Prezzo, Lytham	0.055	0.000		0.055	0.055	0.000
Black Manor Street	0.050	0.000		0.050	0.050	0.000
Tile Street	0.050	0.000		0.050	0.050	0.000
St Mary's Place	0.030	0.000		0.030	0.030	0.000
<b>TOTAL – ESTATE MANAGEMENT INVESTMENT ESTATE</b>	<b>0.500</b>	<b>0.000</b>	<b>0.000</b>	<b>0.500</b>	<b>0.500</b>	<b>0.000</b>
<b>Estate Management - Corporate Landlord:</b>						
Fernhill Gypsy and Traveller Site	0.360	0.000		0.360	0.360	0.000
Bradley Fold Welfare Facilities	0.200	0.000		0.200	0.200	0.000
Bradley Fold Depot – Essential Maintenance	0.220	0.000		0.220	0.220	0.000
Leisure Health and Safety Improvements	0.188	0.000		0.188	0.188	0.000
Leisure Health and Safety Improvements 19/20	0.181	0.000		0.181	0.181	0.000
LED Lighting Installation	0.011	0.000		0.011	0.011	0.000
Seedfield – Health and Safety	0.025	0.000		0.025	0.025	0.000
Bury Cemetery Upgrade of Welfare Facilities	0.025	0.000		0.025	0.025	0.000
Hoyles park Pavilion Demolition and Clarence Park Skateboard Park removal	0.040	0.000		0.040	0.040	0.000
<b>TOTAL – ESTATE MANAGEMENT CORPORATE LANDLORD</b>	<b>1.250</b>	<b>0.000</b>	<b>0.000</b>	<b>1.250</b>	<b>1.250</b>	<b>0.000</b>
<b>One Commissioning Organisation:</b>						
Older People	0.588	(0.203)		0.385	0.385	0.000
Disabled Facilities Grant	0.855	0.597		1.452	1.452	0.000
Neighbourhood Working	0.000	0.242		0.242	0.242	0.000
Planning – Other Schemes	0.065	0.012		0.077	0.077	0.000
Other Development Schemes	0.027	0.000		0.027	0.027	0.000
Environmental Works	0.067	0.000		0.067	0.067	0.000
<b>TOTAL – COMMUNITIES AND WELLBEING</b>	<b>1.602</b>	<b>0.648</b>	<b>0.000</b>	<b>2.250</b>	<b>2.250</b>	<b>0.000</b>

	2020/21 Budget	Slippage Brought Forward	New Schemes	Revised Budget	Forecast Out Turn	Forecast (Under)/O ver Spend
	£m	£m	£m	£m	£m	£m
Electric Vehicle Trials	0.075	0.000		0.075	0.075	0.000
Housing – HRA	9.280	3.407		12.687	12.687	0.000
HRA – Disabled Facilities Adaptations	0.550	0.166		0.716	0.716	0.000
Empty Property Strategy	0.000	0.273		0.273	0.273	0.000
Housing Development	0.000	1.000		1.000	1.000	0.000
<b>TOTAL – HOUSING</b>	<b>9.830</b>	<b>4.846</b>	<b>0.000</b>	<b>14.676</b>	<b>14.676</b>	<b>0.000</b>
<b>Climate Change:</b>						
Community Climate Capital Fund	0.600	0.000		0.600	0.600	0.000
Climate Change Resilience Fund	0.200	0.000		0.200	0.200	0.000
Electric Charging Points	0.040	0.000		0.040	0.040	0.000
Glysohate Alternative Equipment	0.050	0.000		0.050	0.050	0.000
Waste Management	0.000	0.014		0.014	0.014	0.000
Fly-Tipping	0.060	0.000		0.060	0.060	0.000
<b>TOTAL – CLIMATE CHANGE</b>	<b>1.025</b>	<b>0.014</b>	<b>0.000</b>	<b>1.039</b>	<b>1.395</b>	<b>0.000</b>
<b>STRATEGIC INVESTMENT</b>						
Strategic Airport Investment	0.000	1.863	1.863	3.726	3.726	0.000
Strategic Airport Investment	0.000	0.000	12.950	12.950	12.950	0.000
<b>TOTAL – STRATEGIC INVESTMENT</b>	<b>0.000</b>	<b>1.863</b>	<b>14.813</b>	<b>16.676</b>	<b>16.676</b>	<b>0.000</b>
<b>TOTAL</b>	<b>53.376</b>	<b>18.373</b>	<b>14.813</b>	<b>86.562</b>	<b>86.562</b>	<b>0.000</b>

This page is intentionally left blank

## REPORT FOR DECISION



<b>DECISION OF:</b>	<b>The Cabinet</b>
<b>DATE:</b>	<b>29 July 2020</b>
<b>SUBJECT:</b>	<b>Developing the medium term financial strategy and setting the 2021/22 budget</b>
<b>REPORT FROM:</b>	<b>Leader of the Council and Cabinet Member for Finance and Growth</b>
<b>CONTACT OFFICER:</b>	<b>Mike Woodhead, Joint Chief Finance Officer</b>
<b>TYPE OF DECISION:</b>	<b>Council</b>
<b>FREEDOM OF INFORMATION/STATUS:</b>	This paper is within the public domain
<b>SUMMARY:</b>	This report outlines the forecast financial position of the council at the end of 2019/20 based on the information known at the end of the third quarter. The reports sets out the position for both revenue and capital and provides an analysis of the variances, both under and overspending.
<b>OPTIONS &amp; RECOMMENDED OPTION</b>	<p>Cabinet is asked to:</p> <ul style="list-style-type: none"> <li>• Note the overall financial context surrounding Local Government finances and the degree of uncertainty that exists for future planning;</li> <li>• Note the impact of COVID-19 on the current financial year and the medium term financial strategy;</li> <li>• Note the potential financial gaps arising from the 3 scenarios and that, for planning purposes, the mid-range scenario is being used;</li> <li>• Note that the Medium Term Financial Strategy (MTFS) is to be updated and presented to Cabinet in the Autumn;</li> <li>• Agree the principles for managing the 2020/21 financial position;</li> </ul>

	<ul style="list-style-type: none"> <li>• Agree the principles and approach for developing options for the managing the financial gap within the as set out in the report;</li> <li>• Note that further reports will be presented to Cabinet over the coming months.</li> </ul>
<b>IMPLICATIONS:</b>	
<b>Corporate Aims/Policy Framework:</b>	The proposals accord with the Policy Framework
<b>Statement by Section 151 Officer:</b>	There are no direct financial implications arising from the report however implementation of the proposals will ensure the Council has plans in place to manage the financial challenges ahead and remain sustainable and resilient.
<b>Equality/Diversity implications:</b>	No
<b>Considered by Monitoring Officer:</b>	Yes
<b>Are there any legal implications?</b>	No
<b>Wards Affected:</b>	All
<b>Scrutiny Interest:</b>	Overview and Scrutiny Committee

## 1 INTRODUCTION

- 1.1 Developing and updating the medium term financial strategy is a key feature of the financial planning cycle and a key component of the financial management and control framework. Updating the strategy provides an opportunity to reflect and update on resource forecasts and funding announcements as well as changes in demand and other costs.
- 1.2 This year, the context in which financial planning is to be undertaken, is perhaps the most complex and difficult of recent times. Not only are there significant uncertainties around Government policy and funding through the Comprehensive Spending Review, Local Government Finance Settlement, The Fairer Funding review, the Business Rates Retention review and potentially other major reforms with Green Papers on Social Care and White papers on Devolution and possible planning reform but there are also significant economic uncertainties. The economic reality is fast changing and challenging and the extent to how long this will last is cannot predicted with any greater certainty but will undoubtedly bring additional pressures in demand for services provided by the Council and our partners.



- 1.3 The significant financial impact of COVID-19 cannot be underestimated and this is likely to be felt over the medium and longer term just as much as the shorter term. Government funding to support Councils is uncertain going forward and the need to plan now for the future is ever more important.
- 1.4 In developing its approach the Council must not only consider the financial elements but also the recovery process and the model and plans for the future. This report sets out an approach that aligns the financial and the corporate planning processes and provides framework for engagement with the Cabinet and Executive Team to identify and deliver a robust corporate and financial strategy that has delivery and financial sustainability at the core.

## **2 FINANCIAL CONTEXT**

- 2.1 The Council's 2020/21 budget was set to remove ongoing reliance on short term and one-off reserves funding, 'rebalanced' budgets to where the funding was needed, removed historic savings targets that were unachievable and replaced with savings options that had been robustly challenged and were achievable. At the same time the Council's reserves were starting to be replenished and funding to support wider transformation of the Council was available. The 2020/21 financial year, whilst challenging, was considered to be deliverable
- 2.2 Since then, further work has been undertaken to review the council's provisions and reserves and to align all available resources to strategic risks and also to consolidate the Council's resources to ensure that the maximum benefit can be gained to support corporate priorities and to mitigate the fiscal and financial risks and challenges that exist.
- 2.3 When the 2020/21 budget was set, further savings of c£23m over the next 4 financial years was anticipated and some key themes had started to emerge to identify savings for the future. Clearly the position has changed somewhat and it is necessary to refresh the strategy to:
  - Determine the likely levels of resources available over the medium term;
  - Determine the level of spending priority commitments arising from the COVID-19 recovery plan and the Council's ambitions over the medium term;
  - Develop and consider options to deliver budget reductions that can be evaluated alongside spending priorities.
- 2.4 In taking forward this approach there will be a need for a range of activities, information, and intelligence gathering that will inform reports over the coming months that will shape the final approach and decisions. Ultimately there is a need for a transparent approach with clear understanding of the drivers and enablers and a delivery plan and approach that will ensure the Council is confident it has a sustainable and resilient financial plan for the future.

### **3 IMPACT OF COVID-19**

- 3.1 COVID-19 has had a significant impact on the Council in terms of additional costs and even more significantly on the loss of income. Based on forecasts at the end of June 2020, the Council is facing an in-year gap of c£7.5m and further information is set out in the Quarter 1 monitoring report to Cabinet.
- 3.2 The impact of COVID-19 is however not restricted to the current financial year, the most notable factor being the way in which the collection fund is impacted. Current accounting rules mean that reduction in the amount of business rates and council tax income will not impact in the current financial year but in the following year. Nationally there has been a significant reduction in collection rates for business rates and council tax and if this trend crystallises, the biggest financial gap will emerge in 2021/22 and in future years.
- 3.3 Some flexibilities on how this impact can be smoothed over a longer period of time are currently being considered by the Government. In addition to this, work is underway with the Greater Manchester Authorities that will model different scenarios and consider what other options exist within the business rates retention scheme to alleviate some of the financial commitments within the business rates pool.
- 3.4 To deal with the in-year gap, it is proposed that the following accounting principles be adopted:
- The Council will continue to spend where need exists on the COVID-19 response and all decisions will be taken under existing governance arrangements and will focus on value for money;
  - The Council will seek to maintain services as far as possible and, in doing so, minimise the loss of income;
  - The Council will seek to maximise the delivery of its savings plan;
  - The Council will
    - Use the government grant funding in the first instance to fund additional COVID-19 related costs and loss of income;
    - Consider opportunities for stepping down or deferring the return of some services where resources can be deployed to emerging priorities;
    - Consider the use of reserves as a means of funding any residual financial gap subject to the approval and governance arrangements set out in the Council's reserves strategy.
- 3.5 If approved, this approach will place the accountability with services for managing the impact of COVID-19 whilst enabling strategic decisions on both the direction of travel on and how costs should be funded later in the financial year when the overall position may be more stable.

## 4 MEDIUM TERM FINANCIAL STRATEGY REFRESH

4.1 The key component parts of the medium term financial strategy refresh are set out below and need to be considered as part of the refresh of the Council's strategy:

- Updated resource forecast
- Refresh of Savings Plan
- Update and refresh of demand assumptions
- Investment requirements to support recovery and delivery model
- Opportunities for efficiencies and savings options
- Challenge and Scrutiny

### ***Updated Resource Forecast***

4.2 The current model for resource forecasting remains solid however the range of assumptions included in the model are the volatile and uncertain factors. Based on this number of scenarios have been calculated. These assume 3 different scenarios: optimistic, pessimistic and mid-range. Regardless of the scenario planning, there is significant inherent risk in any modelling particularly with the current economic uncertainties and anticipated changes in accounting rules for the collection fund. Therefore the position will change.

- **Optimistic** – This assumes a minimal recession and a return to previous levels by April 2021.
- **Mid-Range** – This assumes a short lived recession lasting up to one year with a one-year gradual recovery;
- **Pessimistic** – Medium term recession lasting the whole of the 5 year MTFS period with some minimal recovery from year 3 onwards.

4.3 Based on the different scenarios, the Council's financial gap would be as follows:

	<b>Optimistic</b>	<b>Mid-Range</b>	<b>Pessimistic</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Savings required in 2021/22	7.5	7.5	7.5
Existing Savings requirements over the 5 year MTFS period	22.6	22.6	22.6
Additional savings required over 5 year MTFS period	19.1	47.2	66.3
<b>Total Savings Required Over 5 Year MTFS period</b>	<b>49.2</b>	<b>77.3</b>	<b>96.4</b>

4.4 Resource forecasting will also be affected by council tax growth assumptions and assumptions around council tax – for the purposes of the MTFS, it has been assumed that a 2% increase in council tax will be applied in each year although it is recognised that this is subject to political decision making. No

assumptions around an additional social care levy have been made. For planning purposes, the mid-range scenario is being used.

### ***Refresh of Savings Plans***

- 4.5 A refresh of existing savings plans is required, particularly in light of COVID-19. Current financial monitoring is showing that some in-year savings plans are at risk and this will have an impact in future years if other mitigating savings options cannot be identified. In managing the in-year position managers will be tasked with identifying alternative options to offset any non-delivery of agreed savings targets and plans that have already been built into the financial strategy.

### ***Update and Refresh of Demand Assumptions***

- 4.6 Demand pressures have already been built into the medium term financial strategy and assumptions around pay inflation, the national living wage and contractual inflation have been reflected. These assumptions will need to be tested and updated in light of known changes.

### ***Investment Requirements to Support Recovery and Delivery Model***

- 4.7 Recovery plans and the longer term Bury 2030 strategy are currently being developed. To support and enable successful delivery, it is essential that the financial strategy recognises and reflects changes in resource requirements to support the delivery.

### ***Opportunities for Efficiencies and Savings Options***

- 4.8 Regardless of which of the scenarios emerges as the reality, there is an inevitable need for savings options to be identified. It is proposed that a structured approach be adopted to support the identification of options for consideration by Cabinet. The proposed approach is:
- Managers should be urged to reduce requests for additional funding and should be seeking to manage downwards the costs in their 2020/21 budgets. In doing so, this will protect the Council's reserves and defer the need for additional savings options in the current financial year;
  - Consideration for investment will be prioritised towards those activities and schemes that will generate savings in the current and future years;
  - a policy-led approach to identifying savings, by applying a set of consistent principles to our prioritisation and thinking, including use of resources. The current principles that are proposed from Cabinet feedback to date are:
    - Eco-leadership as a priority and opportunity for cost savings
    - Digital-first
    - Health and care reform

- Economic recovery
- Neighbourhood delivery as a basis for better targeting of public service resource and harnessing community capacity
- Services to be tasked with identifying savings from key themes that have previously been identified :including the work of the Health and Care Sustainability Recovery Board:
  - Planned Care
  - Urgent Care
  - Mental Health
  - Social Care
  - Neighbourhood Integration
  - Population Health
  - Strategic Finance

### ***Challenge and Scrutiny***

- 4.9 A challenge and scrutiny process will be built into the MTFS development and will include:
- Enhanced scrutiny and assessment of spending/savings proposals for consideration. This will be carried out by the Executive Team acting in the capacity of a Budget Scrutiny Panel;
  - Independent evidence will be used to challenge the extent of savings including cost comparisons, commerciality and the financial viability of services and benchmarking information

## **5 NEXT STEPS**

- 5.1 Subject to the approval of Cabinet, opportunity will be taken over the Summer to refresh the assumptions in the medium term financial strategy and develop a set of options for consideration by Cabinet in the Autumn. The approach will also involve consultation with the CCG and the Strategic Commissioning Board given their role with the pooled fund arrangements and this will be factored in to the timetable. The approach is needed in order to align financial planning to corporate planning processes and to ensure the Council is able to achieve a balanced budget for future years. Financial sustainability and resilience is fundamental.
- 5.2 An outline timetable is set out below.

<b>Budget Setting Timetable</b>		
Agree Principles for Managing COVID -19 Impact	July 29	Cabinet
Agree Approach for Updating MTFS	July 29	Cabinet
Updated MTFS Reported and in-year budget update	September	Cabinet
Consideration of Savings Options	October	Cabinet
Quarter 2 Monitoring Position	November	Cabinet
Final Proposals for Consideration	January	Cabinet
Budget Finalised and set	February	Council

- 5.3 A key programme of change and delivery will emerge from the approach outlined and it is essential that capacity is available to fully support the process. Project management support will be secured in order to ensure the plans are properly defined, are on track and that escalations are made when necessary.

## **6 FINANCIAL IMPLICATIONS**

- 6.1 The financial implications are set out in the report. There are no direct financial impacts arising from the report however the proposed approach will help manage and control the Council's financial position.

## **7 LEGAL IMPLICATIONS**

- 7.1 There are no direct legal implications arising from the report.

## **8 ASSOCIATED RISKS**

- 8.1 The risk of not adopting the approach is that the Council does not have a sound financial plan and this could affect overall financial sustainability and resilience of the council.

## REPORT FOR DECISION



<b>DECISION OF:</b>	<b>The Cabinet</b>
<b>DATE:</b>	<b>29 July 2020</b>
<b>SUBJECT:</b>	<b>Reserves Strategy</b>
<b>REPORT FROM:</b>	<b>Leader of the Council and Cabinet Member for Finance and Growth</b>
<b>CONTACT OFFICER:</b>	<b>Mike Woodhead, Joint Chief Finance Officer</b>
<b>TYPE OF DECISION:</b>	<b>Key decision</b>
<b>FREEDOM OF INFORMATION/STATUS:</b>	This paper is within the public domain.
<b>SUMMARY:</b>	This paper sets out a proposed reserves strategy for the council. The proposed consolidation of reserves ensure the council has a corporate approach to the management and control to reserves and that these are focussed and aligned to financial risk and corporate priorities.
<b>OPTIONS &amp; RECOMMENDED OPTION</b>	<p>Cabinet is asked to:</p> <ul style="list-style-type: none"> <li>• Approve the reserves strategy and note the position on reserves at the end of 2019/20;</li> <li>• Note that further work will be undertaken to ensure there are effective strategies, including exit strategies, in place for those ongoing activities that are funded from reserves;</li> <li>• Note the position on the DSG negative reserve and that this is currently offset by other earmarked reserves pending further guidance from the Department for Education;</li> <li>• Note a further update to Cabinet on the DSG deficit reserve and recovery plan will be provided;</li> <li>• Note that further work is required to establish whether there are some specific conditions on</li> </ul>

	some capital reserves that have not been utilised for several years.
<b>IMPLICATIONS:</b>	
<b>Corporate Aims/Policy Framework:</b>	The proposals accord with the Policy Framework
<b>Statement by Section 151 Officer:</b>	There are no direct financial implications from the proposal however the implementation of the reserves strategy will enable the council to be more effective in its financial planning, and management of risk.
<b>Equality/Diversity implications:</b>	No
<b>Considered by Monitoring Officer:</b>	Yes
<b>Are there any legal implications?</b>	No
<b>Wards Affected:</b>	All
<b>Scrutiny Interest:</b>	Overview and Scrutiny Committee



## INTRODUCTION

- 1.1 As part of the year end closure process a review of reserves and provisions has been carried out. This review was considered in the wider context of existing financial risks and also those emerging as part of the COVID crisis. The review provided an opportunity to consolidate and streamline existing reserves and to ensure those reserves that support and mitigate against financial risk and volatility were adequately set. In doing so, the need for a reserves strategy that ensures reserves are fully embedded and considered as part of the Council's financial management arrangements was identified. A proposed reserves strategy is set out at Appendix 1 for consideration and an analysis of reserves is set out at Appendix 2.

## 2 Background

- 2.1 The Council plans over the short and medium term how we will use the resources we are allocated and raise to deliver services for and to the residents and communities in Bury. As a complex organisation, there will always be variations between our actual spending/income and our plans due to variations in demand, demographic change, changes in costs and funding decisions of third parties as well as needing to deliver project and investments spanning more than one financial year.
- 2.2 To ensure the Council can manage these financial risks whilst being able to maintain services requires the Council to hold funds to meet these costs as and when they arrive. This is of even greater importance given the current COVID-19 situation.
- 2.3 Excluding school reserves, and the general fund the Council had 106 earmarked reserves totalling £63.754m and, as a result of this, there is currently a lack of clarity and process on how these are accessed and used. The proposed reserves strategy sets out an approach on how these will be consolidated and targeted to manage fiscal and volatility risk as well as identifying those reserves that are being held for a particular purpose and are fully committed.
- 2.4 If approved, the reserves (excluding schools) will be consolidated into 5 main groups:
- General Fund
  - Risk Management Reserves
    - Directorate Risk Reserves
    - Volatility and Fiscal Mitigation
  - Corporate Priorities
  - External Funding/Grants
- 2.5 This categorisation of reserves enables the council to easily distinguish between those reserves that are available to support ongoing risks, including changes in demand, funding and insurance, and those that are for specific purposes and are therefore committed. It also sets out those reserves that are available to support specific priorities for the council although these will require prior approval before they can be committed.
- 2.6 Additionally the External Funding/Grants reserves provides an oversight on that funding which has been received and is targeted to specific outcomes and deliverables. This category is significantly higher than in previous years due to the fact that the council received some COVID related grant funding at the end of 2019/20 that will be spent in the current financial year.

- 2.6 The table below sets out the position on reserves at the end of 2019/20 and assumes that the proposals in the reserves strategy are agreed by Cabinet.

<b>Analysis of Reserves at 31 March 2020</b>	
	<b>£M</b>
General Reserves	6.989
Directorate Risk Reserves	0.992
Volatility and Fiscal Risk	34.174
<b>Total Management of Risk Reserves</b>	<b>42.155</b>
Corporate Priorities	7.794
External Funding/Grants	20.794
<b>Total Earmarked Reserves</b>	<b>28.588</b>
<b>TOTAL COUNCIL RESERVES</b>	<b>70.743</b>
School Reserves	
Individual School Budgets	5.551
Individual School Balances relating to academies	(0.666)
DSG Central Reserve	(20.067)
<b>TOTAL SCHOOL RESERVES</b>	<b>(15.182)</b>
<b>TOTAL NET RESERVES</b>	<b>55.561</b>

- 2.7 The guidance on the school reserves is still awaited following the change to the Terms and Conditions of the DSG that set out that Local Authorities are no longer able to fund any deficits within the DSG. The route to obtaining Secretary of State permission to override the Terms and Conditions have not yet been articulated. The Department for Education (DfE) has indicated that councils should not set aside provisions within their accounts to offset DSG deficits. However this is inconsistent with the National Audit guidance which confirms previous advice that there is no statutory basis for having a negative DSG reserve and the accounting code under which the accounts are prepared 'neither anticipates or allows for a voluntary earmarked balance to be presented in a deficit position'. Therefore to comply with the DfE guidance and the accounting code, the DSG deficit reserve is offset by the Council's earmarked reserve and will continue to do so until a permanent resolution is in place.
- 2.8 The increasing DSG reserve continues to be a concern for the Council and is impacting on the reserves position. Further updates on the reserve and the recovery plan are scheduled to be presented to Cabinet in September.

### **3 Governance**

- 3.1 The governance arrangements for the reserves is set out in the proposed strategy and will be implemented as soon as the strategy is approved. Use of reserves will be reported on a quarterly basis as part of the council's monitoring on revenue and capital budgets.
- 3.2 There are a number of reserves that require some further work. These include those reserves that are currently funding post and activities within the council. In these cases, the reserves will be fully exhausted in the next 2/3 years and therefore it is essential that effective exit plans are in place. In addition to this there are some capital

reserves that appear to be historic, have not been utilised for a number of years and therefore there is no clarity on what they can be used for. Given that some of these reserves can sometimes have specific conditions attached to them, some further work is needed. This will be undertaken in the next quarter and reported as part of the Quarter 2 monitoring position.

## **4 FINANCIAL IMPLICATIONS**

- 4.1 The financial implications are set out in the report.

## **5 LEGAL IMPLICATIONS**

- 5.1 There are no legal implications arising from the report.

## **6 ASSOCIATED RISKS**

- 6.1 The content of the report supports the Council in managing the overall financial risks and financial planning for the Council. Without the approach there is a risk that the Council will not maximise its opportunity for financial resilience and management risks.

## **7 NEXT STEPS AND CONCLUSION**

- 7.1 The strategy will be applied with immediate effect and will be reviewed on an annual basis in line with other financial policies and procedures.

## Appendix 1

### RESERVES STRATEGY

#### 1 Purpose

- 1.1 Reserves are revenue resources accumulated over time and set aside for a particular purpose as part of an integrated approach to financial management over the short, medium and long term.
- 1.2 A reserves strategy sets out the choices we make in relation to the level and purpose or which we hold the reserves we have accumulated. It is made up of 3 elements:
  - **Our Strategic Intent** – what we are seeking to achieve through holding reserves;
  - **Our Programme** – the level of reserves we hold and our plans for their use over the period of the medium term financial strategy;
  - **Our Framework** – the way we will determine the level of reserves we need, manage those reserves and plan for their use in line with best practice and statutory requirements.
- 1.3 Together these elements set our ambition for reserves, the nature of our ambition and how we provide assurance.

#### 2 Rationale

- 2.1 We plan over the short and medium term how we will use the resources we are allocated and raise to deliver services for and to the residents and communities in Bury. As a complex organisation, there will always be variations between our actual spending/income and our plans due to variations in demand, demographic change, changes in costs and funding decisions of third parties as well as needing to deliver project and investments spanning more than one financial year.
- 2.2 To ensure we can manage these financial risks whilst being able to maintain services requires the Council to hold funds to meet these costs as and when they arrive. A reserves strategy enables us to do this in a planned way.

#### 3 Aligning to Other Strategies

- 3.1 The reserves strategy is part of a suite of supporting strategies that supplement the Bury 2030 Plan and the medium term financial strategy. All supporting strategies are aligned to the Bury 2030 Plan and provide an additional level of granularity that help create a bridge between the high level over-arching plan and operational delivery. As such it forms part of a collective accountability framework for the management of the Council's financial resources.
- 3.2 Maintaining high standards of financial management across the organisation is critical to the successful delivery of the medium term financial strategy and the Bury 2030 strategy. Any weakening of financial management has a direct impact on the level of reserves needed to offset the risk of services overspending and/or the non-delivery of savings targets. The central role in the management of the Council's reserves lies with the Executive Team, both individually and collectively, with support and advice from finance.

## **4 Our Reserves**

### **4.1 Our drivers for holding reserves are to:**

1. Manage financial risk so that risk materialising does not undermine the Council's overall financial position or impact on service delivery;
2. Plan for effective use of project resources over time;
3. Ensure we meet funding conditions in our use of any available resources, and
4. Retain any other accumulated underspends prior to decisions on their use

### **4.2 We will always need to retain reserves for each of these reasons. All reserves that do not fall into the first 3 categories automatically fall into category 4. Appendix 1 sets out the Council's reserves as at the end of 2019/20. Reserves change over time and will be incorporated in the Council's financial monitoring on a quarterly basis.**

## **5 Reserves Framework**

### **5.1 The reserves framework sets out our accountability and governance arrangements around the retention and use of reserves. In doing so it balances speed of decision-making with Member oversight and accountability for decisions about the effective use of the Council's resources.**

### **5.2 The principles for managing and using reserves are:**

- The primary purpose is to manage financial risk and promote financial sustainability;
- Subject to meeting this requirement we will;
  - Maximise the ability to use reserves flexibly to deliver the organisation's priorities;
  - Control the amount of scarce resources we hold in reserves;
  - Hold reserves at a Corporate/Directorate level unless there is a business/technical reason for not doing so.

### **5.3 The planned use of reserves will be agreed as part of the annual budget setting process and medium term financial planning process. Other than in exceptional circumstances the planned use of reserves is only expected to change in year as a result of:**

- Change projects approved by the Executive Team/Members, and;
- Adjustments to reflect the impact of the previous year's out turn that were not known at the time the budget for the year was agreed.

### **5.4 Service risk reserves will be held at Directorate level to manage in-year financial risk and to cover any over/underspends across the Directorate at the end of the year;**

### **5.5 All reserves will be subject to a year-end review to ensure the reason for holding the reserve and the plans for its use aligns with the medium term financial strategy and this strategy;**

### **5.6 Reporting on each reserve and seeking approval for any variations or to create a new reserves will form part of the quarterly monitoring report to Cabinet.**

## **6 Year End Review**

6.1 All reserves will be subject to a year-end review by the Executive Team with the S151 officer. At the end of each financial year for each reserve there will be a delivery plan that sets out;

- Plans for use of reserves including closure dates
- Benefits to be delivered from the investment
- Without an approved delivery plan in place a reserve cannot be accessed

## **7 Categories of Reserves**

7.1 Reserves will be categorised as follows:

- General Fund (Management of Financial Risk Corporate)
- Management of Financial Risk – Directorate
- Volatility and Fiscal Mitigation
- Earmarked
- Investment Funds

### **General Fund (Management of Financial Risk Corporate)**

- Level of reserve set by the S151 as the minimum amount required, based on their assessment of the financial risks facing the organisation and the extent to which these are covered elsewhere.
- Allocations approved by Cabinet
- Any approved use to be replenished up to the minimum level as part of setting the councils' budget for the following financial year.

### **Management of Financial Risk – Directorate**

- To manage in-year financial variations, e.g. fluctuations in demand or any other financial risk
- Maximum level of reserves is 5% of gross budget
- Held at Directorate level with the Executive Director accountable
- Decisions and proposals reported to Cabinet as part of the out turn reporting process

### **Volatility and Fiscal Mitigation**

- To manage areas of spending where costs in any one year is variable and unpredictable but where annual fluctuations are averaged over the medium term
- The continued need for and level of volatility funds will be subject to an annual review. Held at Corporate level with accountability of the S151 officer.
- Allocations approved by Cabinet

### **Earmarked**

- To fund corporate priorities as set out in the corporate plan. Held at corporate level with sign off by the Chief Executive and S151 officer.
- To manage external funding received for specific purposes where the decisions on how the funding is used is not wholly within the control of the council. Held at service level with accountability of the Executive Director.

- Governance arrangements agreed as part of the approval process for setting up the reserve, but will be determined by the requirements of the individual ring-fence. Reporting as part of financial monitoring arrangements.
- Subject to annual review.

### **Investment funds**

- Funds set up to provide pump-priming investment to deliver the Council's key objectives
- Held at Corporate Level with responsibility of the Executive Team
- Governance arrangements agreed as part of the approval process for the investment if the project plan extends beyond one financial year
- All investment fund reserves expected to be time limited and subject to annual review

Analysis of Reserves as at 1 April 2020			
Reserve Category	Description	£m	Description
<b>Corporate</b>	Community Safety	0.049	
Corporate	Climate Change	0.150	
Corporate	Culture	0.040	
Corporate	Corporate	1.921	
Corporate	Adults Social Care Transformation	1.247	
Corporate	Children's Social Care Transformation	0.094	
Corporate	Homelessness	0.987	
Corporate	Housing	0.123	
Corporate	Skills	2.085	
Corporate	ICT	0.892	
Corporate	Council Transformation	0.206	
<b>Total Corporate Reserves</b>		<b>7.794</b>	
<b>Directorate</b>			
Business, Growth and Infrastructure	Business, Growth and Infrastructure	0.397	
Operations	Commercial and Regulation	0.024	Rolling 3 year income for taxis
Operations	Catering	0.350	Sinking fund to support equipment purchase
Operations	Schools Catering	0.064	Traded Service Equalisation
Operations	Cleaning	0.019	Traded Service Equalisation
Children and young people	Bury Integrated Safeguarding Partnership	0.025	Serious Case Reviews
Children and Young people	CLAS	0.113	Traded Service Equalisation
<b>Total Directorate Reserves</b>		<b>0.992</b>	
<b>Volatility and Fiscal Mitigation</b>			
Corporate	GWDA Levy	0.980	
Corporate	Airport Equalisation	15.694	
Corporate	Insurance Risk	12.000	
Corporate	Insurance Liability Surplus	-0.100	
Corporate	NNDR Appeals	5.600	Collection Fund Equalisation
<b>Total Volatility and Fiscal Mitigation</b>		<b>34.174</b>	



Reserve Category	Description	£m	Description
<b>External Funded/Grants</b>			
Operations	Parks and Open Spaces	0.108	
Operations	Leisure Management	0.260	
Operations	Food Hygiene Inspections	0.051	
Corporate	Schools	0.281	
Children and Young People	Troubled Families Grant	0.549	Funds SCIL Team – Exit Strategy Required
Children and Young People	YOS Grant	0.124	
Children and Young People	Early Intervention Grant	0.107	Reduced Serious & Youth Violent Crime Workshops
Children and Young People	Training Grant	0.103	ASYE Funding
Children and Young People	Controlling Migration	0.100	Unaccompanied Asylum Seeker Funding
Children and Young People	Pathways to Talking	0.038	
Children and Young People	GM Health and Social Care Transformation	0.035	Signs Of safety Training – One Off
Children and Young People	YJB Remand Grant	0.023	
Children and Young People	Reducing Parental Conflict	0.014	
Children and Young People	GMCA Innovations Funding	0.198	
One Commissioning Organisation	Substance Misuse Grant	0.404	
One Commissioning Organisation	Public Health Reserve	0.394	Funds public health related projects. Time limited Exit Strategy Required
One Commissioning Organisation	Better Care Fund	0.216	
One Commissioning Organisation	BEST	0.038	
One Commissioning Organisation	Afghan Project	0.028	
One Commissioning Organisation	Transformation	0.017	
Finance	New Burdens – Revenues and Benefits	0.826	
Corporate	COVID Grant – S31 NNDR Grant	9.344	Will be fully utilised in 2020/21 – offsets business rates reliefs offered by government as a result of COVID-19
Corporate	COVID -19 Grant (Tranche 1)	4.264	Will be fully utilised in 2020/21 – government funding to fund additional costs of COVID-19
<b>Sub Total</b>		<b>17.522</b>	

Reserve Category	Description	£m	Description
<b>Capital</b>			
Operations	Engineering and Traffic	0.139	
Operations	Flood Defences	0.319	
Business, Growth and Infrastructure	Planning	0.297	Pimhold Fold rents
Corporate	Property/Investment	2.517	Various – to be reviewed
<b>Sub Total</b>		<b>3.272</b>	
<b>TOTAL EXTERNAL FUNDED/GRANTS RESERVES</b>		<b>20.794</b>	
General Reserves		6.989	
<b>TOTAL GENERAL RESERVES</b>		<b>6.989</b>	
<b>TOTAL EARMARKED RESERVES</b>		<b>70.743</b>	



<b>DECISION OF:</b>	<b>The Cabinet</b>
<b>DATE:</b>	<b>29 July 2020</b>
<b>SUBJECT:</b>	<b>Greater Manchester's Clean Air Plan – Tackling Nitrogen Dioxide Exceedances at the Roadside – Update</b>
<b>REPORT FROM:</b>	<b>Cabinet Member for Environment and Climate Change</b>
<b>CONTACT OFFICER:</b>	Lorraine Chamberlin, Head of Health & Environmental Protection Chris Horth, Unit Manager - Environment
<b>TYPE OF DECISION:</b>	Key Decision
<b>FREEDOM OF INFORMATION/STATUS:</b>	This paper is within the public domain.
<b>SUMMARY:</b>	To set out the progress that has been made following the Government's response to Greater Manchester's Outline Business Case to tackle Nitrogen Dioxide Exceedances at the Roadside (OBC), and the implications of pandemic management policies (the extent of which are not yet fully understood) for the 10 Greater Manchester (GM) local authorities in relation to the schedule of work and statutory consultation on the Clean Air Plan and the link to taxi and private hire common minimum licensing standards (MLS).
<b>OPTIONS &amp; RECOMMENDED OPTION</b>	<ol style="list-style-type: none"> <li>1. Note the progress of the Greater Manchester Clean Air Plan;</li> <li>2. Note the progress in the development of the Clean Commercial Vehicle and Hardship funds;</li> <li>3. Note the initial funding award of £41m for clean vehicle funds to award grants or loans to eligible businesses;</li> <li>4. Note the Government has accepted the need for vehicle replacement funds for Hackney Carriages, and Light Goods Vehicles, but has requested further</li> </ol>

	<p>development of shared evidence on the needs within that complex sector before responding and does not support the sustainable journeys measure.</p> <ol style="list-style-type: none"> <li>5. Note that TfGM is seeking confirmation that the funding award for Bus Retrofit is a continuation of Clean Bus Technology Funds to be distributed as soon as possible as per previous arrangements;</li> <li>6. Note the government will not support electric vehicle charging infrastructure through Clean Air monies but have committed to work with GM on securing funding from OLEV;</li> <li>7. Agree the position that the GM Local Authorities will move to a statutory public consultation on the GM Clean Air Plan as soon as reasonably practicable;</li> <li>8. Further agree the position that the GM Local Authorities' decision to commence a public consultation should be taken once there is a clear timeframe for exiting lockdown and moving to the next phase of the COVID-19 response;</li> <li>9. Note the implementation of a GM CAZ is delayed to 2022 with a revised implementation date to be confirmed in the consultation commencement report;</li> <li>10. Note the DfT's positioning paper "Decarbonising Transport – Setting the Challenge";</li> <li>11. Note the assessment of the possible impacts of COVID-19 to inform a technical briefing note for decision makers; and</li> <li>12. Note that the GM local Authorities intend to consult on GM's proposed MLS, alongside the Clean Air Plan consultation and agree the position for consultation, on when taxi/PHV fleets should be Zero Emission Capable.</li> </ol>
<b>IMPLICATIONS:</b>	
<b>Corporate Aims/Policy Framework:</b>	Do the proposals accord with the Policy Framework? Yes
<b>Statement by the S151 Officer: Financial Implications and Risk Considerations:</b>	<p>The proposals in the GM Clean Air Plan are conditional upon sufficient funding being provided by Government.</p> <p>In developing the Outline Business Case, it was assumed that government will provide funding for all costs relating to the scheme's implementation, and will underwrite any net</p>

	<p>operational deficit, as may be necessary, over the life of the scheme until legal compliance is achieved. If scheme operations generate any net surplus, this would be reinvested back into achieving Local Transport Plan objectives, as required by the Transport Act 2000.</p> <p>The commencement of a charging Clean Air Zone scheme and the other measures are subject to the GM authorities receiving the required government funding to enable them to meet the legal limits for nitrogen dioxide concentrations.</p>
<b>Equality/Diversity implications:</b>	Yes GM Equality Impact assessment has been prepared but is being reviewed in light of COVID-19 impact, also a local Bury EQIA will be annexed before the GMCAP goes to Statutory consultation
<b>Considered by Monitoring Officer:</b>	<p>Yes</p> <p>This report provides an update which is being provided to all GM Authorities, regarding the GM Clean Air Plan. It asks for agreement to the proposals concerning the progress towards consultation on the plan, which will now include the private hire and hackney carriage Minimum Licensing Standards. The legal implications are set out in the report and in particular reference the Ministerial Directions issued regarding these matters to GM Authorities pursuant to the Environment Act 1985. The consultation process is also set out, as this will need to be a full and fair process in accordance with the statutory requirements and be undertaken in a way that takes account of current limitations due to the Covid 19 pandemic.</p>
<b>Wards Affected:</b>	<b>All wards</b>
<b>Scrutiny Interest:</b>	<b>Overview and Scrutiny</b>

## 1 BACKGROUND

- 1.1 This report provides a comprehensive update on the development of the GM Clean Air Plan, it sets out a proposal for public consultation in light of COVID-19 implications, and highlights that the implementation of a GM Clean Air Zone is delayed to 2022.

- 1.2 It recaps on work undertaken to date, highlighting new work to develop a Clean Commercial Vehicle Fund and a new Hardship Fund.
- 1.3 It also includes a summary of correspondence between Greater Manchester and DEFRA, including the DEFRA Minister's 18 March letter to Cllr Western, GM Green City Region lead, which included a further Ministerial Direction to act and expressing the government's desire for GM to consult on a charging Clean Air Zone Category C, and the reply which emphasised the need for government support for key sectors, including the hackney and LGV business users.
- 1.4 The report also highlights the close link with work to develop Minimum Licensing Standards for the taxi and private hire trade in GM, and sets out that it is intended that a public consultation on this is managed in parallel with that for the GM Clean Air Plan, suggesting that GM sets out a clear roadmap to when taxi/PHV fleets should be emission free.
- 1.5 Finally, the report outlines how the GM Clean Air Plan will support the wider programme of activity around decarbonising the transport sector.

## **2 INTRODUCTION**

- 2.1 Under the Environment Act 1995 the Government has instructed many local authorities across the UK (including all 10 Greater Manchester councils) to take quick action to reduce harmful Nitrogen Dioxide (NO<sub>2</sub>) levels to within legal limit values in the "shortest possible time". In Greater Manchester, the 10 local authorities, the Greater Manchester Combined Authority (GMCA) and Transport for Greater Manchester (TfGM), collectively referred to as "Greater Manchester" or "GM", are working together to develop a Clean Air Plan to tackle NO<sub>2</sub> Exceedances at the Roadside, referred to as GM CAP.
- 2.2 In March 2019 GM submitted its Outline Business Case (OBC) to the Government's Joint Air Quality Unit (JAQU) proposing the following measures to deliver compliance in the shortest possible time, at the lowest cost, least risk and with the least negative impacts.
  - A GM wide charging Clean Air Zone (CAZ) category C which would charge the most polluting commercial vehicles including older heavy goods vehicles (vans), buses, coaches, taxis and private hire vehicles from the summer of 2021. Older polluting light goods vehicles would be charged from 2023 (i.e. a CAZ C with a van exemption until 2023). At this stage we suggested the daily Clean Air Zone Charge would be £7.50 per day for taxis, private hire vehicles and light goods vehicles and £100 per day for heavy goods vehicles, buses and coaches.
  - A Clean Freight Fund of c.£59m to provide financial support for the upgrade of light and heavy goods vehicles, minibuses and coaches, which will be targeted to support smaller local businesses, sole traders and the voluntary sector.
  - A Clean Taxi Fund of c.£28m, to support the upgrade of non-compliant Greater Manchester Licensed taxi and private hire vehicles.
  - A Clean Bus Fund of c.£30m to provide, where possible, the retrofit of older engine standards to the less polluting Euro VI standard for those buses registered to run services across Greater Manchester.
  - A package of supporting measures including a proposed Loan Finance scheme, sustainable journeys projects, additional EV charging infrastructure.

- 2.3 Ministerial feedback to our OBC was received in July 2019 along with a further direction under the Environment Act 1995.
- 2.4 This direction and accompanying letter included the requirement for the GM authorities to implement a charging Clean Air Zone Class C *without* a van exemption until 2023, with additional measures. The direction also required the GM authorities to jointly submit some further evidence by 2 August and a Full Business Case (FBC) by 31 December 2019 at the latest.
- 2.5 The Ministerial letter also set out that the GM plan appeared to be on track to deliver compliance in the shortest possible time and Greater Manchester authorities should continue to proceed towards developing the implementation of a charging Clean Air Zone in Greater Manchester and that the Government would provide an initial tranche of £36m of funding to take this forward.
- 2.6 Full detail of the government's response was set out in the GMCA – Clean Air Update report on 26 July.
- 2.7 The GMCA – Clean Air Update report on 31 January detailed how a delay in receiving Ministerial feedback on the OBC had an impact on the timetable for the GM CAP.

### **3 PROGRESS SINCE LAST UPDATE – THE RESULTS OF THE PUBLIC CONVERSATION AND FOCUS GROUPS**

- 3.1 GM held a public engagement exercise known as the 'conversation' between early May and mid-June 2019 to help inform the work, and this was supplemented by more targeted stakeholder engagement with affected businesses. In addition, further deliberative research has also taken place. Stakeholder dialogue has also continued throughout development of the GM CAP to support the detailed design of the packages of measures.
- 3.2 These forms of engagement and dialogue have all informed the further development and detailed design of the measures identified in the OBC, to refine the proposals that will comprise the Full Business Case.
- 3.3 In total, around 3,300 responses were received, via an online survey, paper questionnaire, letters and emails. Over 2,400 of the responses were from individuals, with the vast majority of respondents living in Greater Manchester. As well as this a number of representative bodies (such as the Federation of Small Businesses) responded to the conversation, on behalf of the members they represent.
- 3.4 There were over 550 responses from businesses based in Greater Manchester and further afield. 61% of business were sole traders, 18% were small businesses, 11% were medium-sized businesses and 10% were large businesses.
- 3.5 Those with non-compliant vehicles were asked about their view on the funding proposed to support businesses to upgrade. Many businesses either didn't know what action they were likely to take or thought they wouldn't take any action. Of those who said they would not take action, the reasons why included; the cost of upgrading their vehicle, constraints around their lease arrangement and that they would prefer to pay the daily charge.

- 3.6 Scrappage schemes, loans and additional support were suggestions made by respondents on how the proposed GM CAP vehicle funds could support those with non-compliant vehicles to upgrade. There were also comments on who should be prioritized to receive any funding, those comments focused on supporting smaller businesses first.
- 3.7 The full report from the conversation can be found online at <https://cleanairgm.com/technical-documents> .

## **4 PROGRESS SINCE LAST UPDATE – CLEAN COMMERCIAL VEHICLE & HARDSHIP FUNDS**

- 4.1 At OBC stage, GM set out a funding ask of £59m for Freight Vehicles to provide financial support for the upgrade of heavy and light goods vehicles, minibuses and coaches. Support to be targeted to support smaller businesses, sole traders and the voluntary sector.
- 4.2 The GM CAP is underpinned by analysis and modelling using the best data and tools available.
- 4.3 Government feedback requested further evidence to provide reassurance that the preferred option would deliver compliance in the shortest possible time and to provide further evidence in support of the bid for Funds.
- 4.4 Extensive data gathering, analysis, modelling benchmarking , discussions with the Government's Joint Air Quality Unit (JAQU) and research with owners and drivers has been carried out since the submission of the OBC in order to respond to the Government's questions and to develop more detailed proposals.
- 4.5 As a result, better evidence has emerged about the vehicle fleets and businesses and the support they will require.
- 4.6 This work has been summarised in a series of 32 evidence notes and further supplementary Technical Reports that were submitted to JAQU.
- 4.7 The outcome of this work has resulted in an increased ask of:-
- A Clean Commercial Vehicle Fund of c.£98m ( to replace the previous ask for £59m) to provide financial support for the upgrade of light and heavy goods vehicles, minibuses and coaches, which will be targeted to support smaller local businesses, sole traders and the voluntary sector, registered in Greater Manchester.
  - A Hardship Fund of c.£10m to support individuals, companies and organisations who are assessed to be most vulnerable to socio-economic impacts from the CAZ.

## **5 PROGRESS SINCE LAST UPDATE – MINISTERIAL CORRESPONDENCE**

- On 18 March 2020, the GM Green City Region lead received a letter from Rebecca Pow MP (DEFRA Parliamentary Under Secretary of State), copying in all Local Authority CEOs and Leaders, regarding next steps with GM's Clean Air Plan proposals. This letter attached as Appendix One was sent alongside a further Ministerial Direction. The letter explains:



- the government's desire for GM to consult on a Class C Clean Air Zone (accepting GM's case for exempting LGVs to 2023) with the timings of reporting back on the consultation suggesting that this activity is expected to take place in the summer.
- that the government will provide an initial tranche of funding of £41m for grants or loans – this is broken down as £15.4m for bus retrofit, £10.7m for PHVs, £8m for HGVs, £4.6m for coaches and £2.1m for minibuses.
- the government does not support all measures proposed, specifically work proposed to encourage more sustainable journeys.
- the government will not support electric vehicle charging infrastructure through Clean Air monies but will work with GM on securing funding from the Office for Low Emission Vehicles (OLEV) (who were allocated £500m in the 11 March budget).
- there is an expectation that GM's Clean Air Zone will be introduced in 2021 so compliance with NO<sub>2</sub> legal limits is met in 2024.
- the government would like to be kept informed of progress of the Minimum Licensing Standards for hackney cabs and private hire vehicles, as it complements the GM Clean Air Plan.

## **6 GM RESPONSE TO MINISTER LETTER / DIRECTION**

- Councillor Western wrote in response to the Minister on 8 April, attached as Appendix Two, welcoming the initial tranche of funding along with the acceptance of GM's case for 2023 being the earliest point possible to bring LGVs into the scope of the charging Clean Air Zone and highlighting to government the following important outstanding elements:
  - Ensuring that a clear funding position is agreed for Hackney Carriages – GM has been clear that the development of this funding ask is needed to support the progression of consultation on GM's plan with the taxi trade.
  - Ensuring that adequate financial support is provided re the LGV fleet – reflecting that the GM business community relies on the 70,000+ LGVs in operation here in Greater Manchester. It is stressed that this aspect of work needs to progress quickly so funding can be forthcoming as soon as possible to enable vehicle replacement to happen prior to 2023.
  - Ensuring that a mechanism is put in place for the large-scale rollout of replacement electric buses for the further 600+ vehicles for which there are no accredited retrofit options. To clarify if this will come from ultra-low emission bus funds announced in the March Budget Statement.
  - Ensuring that a workable arrangement is in place for JAQU to help to secure funding for Electric Vehicle charging infrastructure, noting that £500m was awarded to OLEV in the March budget statement.
  - Finally, GM has highlighted outstanding issues regarding specific locations on the Highways England trunk road (in Tameside) network that are needed for GM to refine the proposed charging CAZ boundary before it proceeds to statutory consultation.
- The letter also set out that GM will also need to be mindful of the significant changes that could result from the impacts of the ongoing pandemic, more of which is discussed below.

- A summary table of GM's asks v Government offer and commentary, is set out in Appendix Three. Of note, TfGM is seeking confirmation that the funding award for Bus Retrofit is a continuation of Clean Bus Technology Funds to be distributed as soon as possible as per previous arrangements.
- The March 2020 Ministerial Direction means that the July 2019 direction (which required the conclusion of all necessary public consultation activity and submission of the FBC by end of 2019) is revoked. The new Ministerial Direction requires conclusion of all public consultation activity and submission of the Interim FBC by the end of October 2020.

## **7 IMPACT OF COVID-19**

- The letter and the accompanying direction were dated 16 March, before the enactment of the Coronavirus Act 2020, meaning that the implications of pandemic management policies had not been considered in setting the submission dates. As a result, GM colleagues have been working to understand the wider impacts of the coronavirus outbreak on this programme of work.
- Most immediately is the timing of GM's consultation, which Government have assumed to be taking place in the summer. The decision regarding when to commence a consultation cannot be confirmed until there is a clear timeframe for exiting lockdown and moving to the next phase of the COVID-19 response.
- On Wednesday 15 April, following consultation with Leaders, GM made a statement placing the consultation on hold – it can be found in full at: <https://cleanairgm.com/news/greater-manchester-clean-air-plan-consultation-update>.
- This also means that the implementation of a GM CAZ is delayed to 2022 (a revised implementation date will be confirmed in a future consultation commencement report).
- On Tuesday 28 April, Councillor Western received a letter from Rebecca Pow MP which set out that the Government understands the initial analysis that GM has made about the difficulties of holding a consultation at this time. However, she does encourage GM to continue preparations to be ready to launch one as soon as practicable.
- The Government's Joint Air Quality Unit confirmed on 1 May that that authorities should proceed on the basis of their current proposals and no revised economic analysis should be undertaken without JAQU consent, on the basis that the outcomes of COVID-19 are not yet understood.
- To understand the wider impacts of the COVID-19 outbreak the GM CAP team will make an assessment of the possible impacts of COVID-19 to inform a technical briefing note for decision makers. This assessment will include:
  - whether the assumptions underpinning the GM CAP are still valid;
  - whether GM will remain in exceedance of legal nitrogen dioxide limits under the proposals as they currently stand;
  - the measures proposed in the package for consultation; and

- whether the proposed support package will be sufficient.

## **8 THE CONSULTATION**

- GM needs to be mindful of moving its Clean Air Plan forward given the direction to act but also the need to balance this against the impact of COVID-19.
- The Transport Act 2000 requires us to consult 'such a local persons as they consider appropriate about the charging scheme'. The statutory nature of the consultation affords a large degree of discretion to the consulting authority, but would be expected to concern the fundamentals of the CAZ, i.e. the need for a CAZ, the proposed boundary, times of operation and vehicle types that would be subject to charges if non-compliant, the charges and discounts and exemptions. It is the latter two points that could be most affected by responses to the consultation, given that we are already under direction of the Minister to implement a CAZ Category C to include specific commercial vehicles.
- The supporting measures, the detail of proposals of the funds and vehicle finance must also be set out to enable consultees to respond fully to the GM CAP proposals.
- Any consultation conducted in a time of COVID-19-related restrictions will be less than perfect and GM would have to do everything it reasonably can to ensure that the consultation is fair.
- GM intends to commence a consultation on the Clean Air Plan as soon as it judges that it could conduct a consultation that allows people, particularly impacted groups, the opportunity to consider and respond to the proposals in a meaningful way. However, as the position regarding lockdown is fluid, it is not possible to definitively confirm that date, ultimately this will be a judgement call.
- The judgement call will clearly be influenced by the government's lockdown exit plan, but also by the economic and social conditions that will present themselves after the realities of exiting lockdown and moving to the next phase of the COVID-19 response are known.
- As part of the report that members will receive to determine progressing the consultation GM will set out how it has made the judgment to move forward to its consultation taking into account the information set out above.
- Whilst the government has made a number of financial packages available to businesses and the self-employed in this extraordinary situation, GM's residents and businesses are focused on ensuring they and their families and employees stay safe. In addition, GM are very aware that the impact of pandemic management policies are being felt very strongly within the taxi trade. GM recognises that the transport sector has already been hugely impacted by the pandemic, and government policies to stem its spread; and its ability to recover from significant revenue loss whilst also being expected to renew fleet to respond to pre-epidemic policy priorities requires further thought and consideration. Therefore, the groups most affected by GM's Clean Air Plan may need even further assistance than GM had anticipated at the time of GM's previous submission to Government.

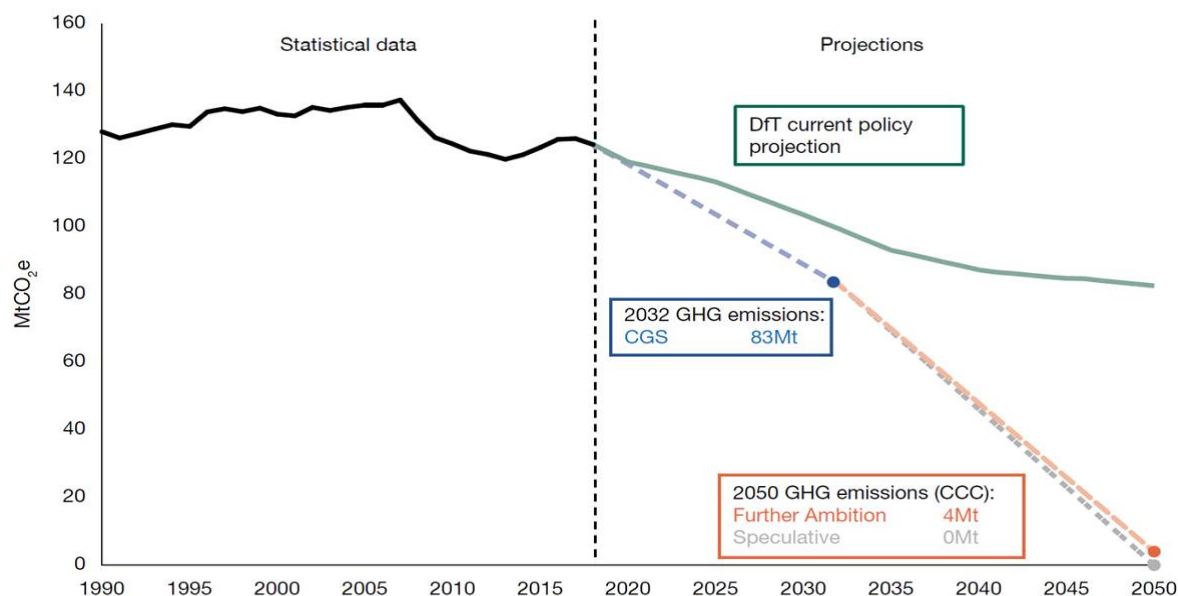
## 9 GM'S ASPIRATIONS AROUND EV CHARGING

- As set out above the government will not support electric vehicle charging infrastructure through Clean Air monies but have committed to work with GM on securing funding from OLEV.
- Securing funding is important as the current Electric Vehicle Charging Infrastructure (EVCI) provision in GM is below the North West and national averages of charge points per 100,000 population. GM's EV registration is also significantly below the national average.
- It is considered unlikely that private sector investment will deliver the right infrastructure in appropriate locations to deliver the rapid transition to EVs required and therefore there is a need for substantial public sector intervention.
- A draft Electric Vehicle Charging Infrastructure Investment Strategy is in development to support GM's 2040 Strategy ambitions and delivery of GM's CAP. The strategy will set out:
  - GM's vision for EVCI in across the region;
  - A set of strategic principles to guide the design and future development of the network; and
  - The estimated size, mix and spatial distribution of the network required to meet anticipated / forecasted demand.

## 10 DECARBONISING TRANSPORT & GM'S CLEAN AIR PLAN

- 10.1 In March this year the Government published its "Decarbonising Transport – Setting the Challenge" document. In setting the challenge Government identifies that current policies fail to deliver the reduction in emissions needed if transportation is to play its part in meeting the national legal obligation to be carbon neutral by 2050. There is an estimated gap of 16MtCO<sub>2</sub>e projected emissions between the DfT's current policy projections compared to the Clean Growth Strategy targets and the document identifies that **"there is no plausible path to net zero without major transport emissions reductions and delivered soon"**. When we consider that Bury has a carbon neutral target for 2030 this shortfall from national policy will be even more significant.
- 10.2 Figure 1 DfT's latest domestic Green House Gas (GHG) emissions projections based on current policies, compared to Clean Growth Strategy targets and Committee on Climate Change (CCC) Net Zero 'Further Ambition and 'Speculative scenarios'.

Figure 18: DfT's latest domestic GHG emissions projections based on current policies, compared to Clean Growth Strategy (CGS) targets and CCC Net Zero 'Further Ambition' and 'Speculative' scenarios<sup>1</sup>



10.3 Government have set out in the document that they are to produce a Transport Decarbonisation Plan<sup>1</sup> that will set out a credible plan on how to put the UK's entire transportation system on a pathway to deliver the necessary GHG reductions and identifies that fundamental changes in the way people and goods move around. They state that is key, identifying that the solution lies with innovation, developing further waste derived fuels, fundamentally changing people's travel behaviour and using smart data to give added value. There are 6 strategic priorities within the document:

- Accelerating modal shift to public and active transport,
- Decarbonising road vehicles,
- Decarbonising how we get our goods
- Place based solutions for emission reduction
- The UK becoming a hub for green transport technology and innovation
- Reducing carbon in a global economy

10.4 Government propose to engage stakeholders through a series of three workshops based on the above priorities, test ideas and insight from public feedback and present a range of potential policies.

10.5 The report recognizes that taking action to decarbonise transportation will have beneficial effects not only on the environment but also on health, wellbeing and quality of life, especially those living in populated areas.

10.6 The GM CAP is a place based solution to tackle roadside NO<sub>2</sub> and proposes measures to secure funding for Electric Vehicle charging infrastructure, as well as ensuring that a mechanism is put in place for the large scale rollout of replacement electric buses, which will have a positive impact on carbon. As GM progress the development of its wider transport policies it will take account of these important environmental agendas to ensure alignment of policies.

<sup>1</sup> was planned to be published in the autumn, ahead of COP 26 in November 2020 but has now been postponed due to the COVID-19 epidemic

## **11 MINIMUM LICENSING STANDARDS AND THE GM CLEAN AIR PLAN**

- 11.1 The taxi/PHV trade represents c.20,000 drivers across GM and is a significant part of GM's transport offer.
- 11.2 In 2018, GM's ten local authorities agreed to collectively develop, approve and implement a common set of minimum licensing standards (MLS) for Taxi and Private Hire services that cover the whole of GM. At that time, the primary driver for this work was to improve public safety, but vehicle age and emission standards in the context of the Clean Air agenda are now also a major consideration.
- 11.3 The trade has asked for certainty, funding, and long-lead in times for these changes. This is extremely challenging within the current and emerging policy environment. Officers have been working to develop policy proposals that can meet these needs as far as possible, which is why parallel consultations have been proposed for MLS and GM CAP, and that charging, funding, and licensing policy positions are coherent and joined-up.
- 11.4 The approach seeks to establish a basic and common minimum in key areas, whilst allowing Districts to exceed these minimums where they consider this to be appropriate. As licensing is a local authority regulatory function, the work to devise the Standards has been undertaken by the GM Licensing Managers Network, with TfGM supporting the co-ordination of this work, and alignment with other relevant GM policies, at a GM level.
- 11.5 There are four areas of focus for the MLS:
- Drivers: Criminal Records Checks; Medical Examinations; Local knowledge test; English language; Driver training; Driving Proficiency; Dress Code.
  - Vehicles: Vehicle emissions (diesel Euro 6 and above, petrol Euro 4 and above); Vehicle ages (under 5 years at first licensing, no older than 10 years); Vehicle colour (Black for Taxi/Hackney, white for PHV); Vehicle livery (common GM design with Council logo incorporated); Accessibility (all Taxis to be wheelchair accessible); Vehicle testing; CCTV; Executive Hire; Vehicle design and licensing requirements.
  - Operators: Private Hire Operators / staff will require basic criminal record check; more stringent requirements in relation to booking records; Operators to take more responsibility for the behaviour of their drivers.
  - Local Authorities: Applications may be submitted up to 8 weeks in advance of licence expiry; Once determined, licence issued within 5 working days; Agree to develop common enforcement approach and a framework to which licensing fees are set; Councillors to receive training before they hear applications.
- 11.6 The GM CAP will require taxi/PHV vehicles to meet stricter emissions standards than at present, which will mean a significant proportion of the trade will need to upgrade their vehicles to meet these standards to avoid a charge. The CAP has the potential for a significant pot of funding to support the trade to upgrade their vehicles.
- 11.7 In addition, Bury has a target to be carbon neutral by 2030 (GM target carbon neutral by 2038). This means the transport in our borough need to progress quickly to zero emission vehicles.

- 11.8 From a policy perspective, GM wants to develop a position that minimises the impact on the trade while meeting the targets set out in the GM CAP and carbon neutral target, incentivizing a switch to an electric (or zero-emission capable, "ZEC") vehicle, using clean air funding, provides a long-term solution to compliance and meets climate obligations.
- 11.9 To invest in ZEC vehicles, taxi proprietors also require long term confidence in the local policy landscape, including future interventions and supporting infrastructure. Other local authorities have a ZEC requirement now or have set out a clear roadmap to when their taxi/PHV fleets should be emission free.
- 11.10 For MLS, this means introducing two future dates within the MLS for:
- "new to licence vehicles" to be ZEC; and
  - All vehicles must be ZEC.
- 11.11 This will provide certainty for investment and maximise the funding through the clean air plan. The risk of an unclear policy is that it potentially drives the purchase of more fossil fueled vehicles, either locking new fleet into 10 years of emissions or putting proprietors at risk of future interventions mid-way through a vehicles useful life as a licensed taxi.
- 11.12 The dates proposed as the GM Taxi/PHV ZEC roadmap as the position for consultation are suggested as:
- From 2025 all new to licence vehicles would need to be ZEC; and
  - From 2028 all vehicles would need to be ZEC, meaning an entirely zero emission taxi/PHV fleet across GM by 2029.

## **12 NEXT STEPS**

- 12.1 Officers will:
- Continue dialogue with JAQU to secure a clear response from government on GM's outstanding clean air funding asks;
  - Continue to prepare implementation and contract arrangements that need to be in place to deliver the CAZ and other GM CAP measures;
  - Continue to prepare for a statutory public consultation on the GM Clean Air Plan as soon as reasonably practicable; and
  - Bring a report on proposals for consultation to GM Authority decision makers when there is a clear timeframe for exiting lockdown and moving to the next phase of the COVID-19 response.

## **13 CONCLUSIONS**

- 13.1 See recommendations set out at the front of the report.

**14 APPENDIX ONE – MINISTERIAL CORRESPONDENCE**

200316 RP letter to  
Cllr Western Trafford

**15 APPENDIX TWO – GM RESPONSE TO MINISTERIAL CORRESPONDENCE**

Letter to MoS  
Rebecca Pow - GM C

**16 APPENDIX THREE – GM summary table of GM's asks v Government offer**

Measure	GM Ask	Government offer	Commentary
Clean Air Zone	£84m	£36m awarded to date and further funding promised.	GM continues to undertake the preparatory implementation and contract arrangements that need to be undertaken to deliver the CAZ and other GM CAP measures
Sustainable Journeys	£7m	Does not support measure proposed.	Travel behaviour change measures are now emerging as a key component of a COVID-19 response plan for Transport across Greater Manchester and TfGM will pursue alternative funding with DfT.
EV Infrastructure	£19m to include taxi only charging points	£0, but commitment to work together to secure other government funding.	TfGM will pursue alternative funding with DfT.
Bus retrofit	£16m	£15.4m	TfGM to confirm that this monies is a continuation of Clean Bus Technology Funds to be distributed as soon as possible as per previous arrangements.
HGV	£8m	£8m	The distribution of funding requires a consultation on the Clean Air Zone to have been conducted, evaluated and agreed.
Coach	£8m	£4m	The distribution of funding requires a consultation on the Clean Air Zone to have been conducted, evaluated and agreed.
Minibus	£2m	£2.1m	The distribution of funding requires a consultation on the Clean Air Zone to have been conducted, evaluated and agreed.
LGV	£80m	TBC	Government have accepted the exemption to 2023 and further evidence is required to demonstrate the size of GM's funding ask.



Measure	GM Ask	Government offer	Commentary
PHV	£22m for replacement hackney / PHV and hackney try before you buy scheme	£10.7m	The distribution of funding requires a consultation on the Clean Air Zone to have been conducted, evaluated and agreed.
Hackney Cab		TBC	Government require further evidence to demonstrate the size of GM's funding ask for hackney cabs.
Bus Replacement	JAQU aware that there are 600+ vehicles for which there are no accredited retrofit options	TBC	GM are seeking solutions for large scale replacement.
Hardship Fund	c.£10m	TBC	Government require further evidence to demonstrate the size of GM's funding ask.

---

#### List of Background Papers:-

- 31 January 2020, report to GMCA: Clean Air Plan Update
- 26 Jul 2019, report to GMCA: Clean Air Plan Update
- 1 March 2019, report to GMCA: Greater Manchester's Clean Air Plan – Tackling Nitrogen Dioxide Exceedances at the Roadside - Outline Business Case
- 11 January 2019, report to GMCA/AGMA: Clean Air Update
- 14 December 2018, report to GMCA: Clean Air Update
- 30 November 2018, report to GMCA: Clean Air Plan Update
- 26 October 2018, report to GMCA: GM Clean Air Plan Update on Local Air Quality Monitoring
- 15 November 2018, report to HPEOS Committee: Clean Air Update
- 16 August 2018, report to HPEOS Committee: GM Clean Air Plan Update
- UK plan for tackling roadside nitrogen dioxide concentrations, Defra and DfT, July 2

#### Contact Details:-

Lorraine Chamberlin, Head of Health & Environmental Protection  
[l.chamberlin@bury.gov.uk](mailto:l.chamberlin@bury.gov.uk)  
 0161 253 5519

Chris Horth, Unit Manager - Environment  
[c.horth@bury.gov.uk](mailto:c.horth@bury.gov.uk)  
 0162 253 5520

This page is intentionally left blank



<b>DECISION OF:</b>	<b>The Cabinet</b>
<b>DATE:</b>	<b>29 July 2020</b>
<b>SUBJECT:</b>	<b>Highway Investment Strategy - Tranche 2 (HIS2)</b>
<b>REPORT FROM:</b>	<b>Cabinet Member for Transport and Infrastructure</b>
<b>CONTACT OFFICER:</b>	<b>David Giblin, Head of Engineering</b>
<b>TYPE OF DECISION:</b>	<b>Key decision</b>
<b>FREEDOM OF INFORMATION/STATUS:</b>	This paper is within the public domain.
<b>SUMMARY:</b>	Details of the HIS2 approach to highway maintenance.
<b>OPTIONS &amp; RECOMMENDED OPTION</b>	Approval to proceed with the investment of the £10 million made available by Council for highway maintenance for the period 2020//21 to 2022/23 in line with the recommendations set out in this report.
<b>IMPLICATIONS:</b>	
<b>Corporate Aims/Policy Framework:</b>	Do the proposals accord with the Policy Framework?      Yes      No
<b>Statement by the S151 Officer: Financial Implications and Risk Considerations:</b>	Provision for structural maintenance works has been made available in the Council's capital programme and includes funding from DfT. Regular monitoring will be undertaken to ensure that the funds are not over committed and progress will be reported as part of the quarterly monitoring reports to Cabinet.
<b>Equality/Diversity implications:</b>	No  There are no equality and diversity issues at large as the highway is accessible by all members of the public.

<b>Considered by Monitoring Officer:</b>	Yes	Comments
		The report asks for authority to undertake highway maintenance in accordance with the Council's statutory duty as highway authority. Highway authorities have a legal duty to maintain their respective sections of the road network under section 41 of the Highways Act 1980 and are liable to compensation claims in the event of a failure to do so. They are required to take reasonable care of the highway to ensure that it is not dangerous to traffic including pedestrians and to have procedures laid down for inspection and repair.
<b>Wards Affected:</b>	All Wards.	
<b>Scrutiny Interest:</b>		

## 1.0 BACKGROUND

- 1.1 The highway network is the single most valuable asset that the Council owns. Without it, none of the Council's priorities, values and visions can be realised.
- 1.2 Its 660 kilometres of carriageway, 1,200 kilometres footway, 300 kilometres of footpaths, 228 structures, 19,000 street lighting columns, 36,500 road gullies (and their associated many kilometres of drainage), 15 kilometres of guardrail, signs and street furniture total almost £1 billion in Whole of Government Accounts (WGA) replacement value.
- 1.3 Generally, the greater the age of the highway, the rate of deterioration increases until functional failure sets in and expensive reactive maintenance repairs are required to keep the highway safe for the public. This deterioration for Bury has previously been calculated at approximately £5 million per year. Highway funding from the Department for Transport (DfT) was such that the Council spent, on average, only around £1.2 million per annum in planned maintenance leading to an annual shortfall in the region of £4 million.
- 1.4 The outcome of such a level of funding was that the network could not be maintained in a steady state condition (i.e. no improvement or no decline) and, inevitably, would lead to an ever accumulating highway maintenance backlog which increases year-on-year together with an accelerating rate of deterioration.
- 1.5 As a consequence of this, the Council made £10 million available to invest in the borough's highway network over the financial years 2017/18, 2018/19 and 2019/20. This became known as the Highway Investment Strategy - Tranche 1 (HIS1).
- 1.6 The £10m was split into two elements; reactive maintenance and planned maintenance. The reactive maintenance element accounted for £1.5m and was planned to be expended at the rate of £0.5m per year of the three years of HIS1.

- 1.7 The planned element of £8.5m was further split across the strategic and local networks as £5.7m and £2.8m respectively. The strategic network consists of the A, B and C road classifications with the local network being everything else. The ratio between them is 1:4 inasmuch as the local network is 4 times the size of the strategic one.
- 1.8 The profiling of the HIS1 £10 million is indicated below in figure 1.

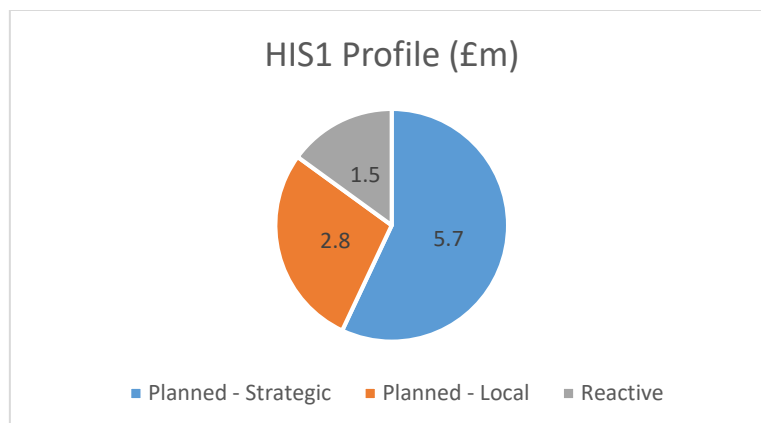


Figure 1

- 1.9 The total length of highway resurfaced as part of the HIS1 initiative exceeds 21 kilometres (13 miles) - this equates to around 3% of the total highway network in Bury.
- 1.10 Tranche 2 of the Highway Investment Strategy (HIS2) is also a £10 million, three year investment programme (2020/21 to 2022/23) to continue to improve the state of the highway network in Bury and follows on from the HIS1 initiative but with a different investment profile.
- 1.11 HIS2 is profiled differently to HIS1 in order to incorporate an element of preventative maintenance. Consequently, out of the £10 million of HIS2, £4.5 million will be allocated to structural maintenance (e.g. resurfacing) with candidate sites selected using the same principles as HIS1, £3.0 million to preventative maintenance (e.g. surface dressing) leaving £2.5 million for reactive maintenance (e.g. pothole, patching etc.).
- 1.12 The £4.5 million structural maintenance will be delivered by Engineering Services whilst the £5.5 million for preventative and reactive maintenance will be delivered separately by the StreetScene Maintenance Service. This report sets out the proposals for the structural maintenance element of the funding.
- 1.13 Figure 2 below gives the indicative values proposed for the profiling of the HIS2 £10 million.

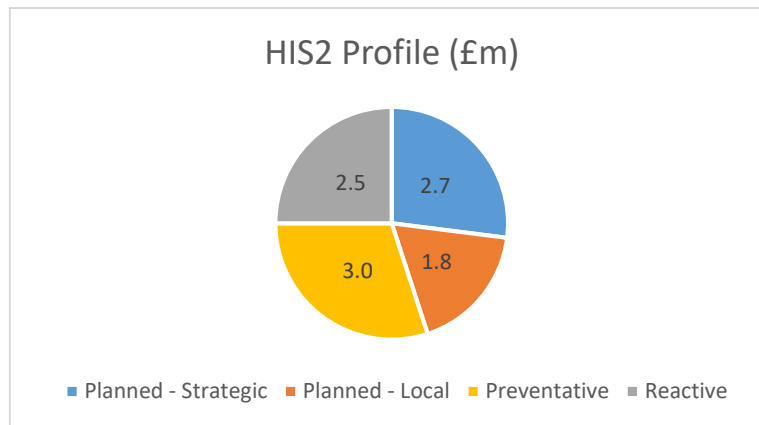


Figure 2

- 1.14 The Council also receive funding for planned highway maintenance from the Department for Transport (DfT). The value of DfT funding is linked to the highway asset management maturity of local highway authorities. The purpose of this mechanism is promote the embedding of asset management principles into everyday working processes. Currently, all Greater Manchester authorities receive the maximum amount from this fund as a result of the existence of the Combined Authority. This may change in the future.
- 1.15 Currently, the Council is allocated around £2 million per annum of DfT funding for capital highway maintenance of which £1m is allocated to structural maintenance.
- 1.16 This DfT allocation over this 3-year HIS2 period has been rolled together with the HIS2 funding (as it was with HIS1) as they are, in principle, delivering the same kind of schemes. £1.75 million of DfT slippage from previous years is also being incorporated into the programme. The table below sets out the funding allocations, although it should be noted that the DfT allocations for future years have not been confirmed and will be subject to review as part of the capital programme for future years.

Year	HIS2 Funding (£k)	DfT Funding (£k)	Totals (£k)
2020/21	1500	1000	2500
2021/22	1500	1000	2500
2022/23	1500	1000	2500
Slippage		1750	1750
<b>Totals</b>	<b>4500</b>	<b>4750</b>	<b>9250</b>

- 1.17 The list of proposed candidate sites and projects for planned maintenance is listed in Appendix 1. Schemes are listed in order of priority scoring for the Strategic Network and the Local Network. These candidate schemes represent around 3% of the highway network and, as a consequence, the HIS2 programme is similar in size to the work undertaken in HIS1.
- 1.18 The final cost of a scheme is seldom the same as its original estimate and, therefore, the actual cumulative value of completed schemes will vary. If the programme starts to overspend (due to site issues - finding unexpected problems etc.) less schemes would be undertaken. However, if there is an underspend

forming, more schemes can be accommodated and there are reserve schemes available which could be brought into the programme.

## **2.0 ISSUES**

- 2.1 Without any investment in the existing highway network, its rate of deterioration has been estimated to be in the region of £5 million per annum: that is to say that this much annual expenditure is required just to maintain current highway condition.
- 2.2 Should this investment not go ahead, there is a risk that some highways will approach functional failure, which then require more expensive localised reactive maintenance repairs, such as pothole repairs, to keep the highway safe for public use. This could also increase the Council's exposure to compensation claims.
- 2.3 The HIS1, HIS2 and DfT monies combined are able to reduce this rate of decline but not halt or reverse it. However, on its own the DfT annual allocation cannot hopefully make any meaningful long-term impact on the condition of the 650 km of Bury's highway network.
- 2.4 Due to the Covid-19 lockdown, there has been disruption to progress of the final HIS1 schemes and the process of arranging contracts for HIS2. That may result in problems getting the HIS2 proposals completed in the three year period. However, if the GM framework alliance contract is approved by council, the possibility of programme acceleration can be discussed with the appointed contractors.
- 2.5 There are no equality and diversity issues at large as the highway is accessible by all members of the public.
- 2.6 The programme is and always will be an ambition. It is not possible to guarantee that all the schemes listed will be undertaken in the 3-year programme as many issue can impact on it delivery such as utility companies' works (we would not resurface knowing another body would excavate our new surfaces), new developments (residential & commercial), urgent work where rapid deterioration has taken place elsewhere on the borough's network and requires immediate intervention to maintain highway safety etc.
- 2.7 Furthermore, the Council reassesses the priority listing on an annual basis. The list of proposed schemes in Appendix 1 is based on the current evaluation. The Council acknowledges that it needs to be able to respond in a dynamic and flexible way to changes in the network in terms of factors like traffic flows and asset condition in order to target the correct sites and maintain the network in a safe state. Consequently, should newly identified sites not in the HIS2 programme require more immediate attention, it may be necessary to drop some of the schemes listed in Appendix 1 in order to release the required funding to address the issue. This being the case, whilst the schemes listed in Appendix 1 cannot be committed to or guaranteed to be completed within the HIS2 programme, nevertheless, the programme strongly indicates the Council's trajectory and aspirations.

### **3.0 FINANCIAL IMPLICATIONS**

- 3.1 Funding for the proposals is set out in the council's capital programme. Indicative costs for the proposed schemes have been calculated however the deliverability of all of the schemes will be dependent upon the availability of funding at that time. The programme will therefore be kept under regular review to ensure the funds are not over committed. Regular reports will be presented to cabinet as part of the quarterly monitoring reports for revenue and capital.

### **4.0 CONCLUSION**

- 4.1 It is recommended that the proposed list of candidate schemes in Appendix 1 be approved and worked into a three year programme to facilitate the planned maintenance of the strategic and local highway network.
- 4.2 It is recommended that delegated authority be given to the Cabinet Member for Transport and Infrastructure to approve expenditure of all works procured in order to deliver the HIS2 programme as set out in this report.

---

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

#### **Contact Details:-**

David Giblin  
Head of Engineering Services  
[d.r.giblin@bury.gov.uk](mailto:d.r.giblin@bury.gov.uk)



## Highway Investment Strategy - Tranche 2 (HIS2) Including DfT funded schemes

### Appendix 1

Strategic Network Schemes			
Road name	Area	Limits / Description	Estimated Cost (£k)
Cross Lane*	Radcliffe	Full Length	275
Derby Way	Bury East	Full Length Include Junction With Peel Way	810
Pilkington Way And New Road	Radcliffe	Dale Street To Petrol Station On New Road	550
Walmersley Road	Ramsbottom	Between M66 Slip Roads	210
Bury Bridge, Ring Road West	Bury West	Bolton Street, Jubilee Way, Crostons Road	1,200
Rochdale Old Road	Bury East	Castle Hill Road To Rochdale Boundary	240
Bolton Road	Radcliffe	Coleridge Drive To Turf Street	265
Hall Street	Ramsbottom	Walshaw Hall To High Street	230
Heywood Road	Prestwich	Hampden Road To Park View Road	250
A56 Manchester Road	Bury	Wellington Road To 50m South Of Gigg Lane	385
Radcliffe Road	Bury East	Warth Bridge To Derby High School Entrance	230
Strategic Network Schemes Total			4,645

\* subject to proposed housing development on the East Lancashire Paper Mill site going ahead, in which we would insist some part of this scheme was included.

<b>Local Network Schemes</b>			
<b>Road name</b>	<b>Area</b>	<b>Limits / Description</b>	<b>Estimated Cost (£k)</b>
Sunny Bank Road	Whitefield	Burndale Drive To Ajax Drive	195
Oak Lane	Whitefield	Full Length	240
Sandgate Road	Prestwich	Mount Road To M60 Bridge	125
Thatch Leach Lane	Whitefield	Full Length	270
Wood Road Lane	Ramsbottom	Twist Bridge To Fp168, Higher Wood Farm	75
Randale Drive	Whitefield	Sunny Bank Road To Chadderton Drive	40
Bass Lane	Ramsbottom	Full Length	176
Alma Street	Radcliffe	Knowles St To Cemetery Rd & Adelphi St To Cul-De-Sac End	110
Woodhill Road	Bury West	Canterbury Drive - Truro Close	146
Bury Old Road	Bury West	Full Length	185
Glebelands Road	Prestwich	Heywood Road To Langley Road	80
West Ave	Whitefield	Full Length	57
Lever Street	Radcliffe	Full Length	188
Meadowcroft	Radcliffe	Full Length	129
Albert Street	Ramsbottom	Full Length	81
Monmouth Ave	Bury East	Full Length	50
James Street North	Radcliffe	Full Length	60
Hillcrest Road	Prestwich	Full Length	39
Tennyson Ave	Bury East	Full Length	140
Cornwall Drive	Bury East	Full Length	137
Westgate Ave	Ramsbottom	Full Length	70
Alston Street	Bury West	Full Length	33
Tor Avenue	Ramsbottom	Full Length	60
Townside Row	Bury East	Full Length	52
Harlech Avenue	Prestwich	Full Length	36
Westminster Avenue	Radcliffe	Coronation Road To Holborn Avenue	92
Mitchell Street	Bury West	Full Length	24
Stewart Street	Bury West	Tottington Road To Mitchell Street	21

Park Road	Prestwich	Sheepfoot Lane To Castle Hill Road	182
Mosley Avenue	Bury East	Full Length	70
Buckingham Drive	Bury West	Bolton Road To Windsor Drive	18
Moorway	Ramsbottom	Full Length	61
HASTINGS ROAD	PRESTWICH	ORANGE HILL ROAD TO BAILEY STREET	31
RAVENSWAY	PRESTWICH	BURY OLD ROAD TO 50M	25
SANDY MEADE	PRESTWICH	BUTTERSTILE ROAD TO 50M	25
WOODBANK DRIVE	BURY WEST	FULL LENGTH	82
			<b>3,405</b>

<b>Additional Priority Schemes (DfT Funded)</b>			
<b>Road name</b>	<b>Area</b>	<b>Limits / Description</b>	<b>Estimated Cost (£k)</b>
The Rock	Bury East	Refurbishment Of Pedestrianised Area	750
Priority Scrim Deficient Sites (Skid Resistance)	Various	Tbc	150
Thin Surface Early Life Carriageway Failure	Various	As Required	175
Walshaw Road (Early Life Failure)	Bury West	Tottington Road To Harvey Street	125
<b>Additional Priority Schemes Total</b>			<b>1,200</b>

<b>HIS2 Element</b>	<b>Estimated Cost (£k)</b>
Strategic Network	4,645
Local Network	3,405
Additional Priority Schemes	1,200
<b>Grand Total for HIS2 3-Year Programme</b>	<b>9,250</b>

This page is intentionally left blank

# REPORT FOR DECISION



<b>DECISION OF:</b>	<b>The Cabinet</b>
<b>DATE:</b>	<b>29 July 2020</b>
<b>SUBJECT:</b>	<b>Greater Manchester Highways Alliance Procurement Framework</b>
<b>REPORT FROM:</b>	<b>Cabinet Member for Transport and Infrastructure</b>
<b>CONTACT OFFICER:</b>	<b>David Giblin, Head of Engineering</b>
<b>TYPE OF DECISION:</b>	<b>Key decision</b>
<b>FREEDOM OF INFORMATION/STATUS:</b>	This paper is within the public domain.
<b>SUMMARY:</b>	Adoption and use of the Greater Manchester Highways Alliance Procurement Framework.
<b>OPTIONS &amp; RECOMMENDED OPTION</b>	Approval to implement and access the Greater Manchester Alliance Framework (as developed by Stockport and Bury Councils) as a future mechanism to procure civil engineering works.
<b>IMPLICATIONS:</b>	
<b>Corporate Aims/Policy Framework:</b>	Do the proposals accord with the Policy Framework? <b>Yes</b>
<b>Statement by the S151 Officer: Financial Implications and Risk Considerations:</b>	The proposed arrangements will ensure the council is able to maximise the opportunity for securing best value. The approach proposed promotes the principles of strong financial governance and is fully supported.
<b>Equality/Diversity implications:</b>	No
<b>Considered by Monitoring Officer:</b>	This report sets out proposals for the future procurement of engineering work, by way of a framework arrangement. The use of frameworks is an established method of

	reducing the timescales involved in procurement whilst adhering to the Procurement Regulations. This results in significant cost savings and enables the contracting authority to develop a strategic relationship with the supply chain over a long period and also achieve better value. Legal advice has been sought on the current proposals.
<b>Wards Affected:</b>	All Wards.
<b>Scrutiny Interest:</b>	Overview and Scrutiny

## 1.0 BACKGROUND

- 1.1 Bury's highway network consists of 660 kilometres of carriageway, 1,200 kilometres footway, 300 kilometres of footpaths, 228 structures, 19,000 street lighting columns, 36,500 road gullies (and their associated many kilometres of drainage), 15 kilometres of guardrail, signs and street furniture. It totals almost £1 billion in Whole of Government Accounts replacement value.
- 1.2 Not only do all of these assets require maintenance (such as resurfacing, road markings, bridge repairs etc.) but new works are also required in order to implement improvements to the network such as junction reconfigurations as well as new sections of highway and bridges from time-to-time.
- 1.3 Historically, Bury has taken what is known as a spot tendering approach to procurement of contractors where the required works are packaged into a set of contract documentation that is then procured through an open invitation to tender to the market in accordance with Public Contracts Regulations 2015 and the Council's contract procedure rules.
- 1.4 Whereas spot tendering gains access to the competitive market, it has many shortfalls:
  - No opportunity to build on partnerships given the turnover of contracts;
  - Resistance from many tenderers to keep submitting competitive bids if they are not winning. This reduces the pool of available tenderers;
  - Tendering procedure is document and resource intensive to prepare for both contractors and the Council
  - Timescale required can impede a quick turnaround of scheme where the procurement aspect becomes the limiting factor to react;
  - When price becomes the overriding factor, other aspects can suffer such as quality and contract performance.

- 1.5 By contrast, framework contracts allow for:
- Reduced transaction costs for both Clients and Contractors;
  - Continuous improvement within long-term relationships;
  - Better value and greater community wealth by utilising local value initiatives and strengthening local supply chains;
  - Early contractor involvement which can assist in informing early design decisions based around buildability issues;
  - As frameworks can be in place for up to 4 years, it gives Clients the ability to programme long-term initiatives such as the whole of the Council's 3-year resurfacing programme.
- 1.6 Through GM collaborative activity, Procurement and Engineering Officers engaged with neighbouring authorities to identify the best practice procurement strategy for highways and civil engineering works. This activity was led by Stockport Council and its procurement Service, STaR, who were looking to build upon the successes of their Alliance contract, to share the learning and benefits with other Greater Manchester Authorities and to support the delivery of highway improvement and maintenance programmes across GM. Recognising the advantages of joint procurement, Bury Council has collaborated with Stockport to develop a new Alliance Framework and, in being an active partner in forming the new framework, has ensured Bury can access the framework with terms and conditions favourable to its own requirements.
- 1.7 This new approach to procurement is a recommendation of the Highway Maintenance Efficiency Programme (HMEP), a collaborative partnership in the highway maintenance sector endorsed by the Department for Transport (DfT), with the objective to improve the efficiency of all aspects of the industry.
- 1.8 By moving to this method of procurement, the Authority can ensure that it is proceeding in line with HMEP recommended Asset Management practices, that will help the Authority maintain the maximum allocation in any ongoing incentive element funding from DfT capital allocations.
- 1.9 In considering procurement options a number of key challenges were identified by the participating Authorities;
- Capacity/availability of the market: There has been an ongoing difficulty to maintain capacity within the market due to the reactive nature of the works undertaken, disparate contractual arrangements in place and lack of certainty on funding within the public sector;
  - Cost certainty & quality of works: Due to limited technical resources within each Authority, up to date market pricing and certainty on programmes, this has impacted on outturn costs and quality of work;
  - Working practices: The impact from austerity has resulted in having to operate within core working hours due to budgetary pressures. This can however have a negative impact on air quality and increased probability of road accidents due to traffic congestion;
  - Technical capacity of Authorities: Each Authority has seen a decrease in available technical resource within their service departments over the past 10 years due to austerity which has had an adverse effect on contract and performance management.

These challenges were considered alongside key objectives:

- Improved contractor engagement.
- Partnering/collaboration – GM approach, better contractual arrangements.
- Review in house provision if working collaboratively.
- Alternative costing models, open book, and use of sustainable materials.
- Sharing of technical resource.
- Improved utilisation of fixed assets
- Improved contract management.
- Improved programme management and co-ordination.
- Delivery, measurement and impact of social value.
- Propose changes to DFT funding to align with improvements to longer term programming to meet improvements in VFM and supply certainty.
- Local supply chain engagement

1.10 Following an options appraisal, consultation with clients from the technical and procurement groups, and feedback from contractors at market engagement events the preferred option was to establish a 4 year Alliance Framework under which participating authorities would be able to call off contracts. The length of the call off contract could be up to 10 years, or any shorter period as determined appropriate by the Contracting Authority.

1.11 A Framework Agreement will be established with the top 3 ranked bidders (if applicable) for each of the proposed Lots (see below for a listing of the lots). The Framework Agreement will be in place for a period of 4 years with the option to award without re-opening competition to the highest ranked available contractor or to undertake mini-competitions between all the relevant contractors on a particular Lot. The intention is to directly award a contract for a period of 4 years (with the option to extend by 4 years and then an additional extension for 2 years). This maximises the value of the framework, allowing us to test that the model works effectively for Bury with flexibility to consider alternative options if needed. The Framework Agreement is not just accessible by Stockport and Bury, but it is also available for use by all AGMA partners and associated members.

The lots, work disciplines and shortlisted contractors are:-

LOT	WORK DISCIPLINE	INDICATIVE (Non-Binding) CONTRACT VALUE (£k)	SHORTLISTED CONTRACTORS
1	Planned Maintenance (Paving and specialist projects)	£800	<ul style="list-style-type: none"> <li>• A E Yates</li> <li>• J Cooney Limited</li> <li>• J Hopkins (Contractors) Ltd</li> </ul>
2	Surface Dressing/Slurry Seal & Micro-Asphalt	Not Used	
3	Carriageway Surfacing	£1,500	<ul style="list-style-type: none"> <li>• Aggregate Industries UK Ltd</li> <li>• Bethell Group PLC</li> <li>• Galiford Try Infrastructure</li> <li>• Hanson Quarry Products</li> </ul>



			<ul style="list-style-type: none"> <li>• J Hopkins (Contractors) Ltd</li> <li>• Tarmac Trading Limited</li> </ul>
4	Lining (incl. coloured surface overlay)	£100	<ul style="list-style-type: none"> <li>• Jointlines Limited</li> <li>• L &amp; R Roadmarkings Ltd</li> <li>• Wilson &amp; Scott (Highways)</li> <li>• WJ Roadmarkings Ltd</li> </ul>
5	Anti-Skid and Coloured Surfacing	Amalgamated with Lot 4 for Bury	
6	Street Lighting & Signing	Not Used	
7	Civils (Drainage works and specialist projects)	£800	<ul style="list-style-type: none"> <li>• A E Yates</li> <li>• Bethell Group PLC</li> <li>• George Cox &amp; Sons Ltd</li> <li>• J Cooney Limited</li> <li>• J Hopkins (Contractors) Ltd</li> <li>• NMS Civil Engineering Ltd</li> </ul>
8	CCTV Jetting/Inspections	£50	<ul style="list-style-type: none"> <li>• General Utilities Ltd</li> <li>• Mantank Enviro Services</li> <li>• Shapphore Solutions Ltd</li> </ul>
9.1	Highway Structures < £50k	£100	<ul style="list-style-type: none"> <li>• Coating Services Ltd</li> <li>• George Cox &amp; Sons Ltd</li> <li>• Storey Contracting Ltd</li> </ul>
9.2	Highway Structures > £50k < £500k	£200	<ul style="list-style-type: none"> <li>• A E Yates</li> <li>• Bethell Group PLC</li> <li>• Coating Services Ltd</li> <li>• Eric Wright Civil Engineering</li> <li>• Eurovia Infrastructure Ltd</li> <li>• George Cox &amp; Sons Ltd</li> </ul>
9.3	Highway Structures > £500k	Not Used	
10	Coring	£25	<ul style="list-style-type: none"> <li>• Pavement Testing Services</li> </ul>
11	Weed Control	Not Used	

- 1.12 Access to the framework will initially just be by the Council's Engineering Services to help deliver its programme of works, in particular, especially the resurfacing elements of the Highways Investment Strategy - Tranche 2 (known as HIS2). Streetscene Maintenance Services already have contractual commitments in places which precludes their immediate adoption of the framework. As and when these contractual commitments come to an end, Streetscene Maintenance Services will review their requirements and the suitability of this framework to assist them in the delivery of their programmes of works.

## 2.0 ISSUES

2.1 The Strategic Objectives of the Alliance Framework are:

- Long Term Relationships: Develop long term effective and mutually beneficial relationships between the Council and Contractors, who can bring a wealth of expertise and value-engineered solutions;
- Collaboration: Working better together to ensure robust programme management, cost and supply chain management, whilst developing better

working practices and adopting an integrated and collaborative approach to BIM Level 2 and PAS 55 Asset Management;

- Value for Money: Whilst developing supplier relationships is key, the Alliance should continue to ensure value for money is demonstrated through the life time of the agreement;
- Social Value: Ensuring any investment in goods and services generates added social, environmental and economic value for residents. Placing a requirement on potential contractors to think about how the goods or services they are offering to supply will also ensure added benefit to the local community;
- Maintain Capacity & Develop Efficiencies: Ensure capacity within the market is maintained whilst developing continuous improvement through the supply chain;
- Achieving Local Spend: Provide opportunities for local contractors to be involved in the delivery of the schemes, keeping spend within Bury and Greater Manchester where possible;
- Contractor Knowledge: Access for the Council to specialist knowledge and development to support and develop technical skills. The provisions of the proposed Alliance are that work is allocated to the contractors based on the discipline required and the applicable schedule of rates.

2.2 Social value is embedded within the Framework. The Social Value evaluation will review how bidders propose to contribute to the achievement of Council key priorities. Areas which bidders have been asked to consider in their response, are those that the Council believes are related to the subject matter of the contract and are reasonable and proportionate (these areas are not exhaustive); they include...

- Creation of Jobs in GM and more specifically in Bury;
- Creation of traineeships (including apprenticeships); or upskilling of current staff (e.g. NVQ progression, onsite training.)
- Provision of work experience days/ hours;
- Provision of career mentoring for job clubs at schools, community centres etc. long term unemployed (mock interviews, CV advice, and Careers guidance);
- Commitment to spending a higher % from this contract with local suppliers will be assessed as part of the tender evaluation;
- Environmental Considerations; recycling and use of local people for workforce;
- Contribute time and/or support to community and voluntary organisations.

2.3 Whilst this framework agreement does not commit the Council to any procurement of works, for the reasons stated it is felt this is the most efficient way of the Council being able to conduct the forthcoming HIS2 subject to approval of the recommendations in the Cabinet report: 'Highway Investment Strategy - Tranche 2 (HIS2)'.

### **3.0 CONCLUSION**

- 3.1 It is recommended approval be given to the procurement route outlined above as the mechanism for procuring specialist highway contractors to support the Council in its delivery of significant infrastructure works over the next decade in terms of highway and bridge improvement and maintenance. The establishment of the Framework itself does not commit the Council to specific expenditure. Individual call-off contracts will be entered into with Framework contractors to deliver the schemes

### **4.0 FINANCIAL IMPLCIATIONS**

- 4.1 There are no direct financial implications arising from the report. The framework will however enable the council to secure best value when tendering for works.

---

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

None.

#### **Contact Details:-**

David Giblin  
Head of Engineering Services  
[d.r.giblin@bury.gov.uk](mailto:d.r.giblin@bury.gov.uk)

This page is intentionally left blank

## REPORT FOR DECISION



<b>DECISION OF:</b>	<b>The Cabinet</b>
<b>DATE:</b>	<b>29 July 2020</b>
<b>SUBJECT:</b>	<b>Civil Financial Penalty Policy</b>
<b>REPORT FROM:</b>	<b>Cabinet Member for Housing Services</b>
<b>CONTACT OFFICER:</b>	<b>Danielle McGhee, Unit Manager, Private Rented Sector Housing</b>
<b>TYPE OF DECISION:</b>	<b>Key decision</b>
<b>FREEDOM OF INFORMATION/STATUS:</b>	This paper is within the public domain
<b>SUMMARY:</b>	<p>The Housing and Planning Act 2016, introduced amendments to the Housing Act 2004, to allow local authorities to impose a financial penalty, also known as a fine, for certain offences under The Housing Act as an alternative to criminal prosecution. The powers came into force in April, 2017 and as of yet, the powers have not been adopted by Bury Council.</p> <p>The report introduces the Civil Penalty Policy and provides an overview of the process and procedure the council will adopt when considering issuing a civil penalty to ensure the decision is fair and accountable.</p> <p>The aim of adopting the civil penalties policy is to increase the range of measures open to the Council in tackling housing offences and to increase the Council's capacity to undertake enforcement where there is clear evidence that offences have been committed</p>
<b>OPTIONS &amp; RECOMMENDED OPTION</b>	<p><b><u>Recommended option:</u></b></p> <p><b>To approve and implement the civil financial penalty policy, to allow officers to impose strong fines to rogue landlords and letting agents.</b></p> <p>Implementing the policy allows the Council a further opportunity to increase funding, due to the monies being returned to the department to continue enforcement activities within the private rented sector.</p> <p><u>Other options available:</u></p> <p>1 - Reject the civil penalty policy –</p> <p>As a piece of legislation, we have a duty to adopt and utilise the powers contained within. Not adopting the policy also misses the opportunity to generate additional</p>

	income.  2 - Implement the policy and change the banding level of fines. This would mean Bury Council is not consistent with other GM authorities.
<b>IMPLICATIONS:</b>	
<b>Corporate Framework:</b>	<b>Aims/Policy</b> Do the proposals accord with the Policy Framework? Yes
<b>Statement by the S151 Officer: Financial Implications and Risk Considerations:</b>	There are no financial costs resulting from the proposal. Any income received will be ring fenced according to the legislation.
<b>Equality/Diversity implications:</b>	No
<b>Considered by Monitoring Officer:</b>	The legal implications are set out in the report and as stated, the legislation requires adoption before implementation and operation.
<b>Wards Affected:</b>	All
<b>Scrutiny Interest:</b>	No.

## 1.0 LEGISLATIVE FRAMEWORK

- 1.1** Schedule 9 of The Housing and Planning Act 2016 amends the Housing Act 2004 to allow financial penalties, up to a maximum of £30,000, to be imposed as an alternative to prosecution for certain relevant housing offences.
- 1.2** Prior to the introduction of this legislation, options to the local authority where housing act offences had been committed, were rather limited. Options consisted of carrying out works in default, (where appropriate) issuing a formal caution or pursuing the matter through the Court system for criminal prosecution. There has not been an option for a local authority to impose a financial penalty for the offences listed in the Act.
- 1.3** A prosecution through the Court system can take a significant amount of time and financial resource to draw to a conclusion and impose a sentence. Alongside having evidence beyond all reasonable doubt, any case that enters the Court system must be in the public interest to pursue. Previously, where an offence had been committed and deemed not in the public interest to pursue any further, the council could only consider a formal caution as a realistic sanction. The introduction of civil penalties allows, in those circumstances, officers to consider the option to impose a penalty.
- 1.4** The relevant offences under the Housing Act for which a local authority can issue a civil penalty are:
- Failing to comply with an improvement notice

- Offences in relation to the licensing of HMOs (*Houses in Multiple Occupation*)
- Offences in relation to selective licensing
- Failing to comply with an overcrowding notice
- Breach of Management regulations in respect of HMOs.

**1.5** The power to issue a penalty only apply to offences committed after April 2017. Section 249A (4) inserted into the Housing Act 2004 enables the amount of the financial penalty to be determined by the local housing authority and schedule 13A inserted into the Housing Act 2004 prescribes the procedures that a local housing authority must follow before imposing a financial penalty, for imposing the penalty, the appeal process and the procedure for recovery of the penalty.

**1.6** Statutory guidance has been produced by the MHCLG (Ministry of Housing, Communities and Local Government) which serves a guide to local authorities to help them understand how to use their powers and impose a civil penalty as an alternative to a prosecution. It makes it quite clear that local authorities must have regard to the guidance in the exercise of their functions in respect of civil penalties. In developing the policy, the Council has had regard to the guidance.

## **2.0 LOCAL AUTHORITY POLICY**

In accordance with Government guidance the Council has developed a policy for the imposition of civil penalties for offences under The Housing Act 2004. This is set out at Appendix 1. The approach to the level of fines and subsequent policy has been developed in conjunction with other local authorities across Greater Manchester to ensure consistency, this has unfortunately led to a delay between the legislation passing and Bury Council adopting and implementing it.

**2.1** The policy (appendix 1) describes in detail how Bury Council comes to the decision to issue a financial penalty, the level of fine it will impose and the process it will follow to issue the penalty, including the service of legal notices.

In summary, the policy details:

**2.2** The Burden of proof required to issue a penalty; There must enough evidence to prove the offence in the Magistrates Court, beyond all reasonable doubt with a realistic prospect of conviction.

**2.3** Most appropriate course of action; civil penalty or prosecution - Each case will be judged on its own merit, taking into account the evidence available. A financial penalty will be considered for cases where this is no previous history of non-compliance for example.

**2.4** The level of fine to issue - As detailed in the policy, the following factors will be considered when decided the level of fine to be issued:

- The seriousness of the offence, determined by the harm caused and the culpability of the offender (further detailed within the policy)
- The history of compliance by the offender
- The punishment of the offender for the offence
- The deterrent value to prevent the offender from repeating the offence
- The deterrent value to prevent others from committing similar offences
- Removing any financial benefit obtained from committing the offence

- 2.5** The Council has engaged with other GM authorities through the GMPRSHG (Greater Manchester Private Rented Sector Housing Group) in developing the levels of harm, culpability and fine banding levels, as mentioned above and the maximum level of penalty imposed per offence is £30,000.  
The financial penalty banding levels across GM are:

Band 1	£0 - 4999
Band 2	£5000 - 9999
Band 3	£10000 - 14999
Band 4	£15000 - 17999
Band 5	£18000 - 20999
Band 6	£21000 - 23999
Band 7	£24000 - 26999
Band 8	£27000 - 30000

The starting point in each band is the mid-point.

- 2.6** Where the Council has considered the offence and decided that the most appropriate course of action is to issue a financial penalty, they will do so by following the legal process detailed within the policy, which includes serving legal notices. The Council's legal department has been consulted on this process and the working of the notices.
- 2.7** Where financial penalties imposed are not paid, the monies are recoverable through an order made in the County Court.
- 2.8** All money generated through the issuing of financial penalties provides a small income stream for the Council which is directly ring fenced to come back into the Urban Renewal department to continue with their enforcement activities in the private rented sector.

## **3.0 EQUALITY AND DIVERSITY**

There is no perceived impact of this decision on equality and diversity as Government legislation, providing extra enforcement tools to tackle rogue landlords and letting agents, we have a statutory obligation to implement it.

## **4.0 FINANCIAL IMPLICATIONS**

There are no financial implications to adopting and implementing the policy.

---

### **List of Background Papers:- Statutory MHCLG Guidance: Civil Penalties**

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/697644/Civil\\_penalty\\_guidance.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/697644/Civil_penalty_guidance.pdf)

Housing and Planning Act 2016

<http://www.legislation.gov.uk/ukpga/2016/22/contents/enacted>

### **Contact Details:-**

*Danielle McGhee*

*Unit Manager*

*Private Rented Sector Housing*

*0161 253 5561*

[d.mcgee@bury.gov.uk](mailto:d.mcgee@bury.gov.uk)



## **Appendix 1**

### **POLICY ON CIVIL (FINANCIAL) PENALTIES AS AN ALTERNATIVE TO PROSECUTION UNDER THE HOUSING AND PLANNING ACT 2016**

#### **1. Introduction**

The Housing and Planning Act 2016 introduced Civil Penalties of up to £30,000 from 6<sup>th</sup> April 2017 as an alternative to prosecution for certain offences under the Housing Act 2004.

These are:

- **Section 30 (failure to comply with an Improvement Notice)**
- **Section 72 (offences in relation to licensing of HMOs)**
- **Section 95 (offences in relation to licensing of houses under Part 3 (Selective Licensing))**
- **Section 139(7) (failure to comply with an overcrowding notice)**
- **Section 234 (breach of Management Regulations in respect of an HMO)**

The power to impose a civil penalty as an alternative to prosecution for these offences was introduced by section 126 and Schedule 9 of the Housing and Planning Act 2016.

In determining the Civil Penalty amount, Bury Council will have regard to the statutory guidance issued under schedule 9 of the Housing and Planning Act 2016 and also to the Government's Department of Communities and Local Government (DCLG) developed Civil Penalty Matrix.

#### **2. Burden of Proof**

The criminal burden of proof, i.e. beyond all reasonable doubt, must be satisfied before a Civil Penalty can be issued as an alternative to prosecution. Bury Council must satisfy itself that there would be a realistic prospect of conviction, applied objectively, given the evidence available.

In assessing the evidence, regard must be given to the Code for Crown Prosecutors and, when deciding whether there is sufficient evidence to prosecute, consideration must be given as to whether the evidence can be used and is reliable.

Due regard must be given to any potential defences available and, in certain circumstances, Bury Council may decide to conduct an interview under caution in accordance with PACE codes of practice to assist in determining whether the issue of a Civil Penalty is appropriate or not.

#### **3. Factors in deciding whether to Prosecute or issue a Civil Penalty**

Each case will be decided upon its own merits taking into account all the evidence available.

Where Bury Council considers that a Housing Act offence has been committed, it must decide whether to prosecute or to issue a civil penalty as an alternative to prosecution. The following factors, whilst not exhaustive, are examples of where it would usually be appropriate to consider prosecution:-

- The seriousness of the offence; e.g. breach of a Prohibition Order would be an offence only suitable for prosecution.
- Forms part of a wider prosecution; e.g. Health and Safety Inspection
- The antecedents of an individual; e.g. a landlord indicates that he / she has been regularly prosecuted for Housing Act or similar offences.

The following factors, whilst not exhaustive, are examples of where it would usually be appropriate to consider the issue of a Civil Penalty:-

- No evidence of previous non-compliance with appropriate legislation.
- Offence was committed as a result of a genuine mistake or misunderstanding, (these factors must be balanced against the seriousness of the offence )
- Prosecution is likely to have a serious adverse effect upon an individual's well-being; e.g. a landlord's physical or mental health, but always bearing in mind the seriousness of the offence.

#### 4. Factors in determining the level of Civil Penalty

In order to ensure that the civil penalty is set at an appropriate level the following factors will be considered:-

- The seriousness of the offence, determined by the harm caused and the culpability of the offender
- The history of compliance by the offender
- The punishment of the offender for the offence
- The deterrent value to prevent the offender from repeating the offence
- The deterrent value to prevent others from committing similar offences
- Removing any financial benefit obtained from committing the offence

##### 4.1 Harm Caused

In determining the level of harm Bury Council will have regard to:

- The person: i.e. physical injury, damage to health, psychological distress
- To the community; i.e. economic loss, harm to public health
- Other types of harm; i.e. public concern/feeling over the impact of poor housing condition on the local neighbourhood

The nature of the harm will depend on the personal characteristics and circumstances of the victim, e.g. the tenant.

Where no actual harm has resulted from the offence, Bury Council will consider the relative danger that persons have been exposed to as a result of the offender's conduct, the likelihood of harm occurring and the gravity of harm that could have resulted.

Factors that indicate a higher degree of harm include:

- Multiple victims
- Especially serious or psychological effect on the victim
- Victim is particularly vulnerable

##### 4.1.1 Examples of Harm Categories

<b>High</b>	Housing defect giving rise to the offence poses a serious and substantial risk of harm to the occupants and/or visitors; for example, danger of electrocution, carbon monoxide poisoning or serious fire safety risk.
<b>Medium</b>	Housing defect giving rise to the offence poses a serious risk of harm to the occupants and/or visitors; for example, falls between levels, excess cold, asbestos exposure.
<b>Low</b>	Housing defect giving rise to the offence poses a risk of harm to the occupants and/or visitors; for example, localised damp and mould, entry by intruders.

##### 4.2 Culpability

In determining culpability Bury Council will have regard to 4 levels of culpability.

Where the offender -

- Has the **intention** to cause harm, the highest culpability where an offence is planned.

- Is **reckless** as to whether harm is caused, i.e. the offender appreciates at least some harm would be caused but proceeds giving no thought to the consequences, even though the extent of the risk would be obvious to most people.
- Has **knowledge** of the specific risks entailed by his actions even though he does not intend to cause the harm that results.
- Is **negligent** in their actions.

#### 4.2.1 Examples of Culpability

<b>Very High (Deliberate Act)</b>	Intentional breach by landlord or property agent or flagrant disregard for the law e.g. where an unregistered gas fitter is allowed to carry out gas work and the landlord/property agent knows that he is not registered.
<b>High (Reckless Act)</b>	Serious or systemic failings, actual foresight of or wilful blindness to risk of offending but risks nevertheless taken by the landlord or property agent; e.g. failure to comply with HMO Management Regulations
<b>Medium (Negligent Act)</b>	Failure of the landlord or property agent to take reasonable care to put in place and enforce proper systems for avoiding commission of the offence; e.g. part compliance with a schedule of works, but failure to fully complete all schedule items within notice timescale.
<b>Low (Low or no culpability)</b>	Offence committed with little or no fault on the part of the landlord or property agent; e.g. obstruction by tenant to allow contractor access, damage caused by tenants

#### 4.3 Correlation between Harm and Culpability in determining the Civil Penalty Amount

In assessing the seriousness there is a need to consider both culpability and harm.

The table below sets out the interrelation between harm and culpability as a determinant of the appropriate Civil Penalty banding level to be applied.

<b>Low Culpability/High Harm</b> Band 4	<b>Medium Culpability/High Harm</b> Band 5	<b>High Culpability/High Harm</b> Band 6	<b>Very High Culpability/High Harm</b> Band 8
<b>Low Culpability/Medium Harm</b> Band 3	<b>Medium Culpability/Medium Harm</b> Band 4	<b>High Culpability/Medium Harm</b> Band 5	<b>Very High Culpability/Medium Harm</b> Band 7
<b>Low Culpability/Low Harm</b> Band 1	<b>Medium Culpability/Low Harm</b> Band 2	<b>High Culpability/Low Harm</b> Band 3	<b>Very High Culpability/Low Harm</b> Band 4

#### 5. Level of Civil Penalty to be imposed

In determining the financial value of an imposed penalty, subject to a maximum of £30,000, Bury Council shall have regard to the Banding Levels referred to in Appendix 1. Where there is more than one offence each offence will be given a banding level based upon the criteria identified in this Policy. Each of those offences may have a different banding level dependent upon the circumstances of the offence.

**The Civil Penalty should be fair and proportionate given the circumstances of the case but in all instances should act as a deterrent and remove any gain as a result of the offence.**

The starting point for the Civil Penalty will be the mid –point of the relevant band level and is based upon the assumption that no aggravating / mitigating factors apply to the offence. An offender will be assumed to be able to pay a penalty up to the maximum amount unless they can demonstrate otherwise.

### **5.1 Aggravating Factors**

The penalty may be increased by £1000 for each aggravating factor up to the maximum of the band level determined in Appendix 1.

### **5.2 Mitigating Factors**

The penalty may be decreased by £1000 for each mitigating factor to the minimum of the band level determined in Appendix 1.

### **5.3 Sentencing Guidelines**

When considering any relevant aggravating and mitigating factors due regard should, inter alia, be given to the Sentencing Council Guidelines.

### **5.4 Assessment of Assets and Income**

Where Bury Council is satisfied that the assets and income (not just rental income) of the offender are such that it is just and appropriate to increase or reduce the penalty then the penalty may be increased or reduced on a sliding scale, dependent upon the financial circumstances of the offender, up to the maximum or minimum point of the banding level identified for the offence.

### **5.5 Reduction in Penalty Imposed**

Bury Council may reduce the penalty imposed where corrective action is taken in respect of the offence committed in a timely and appropriate manner in circumstances where Bury Council have assessed the category of culpability as being low or medium.

Such reduction will only be applied where the corrective action has been taken prior to the service of the Final Notice.

The maximum level of reduction to be applied will be 30% of the penalty amount and each case will be considered on its own merits.

## **6. Civil Penalties**

### **6.1 Multiple Offences**

Where Bury Council is satisfied that more than one offence has been committed concurrently in respect of a single property, they may issue multiple Civil Penalty Notices for each offence (e.g. where there are multiple breaches of the HMO Management Regulations).

### **6.2 Multiple Penalties**

Where satisfied on the merits of the case and/or where Bury Council consider that issuing multiple penalties at the same time would result in an excessive cumulative penalty, nothing in this policy shall require the authority to do that. The authority may take action in respect of one or some of the offences and warn the offender that future action in respect of the remaining offences will be taken if they continue.

## **7. Process for Imposing Penalty Charges**

Where it has been determined that a Financial Penalty may be appropriate to impose as an alternative to prosecution, Bury Council will apply the following process:-

### **7.1 Notice of Intent**

- A “Notice of Intent” shall be served on the person suspected of committing the offence. The Notice shall specify:
  - a. The amount of any proposed financial penalty
  - b. The reasons for proposing the financial penalty
  - c. Information about the right to make representation to Bury Council
- The person to which the notice relates will be given 28 days to make written representation to Bury Council about the proposal to impose a financial penalty.

- Following the 28 day period Bury Council will decide:
  - a. Whether to impose a financial penalty on the person, and
  - b. The value of any such penalty imposed.

## **7.2 Final Notice**

- If Bury Council decides to impose a financial penalty, a final notice shall be issued imposing that penalty. The final notice will specify:
  - a. the amount of the financial penalty,
  - b. the reasons for imposing the penalty,
  - c. information about how to pay the penalty,
  - d. the period for payment of the penalty,
  - e. information about rights of appeal to the First tier Tribunal
  - f. the consequences of failure to comply with the notice.

## **8. Consequences of Non-Compliance and Miscellaneous Provisions**

If, after any appeal has been finally determined or withdrawn, a person receiving a financial penalty does not pay all or part of the penalty charge, Bury Council will recover the penalty by order from a County Court. Where appropriate, Bury Council will also seek to recover the costs incurred in taking this action from the person to which the financial penalty relates.

Financial Penalties are an alternative to criminal proceedings and as such if a penalty is imposed, no criminal proceedings will be initiated for the same offence.

Bury Council may, at any time:

- a. Withdraw a notice of intent or final notice
- b. reduce the amount specified in a notice of intent or final notice

Where Bury Council decides to take either action, it will write to the person to whom the notice was given.

## **9. Record of the Decision**

A record of each decision and the reasons for the financial penalty will be made by an appropriate officer and how the amount of the penalty was obtained and the reasons for imposing it.

## **10. Database of Rogue Landlords and Letting Agents**

Upon commencement of the statutory provisions relating to the national Rogue Landlord and Letting Agents Database, where a person has received two financial penalties under this legislation in any 12 month period for offences occurring within the borough of Bury, the Council may make an entry on the national database. When considering making an entry, the authority will have regard to any guidance issued by the Secretary of State.

**APPENDIX 1****Banding Levels of Financial Penalties imposed under the Housing Act 2004 (the Act)**

<b>Band 1</b>	<b>£0 - 4999</b>
<b>Band 2</b>	<b>£5000 - 9999</b>
<b>Band 3</b>	<b>£10000 – 14999</b>
<b>Band 4</b>	<b>£15000 - 17999</b>
<b>Band 5</b>	<b>£18000 - 20999</b>
<b>Band 6</b>	<b>£21000 - 23999</b>
<b>Band 7</b>	<b>£24000 - 26999</b>
<b>Band 8</b>	<b>£27000 - 30000</b>

The starting point in each band will be the mid-point, i.e. for Band 3 the mid-point will be £12,500.



<b>DECISION OF:</b>	<b>Cabinet</b>
<b>DATE:</b>	<b>29 July 2020</b>
<b>SUBJECT:</b>	<b>Vehicle Replacement Strategy (Part A)</b>
<b>REPORT FROM:</b>	<b>Leader and Cabinet Member for Finance and Growth and Cabinet Member for Environment and Climate Change</b>
<b>CONTACT OFFICER:</b>	<b>Donna Ball, Executive Director of Operations</b>
<b>TYPE OF DECISION:</b>	<b>Key decision</b>
<b>FREEDOM OF INFORMATION/STATUS:</b>	Appendix 1 to this Report NOT FOR PUBLICATION, by virtue of Clause 3 of Part 1 of Schedule 12a of the Local Government Act 1972 (Information relating to the financial or business affairs of the authority).
<b>SUMMARY:</b>	The report sets out the approach for replacing the Council's Refuse Collection Vehicles
<b>OPTIONS &amp; RECOMMENDED OPTION</b>	<p>Cabinet is asked to:</p> <ul style="list-style-type: none"> <li>• approve the approach for the procurement of the Council's Refuse Collection vehicles;</li> <li>• note that funding was made available in the Council's capital programme as part of a wider vehicle replacement strategy;</li> <li>• note that the wider vehicle replacement strategy will be presented to Cabinet in September.</li> </ul>
<b>IMPLICATIONS:</b>	
<b>Corporate Aims/Policy Framework:</b>	Do the proposals accord with the Policy Framework? Yes

<b>Statement by the S151 Officer: Financial Implications and Risk Considerations:</b>	<p>The costs of the vehicles can be met from the Council's Capital Programme for which funding for Vehicle Replacement was built in to the programme from 2020/21.</p> <p>The associated borrowing costs have also been reflected in the council's budget although there may be an opportunity to reduce the impact through the consolidation of leasing budgets that are currently held by the service and have been used to support more expensive short term leasing arrangements.</p>
<b>Health and Safety</b>	If vehicles and plant aren't replaced they will in time become unsafe. Specifications for new vehicles will include enhanced H&S features and take account of vibration levels, noise and loading height.
<b>Equality/Diversity implications:</b>	No
<b>Considered by Monitoring Officer:</b>	As set out in the Report.
<b>Wards Affected:</b>	There are no ward implications arising from these proposals.
<b>Scrutiny Interest:</b>	Overview and Scrutiny.

## 1.0 BACKGROUND

- 1.1 The Council currently has a fleet of over 200 vehicles and plant, the vast majority of which is beyond end of life and is in urgent need of replacing. The age of the fleet is causing problems with increasing unreliability of vehicles, which is directly impacting on operational delivery in services such as highways, waste collection and street cleansing. To address some of these issues, the council currently has greater reliance on short term lease and spot hire arrangements which are proving more costly and costs of repairs and maintenance for vehicles is also increasing.
- 1.2 In recognition of this and, at the same time take the opportunity to address the wider climate agenda, the Council made available £10m over 3 years in the capital programme to support the replacement of the fleet. Cabinet will receive a report on the wider vehicle replacement strategy in September 2020, however there is an urgent need to replace some of the Council's Refuse Collection Vehicles. This report sets out the rationale and the proposed procurement route for the vehicles.



## **2 CURRENT POSITION**

- 2.1 The Council's fleet of Refuse Collection Vehicles consists of 24 vehicles, 19 of which are owned and a further 5 are hired long term. Of the council's own vehicles, 17 are eight years old and one is 11 years old. When originally procured it was envisaged that the original life expectancy of the vehicles would be six years and the leasing arrangements were based on that expectancy.
- 2.2 Due to their age these vehicles are increasingly unreliable and expensive to maintain. A number of the older vehicles became unroadworthy, which has resulted in the Council having to hire in 5 vehicles on a long term basis at a weekly cost in order to be able to deliver the service. This is not sustainable in the medium or long term as representing value for money.
- 2.3 There is currently an urgent need to replace 12 of the vehicles in the current financial year. In determining the number of vehicles to be procured, consideration has been taken of the frequency of collection rounds, round optimisation, the age of the current fleet, repairs and maintenance costs and the opportunity to end more expensive spot hire arrangements. Whilst it is proposed that a total of 12 Refuse Collection Vehicles be purchased now, there will be a request for further vehicles at some point in the relatively near future once the full strategy has been developed and longer term needs understood. It is estimated that the cost of the purchase is c£2.1m, although the final price will not be known until the procurement process has been completed.
- 2.4 The 2020/21 capital programme was set by Full Council in February as part of the 2020/21 budget setting process. Included in the programme was £10m of investment in vehicle replacement, a significant element of which was the Refuse Collection Vehicles.

### **3.0 Procurement Approach**

- 3.1 In line with best practice, the technical specification for the requirement of the vehicles has been drawn up collaboratively by the Waste Collection and Transport services and has taken account of fitness for purpose, local conditions of use, support service requirements, market research, feedback from other authorities, vehicle trials and whole life cost in use assessments.
- 3.2 Waste collection vehicles are made up of three distinct components – the chassis, the body and the bin lift. Although these components are manufactured by different suppliers, the body manufacturer is normally commissioned to bring the component parts together and to co-ordinate the delivery of the finished vehicle, as they are best placed to perform this task, given their position in the supply chain.
- 3.3 The business case and whole life costing assessment attached at Appendix 1 provides information on the technical specification of vehicle which represents best value to the Council.
- 3.4 As with all public sector procurement, the procurement process for replacement vehicles must comply with Public Contracts Regulations 2015 (PCR2015) and demonstrate best value for money based on the whole life cost in use.

- 3.5 In determining the appropriate procurement route, consideration must be given to the value of the contract to be awarded and the alternative compliant processes. Two fundamental options for procurement exist, these being to run an Official Journal of the European Union (OJEU) compliant competitive process, using either the open or restricted procedure (this could be in collaboration with others with similar needs, such as other GM authorities), or to procure through an OJEU compliant framework agreement.
- 3.6 A framework is an existing contract which has been procured in accordance with PCR2015 and which gives access to Contracting Authorities such as Bury Council, to procure call-off contracts for specific requirements. A number of compliant frameworks exist for the purchase of vehicles. Public Buying Organisations such as Yorkshire Purchasing Organisation (YPO), Eastern Shires Purchasing Organisation (ESPO), Crown Commercial Services (CCS) and North East Procurement Organisation (NEPO) provide vehicle procurement frameworks. These options have been used previously by the Council. New frameworks are also emerging such as one recently established by Link Asset Services (procured in partnership with Halton Housing). These frameworks have different characteristics such as the level of support provided and the number and type of suppliers included in the individual framework lots. As new frameworks are developed, they can also be considered for future phases of requirements.
- 3.7 The advantages of procuring through a framework can be summarised as:-
- Reduced time to market as OJEU timescales are not applicable;
  - Reduced resources required for evaluation as suppliers are pre-vetted during the framework procurement process;
  - Pre-agreed terms and conditions of contract reducing legal dialogue;
  - Improved pricing negotiated due to the volume procured through the framework;
  - Often include both further competition and direct award call-off options for consideration in appropriate circumstances;
  - May include technical and commercial support from the framework operator which reduces need for internal resources and adds value in market engagement.
- 3.8 Although it is recommended where possible to specify standard products, as this generates greatest opportunities for the application of downward competitive pressure on price, in some circumstances one off innovations are justified. These need to be backed by long life and reliability in addition to being able to meet utilisation standards. Where an innovative product is only available from a single source, a robust and fully costed business case is required to demonstrate how the proposed product delivers best value for money. This should reflect whole life cost in use compared to the standard alternatives. The Council has developed a business case (Appendix 1) that sets out this requirement.
- 3.9 The NEPO framework has been identified as most likely to deliver the best value outcome for the authority for the Refuse Collection Vehicles. This framework has the advantage of including support throughout the procurement process including with options appraisal, market engagement and the invitation to tender process. This route has also been adopted by a number of other authorities locally (e.g. Wigan) and positive customer feedback has been reported.

- 3.10 In accordance with PCR2015 and the rules governing the NEPO framework, an invitation to tender will be issued under the relevant framework Lot to the highest ranked supplier capable of meeting the requirements. This process will generate a single tender that is compliant with the technical specification required.

## 4.0 Climate Agenda

- 4.1 The climate agenda is a key priority for the Council. In 2019 the Council declared a climate emergency and stated an ambition to be Carbon Neutral by 2030. Vehicle procurement, particularly large vehicles, will be a key factor in meeting that challenge and needs to be considered as part of the procurement process.
- 4.2 As part of the wider vehicle replacement strategy there will be a request to tenderers to provide prices for alternatively fuelled vehicles and these will be evaluated along with other quotes to determine which provide the best value for money. In addition to this, there is a requirement for all suppliers to provide emission levels of all vehicles tendered for.
- 4.3 It should be borne in mind that all future vehicle purchases (where available from manufacturers) will meet the latest Euro 6 standard for exhaust emissions, introduced in 2015, which all new mass produced vehicles sold in the EU must meet, and was designed to reduce harmful pollutants from vehicle exhausts. This includes nitrogen oxides (NOx), carbon monoxide (CO), hydrocarbons (THC and NMHC) and particulate matter (PM) i.e. soot from diesel cars. The effect of reducing these pollutants can also mean improved fuel economy and lower CO2 emissions. All new replacement vehicles purchased will automatically be compliant with the GM Clean Air Zone and this includes the Refuse Collection Vehicles.
- 4.4 Currently there are few suppliers of electric vehicles, particularly HGVs, but this is a fast changing picture and the situation is likely to change in future years. As it currently stands, electric Refuse Collection Vehicles are not fully tried and tested and the support around these vehicles is still in its infancy. The selected configuration is not an electric vehicle but will meet Euro 6 standards for emissions and so will be less polluting and more fuel efficient than existing vehicles.

## 5.0 FINANCING OPTIONS

- 5.1 The total cost of the proposals is estimated to be c£2.1m and can be funded from within the funding made available in the capital programme. There are two options available to the council in procuring these vehicles: purchase and leasing. Leasing is traditionally higher cost than purchasing and this is borne out by the fact that most Authorities choose outright purchase:
- 5.2 **Outright purchase** – this has the advantage of the Council having control of its asset in terms of being able to dispose of without early termination costs. Furthermore, there are no return conditions or mileage limitations.
- 5.3 **Operator Lease** – this has been the preferred method for many years but does have the restriction of not being able to return the vehicle ahead of the lease expiry date unless outstanding annual lease payments are made. Strict

return conditions with penalties and mileage excess rates are also applied. It is also very difficult to synchronise the delivery of a new vehicle to coincide with the expiry of the lease of the vehicle to be replaced. This leads to short term extensions of leases, which can be relatively expensive. Financially this method often appears to be most advantageous but this can be misleading because it does not necessarily take account of all costs. It is also inflexible operationally.

- 5.4 It is proposed that the council proceeds on the basis of outright purchase.
- 5.5 The cost of borrowing is already factored within the council's budget and therefore these proposals will not add any further financial pressure on the council's financial strategy. Provision for some leasing costs is held at service level and will offset the costs of borrowing that were built into the council's budget from 2020/21 onwards. As part of a wider transformation of the council's financial framework, the council is seeking to centralise corporate costs including leasing and therefore the delegated budgets will be consolidated and held corporately. This will enable the council to have much greater oversight and control over its borrowing and borrowing costs.

## **6.0 CONCLUSION**

- 6.1 The proposed vehicle and plant replacement programme is necessary to ensure the continued safe and efficient operation of the Council's functions. There have been no replacements for a number of years which has meant reduced reliability, additional maintenance costs, impact on ability to deliver quality services, additional spot hire of vehicles and increased pressure on individual services and in particular the Transport and Workshop staff.
- 6.2 These problems are particularly pertinent within the waste collection service and it is therefore imperative that an order for 12 new Refuse Collection Vehicles is placed as soon as is practicably possible.

---

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

None

### **Contact Details:-**

Glenn Stuart, Head of Waste and Transport  
Neil S Long, Assistant Director Operations

# REPORT FOR DECISION



<b>DECISION OF:</b>	<b>The Cabinet</b>
<b>DATE:</b>	<b>29 July 2020</b>
<b>SUBJECT:</b>	<b>Next phase modelling of the housing development programme (part A)</b>
<b>REPORT FROM:</b>	<b>Leader and Cabinet Member for Finance and Growth</b>
<b>CONTACT OFFICER:</b>	<b>Vicky Carroll, Director of Housing</b>
<b>TYPE OF DECISION:</b>	<b>Key Decision</b>
<b>FREEDOM OF INFORMATION/STATUS:</b>	<b>For Publication</b>
<b>SUMMARY:</b>	The purpose of this report is to update cabinet on the modelling of the development program and work on likely delivery options.
<b>RECOMMENDATION</b>	<p>The Cabinet is asked to :</p> <ol style="list-style-type: none"> <li>1) Note the progress towards a business case for c500 new homes development program.</li> <li>2) Progress to the next stage of planning with a total budget of maximum of £119k taken out of reserves.</li> <li>3) To come back to cabinet later this year with a full business case for final approval for a delivery model</li> </ol>
<b>IMPLICATIONS:</b>	
<b>Corporate Aims/Policy Framework:</b>	Do the proposals accord with the Policy Framework? Yes
<b>Statement by the S151 Officer:</b>	The feasibility work to date indicates that there is merit in proceeding to "full business plan" stage. This report

<b>Financial Implications and Risk Considerations:</b>	<p>only seeks approval for the funding to work up the full business case. No further investments or commitments will be made before a full business case has been approved.</p> <p>There are key risks in any housing development scheme, including variations in interest rates, construction costs, sales and rental values, pace of development, voids, etc. (see section 7 of the main report). Other notable risks include the significant economic uncertainty in the UK at the moment resulting from Covid-19 and Brexit.</p> <p>The feasibility work to date needs to be progressed to a much more detailed level to test whether the proposals are financially viable and what the optimal delivery vehicle would be.</p> <p>It should be noted that the financials in this report do not include assumptions about the significant wider economic benefits to the borough, or other related income streams to the council (e.g. additional council tax receipts).</p> <p>It is proposed that the next stage of planning be funded from corporate reserves.</p>
<b>Equality/Diversity implications:</b>	<p>none</p>
<b>Considered by Monitoring Officer:</b>	<p>Anthony Collins Solicitors have been instructed to advise on the legality of the options available to the council to seek to deliver new housing on council owned sites to meet the shortage of both affordable and specialist accommodation in the borough. They have advised that the Council has a wide range of legal powers to develop its land in this way and there are a number of options available to be considered. A detailed business case will fully explore these options enabling member to make an informed decision on the best way forward.</p>
<b>Wards Affected:</b>	<p>All</p>
<b>Scrutiny Interest:</b>	<p>Overview and Scrutiny</p>

## **1.0 BACKGROUND**

- 1.1 There are related streams of work ongoing in parallel which provide context to and develop the case for a housing development company.
- 1.2 In March and also subsequently in May the Cabinet approved the principal of developing new homes on several council owned sites through direct development. The First Phase program, work has been progressing well and over the last few months officers have identified further sites, which subject to due diligence, could form the basis of a program of c500 new homes.
- 1.3 In April we procured external consultant support from Anthony Collins solicitors and Penningtons to help look at the options for delivery models, including that of a development company (Dec Co), to optimise the potential increased program. Anthony Collins solicitors were commissioned to review the options for legal structure and Penningtons the outline business case financial model. Penningtons ran an internal workshop with senior officers in early June to ascertain the key objectives for accelerating and expanding a development program on council owned sites.
- 1.4 In Spring Arc4 Ltd conducted the Housing Needs and Demand Assessment (HDNA) and Campbell Tickell are working on developing the Housing Strategy. Recent work on the HDNA has identified that Bury has one of the largest affordability gaps in Greater Manchester, the gap between what people earn and what income they would require to comfortably buy or rent in the Borough. The survey work demonstrated that we are also seeing the housing market failing to provide in several of our townships. The emerging HDNA results have fed into the outline business case for a development company.
- 1.5 We are currently developing the Bury 2030 strategy, and supported through work led by the Business and Growth Initiative Directorate, we are developing a strategic place making approach in Bury to regenerate in several areas and link into other key stakeholder investment work. It is known that integral to this work is new build housing development, for instance The Radcliffe Strategic Framework, currently out for public consultation, includes within it several key housing sites which are owned by the Council

## **2.0 Introduction**

- 2.1 The HDNA provides a clear evidence base to increase the numbers of new build housing being delivered in the Borough. In the past the Council has tried to increase housing delivery through working with partners such as Registered Providers and Commercial Developers as well as building directly through the Six Town Housing. Since 2017 the Council have directly developed a small program of new build homes including Mayfair gardens and Radcliffe Times.
- 2.2 There are many different approaches that Bury could adopt to achieve the interventions we want to see. As the smallest GM authority, we do not have a track record of delivering joint ventures for housing sites, previously we have taken more traditional routes of disposing of housing land for others to develop. We have some experience of direct development and we are growing

our expertise in this area. This paper sets out the case for seeking to use our financial capacity to develop directly on our own housing land to retain control of quality, capture profit, attract grant and drive delivery.

- 2.3 The Council currently has a small development program of new build homes and we have Homes England Partnership status. We directly bid and access grant funding from Homes England and fulfil all their regulatory requirements. To help to increase the required supply of new homes we can expand this development program and consider building via a variety of models including that of a Dev Co. This paper sets out the work that has been completed so far and what is required in the next stage.
- 2.4 The Council has identified five brownfield sites in its ownership and these together with others in the Council ownership have the potential to deliver up to 600 new homes, of which c230 are on the brownfield sites.
- 2.5 The Council owns a wholly owned company limited by guarantee, Six Town Housing Ltd (STH) that is an arm's length management organisation responsible for managing the Councils housing stock. Within the Management Agreement, the development of new affordable housing is a function retained by the Council.
- 2.6 The Council envisages the STH will have a role in managing any rental properties. It may also have a role in the development, sale of any for sale properties, including shared ownership.
- 2.7 The Council has Partnership Status with Homes England and can access grant funding.

### **3.0 Bury Housing Development Program Primary Objectives**

- 3.1 An internal workshop run by external consultants with senior executive officers, concluded that primary driver for expanding the housing development program and potentially setting up a Bury Dev Co was to meet strategic housing objectives, profit was a nice to have but not the focus.
- 3.2 The main recommended primary objectives for accelerating and expanding the development program are-
  - To ensure that new housing is built in the Borough
  - Meet identified need for housing in the borough that would otherwise not be addressed by the market
  - Provide a range of housing products and tenures, including specialist accommodation, to help close the Bury affordability gap and increase the number residents in higher quality new homes in the Borough
  - Contribute to meeting the Council's carbon neutral 2030 policy goal
  - Support place shaping regeneration in the town centres and neighbourhoods

The main housing products referenced in the objectives, that can assist our residents, are explained in the table below (along with a description of the current respective roles of the Council and STH with regards each).



Product	What it is	STH	Bury
Shared Ownership	Customer can part buy a property in "tranches", they get a mortgage for each tranche, first tranche sales can be anywhere between 25% - 75% of the property and the customer pays rent on the remaining element. Once living in the property they can stair-case up (buy more shares, up to a full 100% ownership)	Collect the rent element, manage the leaseholder agreement, manage service charges	Apply for grant funding, build and sell the properties raise the building insurance, manage further sales through stair - casing (buying more shares in the property, up to a full 100% ownership)
❖ Rent to Buy	Customer rents a property at below market value then have option to buy after year five.	Collect the rent, manage the tenancy, and manage services and service charges.	Apply for grant funding, build and sell the properties
Affordable Rent	Affordable Rent 80 % of market rent	Collect the rent element, manage the tenancy and services charges	Apply for grant funding, build the properties
❖ Market sale	Properties sold on the open market		Sell the properties

❖ Bury has not yet developed these products

NB All new build homes are built and financed by the Council, we then contract STH to manage the rental properties and elements of the service on sales homes on our behalf.

#### 4.0 Options for delivery

4.1 Anthony Collins Solicitors consider a number of potential options including delivering a housing development program c500 new homes over 5 years.

4.2 Their comprehensive legal report considered the five main options below

Option 1	Do nothing
Option 2	Prepare the Sites – remediation works/infrastructure works and possibly obtain planning permission. Sell the sites to either a private developer or in accordance with Options 4 and 5.
Option 3	Develop the Sites directly: <ul style="list-style-type: none"> <li>• retain the social rent properties (or dispose of to STH or another RP);</li> <li>• dispose of affordable rent properties to STH or another RP;</li> <li>• dispose of the market for sale properties directly (potentially with assistance from STH or a private agency);</li> <li>• dispose of the sub-market for sale properties directly (e.g. if just a direct sale at less than best consideration) or to STH to manage a shared ownership arrangement;</li> <li>• dispose of the private market rental properties (including sub-</li> </ul>

	market but not social/affordable rent) to STH or Rent Co.
Option 4	<p>Dev Co develops the Sites:</p> <ul style="list-style-type: none"> <li>• the Council disposes of the Sites to Dev Co;</li> <li>• Dev Co procures the developer and possibly contracts with the Council and/or STH for services to support the development;</li> <li>• the contractor develops the Sites on behalf of Dev Co;</li> <li>• Dev Co sells the social/affordable rent tenure properties and any sub-market sale shared ownership properties to STH;</li> <li>• Dev Co sells the market sale and sub-market non-shared ownership sale properties directly;</li> <li>• Dev Co sells the private market rental units (including where they may be let at sub-market rents but are not social/affordable rent) to Rent Co.</li> </ul>
Option 5	<p>A variation on Option 4, the Council sells:</p> <ul style="list-style-type: none"> <li>• the land for private market rental units (including sub-market rents that are not social/affordable rent) to Rent Co;</li> <li>• the land for social rent/affordable rent and sub-market sale shared ownership properties to STH; and</li> <li>• the land for private market sale and sub-market direct sale to Dev Co.</li> </ul> <p>STH and Rent Co enter into a development services agreement with Dev Co for the development of their portions of the Site. Dev Co lets a contract for development.</p>

- 4.3 Options 4 and 5 reference setting up a Dev Co, these have a variety of benefits including, providing a VAT shelter reducing overall costs; enabling agility to move in commercial market conditions; control quality and speed of delivery. When developing on Council owned land they can also assist reducing profit leakage to private commercial developers.
- 4.4 Currently several LAs in GM and the surrounding areas that have or are exploring setting up Dev Co's to progress their strategic housing ambitions to specifically deliver more new build housing this includes Manchester, Salford, Rochdale, West Lancs, Stockport and Wigan. We have been in touch with them all and have begun early discussions about how we can work together strategically to help deliver, this could be through bespoke procurement framework, sharing market intelligence and even working on joint projects such as specialist housing provision.

## **5.0 Financial Implications & Risk**

- 5.1 All development schemes carry some risks. In general terms, the risks that we will face can be categorised as follows:

Main Risks	Tactical Risks
<ul style="list-style-type: none"> <li>•Costs of construction (e.g. ground issues, quality, etc)</li> <li>•Price (e.g. sales and/or rental risk; volume and pace of sales)</li> <li>•Market need and demand (i.e. fundamental mistakes in assessing the market)</li> <li>•Costs of operation (e.g. routine maintenance, major works)</li> <li>•Finance (not as much of an issue in or case, borrowing from PWLB)</li> </ul>	<ul style="list-style-type: none"> <li>•Tax</li> <li>•Loss of stock (e.g. Right to Buy, future changes to government legislation, etc.)</li> <li>•Financial modelling (e.g. modelling assumptions materially inaccurate)</li> <li>•Risk transfer failure (e.g. failures in contract, warranty, indemnity, etc.)</li> <li>•Change in building standards (e.g. change in legislation/ government policy such as standards and rent regulations)</li> <li>•Board governance (passing decision making powers to another board/ group of people)</li> </ul>

5.2 Risks such as 'price' and 'market need and demand' increase in correlation to profit requirements and/or numbers of sales required to subsidise sub-market rent housing. Risks such as 'cost of construction' can vary significantly from site to site. As we are currently looking at brown field sites, these risks are inherently higher than on clean sites.

5.3 Other risks tend to apply consistently across all scenarios. The mitigation for these risks includes:

- Robust financial assumptions, models and appraisals
- Expert advice (legal, tax, QS, architects, housing market assessment, etc)
- In built flexibility (e.g. ability to transfer "for sale" properties to market rents)
- Use of appropriate partner (e.g. STH) to operate/maintain properties
- Appropriate governance arrangements

These will all need to be covered in detail in the full business case.

5.4 There are inherent risks with developing new homes that we would continue to manage through widely used design and build contracting arrangements and specialist housing frameworks designed to manage and mitigate key risks through the design, development and defects stages.

5.5 Where risk on individual sites is considered high we would retain the ability to do joint ventures with developer partners that may limit the risk in terms of cost of remediation or number of homes for sale.

## 6.0 Next Steps

6.1 The next phase of the work will procure detailed advice on the accounting treatment and implications for the Council for Dev Co structure options. We will review the recommended proposed company structures for optimum delivery of the project, governance and risk mitigation and get external assurance of the current Council financial model for the proposed development in terms of

assumptions made and proposed phasing for investment and return. We will model the housing development program with a level of sophistication that will allow us to see the relative profitability across several investment measures, including internal rate of return.

## 6.2 The next phase of work will require a budget as outlined below

Item	Detail	Budget
Financial Services	Advice on the accounting treatment and implications for the Council for the proposed housing company structure options: a. Reviewing the proposed company structure for optimum delivery of the project, governance and risk mitigation, b. Providing advice on the accounting treatment for the Council and any trading companies in terms of balance sheet including borrowing /minimum revenue provision, and c. Initial assurance review of the current Council financial model for the proposed development in terms of assumptions made and proposed phasing for investment and return.	£30-£40k
	Continued financial modelling assurance and programme level management and oversight.	£30-£40k
	Development finance, RICS valuation and market assessment expertise on scheme modelling, due diligence on sites, valuation and market assessments on phase 2 sites if required	£10-£20k
Legal Services	Adjustments to structure as required	£4k
Site Due Diligence	Budget for investigation work if required for phase 2 sites	£15k
Overall Total		£89-119k

## 7.0 CONCLUSION AND RECOMMENDATIONS

- 7.1 Further work is required on the financial detail of both the delivery models and the capacity to meet the overall ask of the program. To progress we need to procure specialist financial advisors to support the project team. We can use the next few months to further increase the due diligence on sites, by expanding the work on phase one to include sites in a phase two program.
- 7.2 It is recommended to progress this work and to return to Cabinet later in the year with a business case for how to take the development program forward.
- 7.3 A budget of up to £119k has been identified from 2020/21 corporate reserves. It is recommended that this budget is used to procure support and advice for the full business case; and that it be monitored and decisions in its regard be signed off by the Joint CFO and Chief Executive.

**Contact Details:-**

*Vicky Carroll*  
*Director of Housing*  
[v.carroll@bury.gov.uk](mailto:v.carroll@bury.gov.uk)  
07834 382705

This page is intentionally left blank

# REPORT FOR DECISION



<b>DECISION OF:</b>	<b>Cabinet</b>
<b>DATE:</b>	<b>29<sup>th</sup> July 2020</b>
<b>SUBJECT:</b>	<b>Local Outbreak Plan Resource Proposal</b>
<b>REPORT FROM:</b>	<b>Cllr Andrea Simpson</b>
<b>CONTACT OFFICER:</b>	<b>Lesley Jones, Director of Public Health</b>
<b>TYPE OF DECISION:</b>	<b>CABINET KEY DECISION</b>
<b>FREEDOM OF INFORMATION/STATUS:</b>	Public Domain
<b>SUMMARY:</b>	<p>The Council is responsible for the development and implementation of a Local Outbreak Management Plan to manage the transmission of COVID-19 in Bury. A Government grant of £1.08m has been provided to support delivery.</p> <p>This paper describes the additional capacity required to respond to the next stage of the pandemic in Bury and proposes how the £1,080,000 should be deployed.</p>
<b>OPTIONS &amp; RECOMMENDED OPTION</b>	<ol style="list-style-type: none"> <li>1) Cabinet is recommended to support the expenditure above against the received funding of £1,080,000</li> <li>2) Cabinet is recommended to be prepared to receive a further proposal on necessary expenditure if required.</li> </ol>
<b>IMPLICATIONS:</b>	
<b>Corporate Aims/Policy Framework:</b>	Do the proposals accord with the Policy Framework? Yes

<b>Statement by the S151 Officer: Financial Implications and Risk Considerations:</b>	The council has received £1.08m grant from the £300m national “test and trace service” funding announced on 22 May. These funds were granted to develop tailored outbreak control plans, working with local NHS and other stakeholders. The proposals in this paper fall within the scope and envelope of the £1.08m. Any future requirement for enhanced funding will be subject to additional approvals.
<b>Equality/Diversity implications:</b>	N/A
<b>Considered by Monitoring Officer:</b>	Yes  The Council has legislative duties and responsibilities for the delivery and management of public health in relation to outbreaks of communicable diseases and the Director of Public Health has and retains primary responsibility for the health of their communities. This includes being assured that the arrangements to protect the health of the communities that they serve are robust and are implemented. This report sets out proposals to support those ongoing obligations, which are being met via Bury’s Local Outbreak Plan.
<b>Wards Affected:</b>	All
<b>Scrutiny Interest:</b>	

**TRACKING/PROCESS****DIRECTOR:**

Joint Executive Team/CCMT	Cabinet Member/Chair Briefed	Ward Members (if necessary)	Partners
01.07.20	27.07.20		
Scrutiny Committee	Other Committee	Council	Comms

**1.0 BACKGROUND**

The Council is responsible for the development and implementation of a Local Outbreak Management Plan to manage the transmission of COVID-19 in Bury. A



grant of £1.08m has been provided to support delivery.

## 2.0 ISSUES

The attached paper describes the proposal for what is considered to be the best utilisation of the funding available.

A number of additional posts are identified that maybe required depending on the likely course of the pandemic should further funding become available to support prevention and outbreak management.

The Covid-19 Health Protection Board will keep the situation under review and report back to Gold Command and Cabinet if necessary.

For information the inclusion of the above commitments would have created an over-commitment of the budget of 42% (£1,534,107 against £1,080,000),

## 3.0 CONCLUSION

Cabinet is asked to approval the Local Outbreak Plan Resource Proposal for allocation of the £1.08m grant and be prepared to receive a further proposal on necessary expenditure if required.

---

### List of Background Papers:-

Local Outbreak Plan Resource Proposal

### Contact Details:-

*Lesley Jones, Director of Public Health*  
*[l.jones@bury.gov.uk](mailto:l.jones@bury.gov.uk)*

This page is intentionally left blank

## Resourcing the Local Outbreak Plan.

### 1. Introduction

Bury locality has received an additional budget of £1,080,000 to deal with the specific arrangements put in place to manage the spread of the SARS-CoV-2 virus (COVID-19), through the management of the “Test, Trace, Contain and Enable” in Bury.

This paper describes the additional capacity required to respond to the next stage of the pandemic in Bury and proposes how the £1,080,000 should be deployed.

The paper recognises that additional steps may be required to respond to further demand. These steps will include for example additional redeployment of capacity into critical roles. There may be a further request for resource requirements in due course, and this paper indicates current thinking on where that additional capacity may be required.

The position will be kept under close review and by the COVID 19 Health Protection Board and the Gold meeting.

### 2. Resource requirements

The following positions are required to enable the locality to deal with the anticipated activity. Additionally, a proportion of this budget has been ringfenced for GM-wide requirements, including a Case Management System.

#### 2.1 Health Protection Team

The core of Bury’s response to COVID-19 will be an enhanced Infection Control Team. This will require at least five extra full-time equivalent (FTE) staff to provide sufficient capacity for outbreak and situation management, as well as proactive health protection engagement with key sectors (such as advice on infection control measures and training on PPE use where appropriate). The costs per annum associated with this are estimated as £186,383, broken down as:

- 12 months for LA grade 10 (band plus on-costs) at £28,785 + £8,4912 x5 = £186,383

There is also a requirement for two administrative staff to support the work undertaken by the Health Protection Team, at a rate of Bury Council grade 9. These posts would be fixed term for 12 months minimum. The expected cost per annum is £65,514, broken down as:

- 12 months for Grade 9 (band plus on costs): £25,295 + £7,462 x2 = £65,514

#### 2.2 Data analytics

A joint COVID-19 Data Cell will support the analysis and track and trace of Coronavirus outbreaks in Bury going forward. This cell will be headed up by Helen Smith (Bury Council) and Angela Partington (Bury CCG). There is a requirement of two additional staff to support this work:

- 1 Senior Analyst at NHS band 7
- 1 Performance Analyst at LA grade 10

These posts would be fixed term for 12 months minimum. The Senior Analyst will be responsible for standardising Bury COVID data, developing into a data warehouse and providing analytics. The Performance Officer will support them in terms of collating information, pulling together reports, etc. where required – such as for the Outbreak group, etc. – and will be line managed by the Senior Analyst. The expected cost per annum is £90,234, broken down as:

- 12 months for Band 7 (band plus on costs): £40,894 + £12,064 = £52,958
- 12 months for Grade 10 (band plus on costs): £28,785 + £8,492 = £37,277

## 2.3 Compliance & Enforcement

There is a requirement for five additional Environmental Health Officers/Practitioners to support the work undertaken as part of the Compliance and Enforcement teams, by tracking down vulnerable and itinerant contacts. These staff would be fixed term for 12 months minimum at a rate of Bury Council grade 12. The expected cost per annum is £225,252, broken down as:

- 12 months for grade 12 (band plus on costs): £34,788 + £10,262 x5 = £225,252

## 2.4 Communications and Engagement

Communications is a central part of outbreak and infectious disease control. Bury's COVID-19 response will require both proactive communications, such as reinforcing adherence to social distancing rules and infection control measures and compliance with requests to isolate, and reactive communications, such as in the event of an outbreak. There is a requirement for a full-time Comms Lead to enable this work to progress appropriately. The expected cost per annum is £42,963, broken down as:

- 12 months for NHS band 6 (band plus on costs): £33,176 + £9,787 = £42,963

To ensure guidance, advice and wider information can be shared in a timely manner, with the relevant stakeholders, it is proposed to allocate £40,000 to the Communications & Marketing team for relevant materials.

## 2.5 Testing – Quality &CHC Team

The Quality and CHC teams (Nursing, Quality and Improvement Directorate) require support with the testing element of the Local Outbreak Plan. The Business Support Officers would be responsible for the administration of the Waterfold testing site, commissioning administration support for all aspects of testing commissioned through BARDOC and other providers to meet the national testing strategy. The expected cost per annum is £ £69,852, broken down as:

- 12 months for Band 5 (band plus on costs): £26,970 + £7,956 x2 = £69,852

## 2.6 Business

Additional capacity is required within the regulatory teams to support business engagement. This post will assist in supporting BAME businesses to be Covid-compliant and have the confidence to operate safely, which will give confidence to customers. There is currently a BAME Businesses Engagement Officer in post through ADAB; it has been requested the funding for this role is moved to this budget for the work emerging around employment and skills, and the potential rise in unemployment and redundancies in the economy.

- The current cost for this role is £30,000 per annum.

## 2.7 Community Hubs

The Community Hubs are a central part in the management of Covid-19 outbreaks in Bury. There is a requirement of 12 additional staff to support this work:

- 5 Neighbourhood Hub Managers at LA grade 15
- 2 Community Engagement Officers at LA grade 8

These posts would be for an initial 12 months and the expected cost per annum is £334,549, broken down as:

- 12 months for grade 15 (band plus on costs): £42,683 + £12,592 x5 = £276,372
- 12 months for grade 8 (band plus on costs): £22,462 + £6,626 x2 = £58,177

## 2.8 Associated Costs

Alongside the above detailed costs, additional costs to allow staff to work appropriate will also need to be considered.

IT equipment for the Data, Support, Comms, and Health Protection Team staff. The expected cost is approximately £32,196 for 29 staff (£1110 per person), broken down as:

- |                                    |         |
|------------------------------------|---------|
| - X390 8GB Laptop                  | £824.75 |
| - USB Mouse                        | £10.39  |
| - Topload Case                     | £17.46  |
| - USB Keyboard                     | £19.40  |
| - Enterprise Licence (ICT)         | FOC     |
| - Res Licence (ICT)                | £80.00  |
| - Philips USB-C Dock Monitor (SCC) | £158.22 |

For the additional Community Hub staff, alongside the above highlighted cost, there is also an additional cost for IT equipment of approximately £2,520, broken down as:

- |                         |         |
|-------------------------|---------|
| - Data Sims             | £60.00  |
| - Mobile Phones         | £120.00 |
| - Mobile Data and Voice | £30.00  |

Personal Protective Equipment, dependant on whether staff must be in direct contact with the public. Bury Council have an account with Arco and costs will be based on requirements rather than a set sum.

An allocation of 10% (£108,000) of the budget to a contingency fund to manage unforeseen circumstances.

## 2.9 GM Pooled Budget

Greater Manchester Health & Social Care have submitted their costs under Covid-19 management and allocated fair share contributions within the Greater Manchester localities. For Bury, this means a request has been made of £81,391 of the total cost. These monies will ensure the following are in place within the GM Contact Tracing Hub for the next 12 months:

- |                                       |               |
|---------------------------------------|---------------|
| - 17 Covid-19 Case Workers            | (NHS band 6)  |
| - 1 Service Manager                   | (NHS band 8b) |
| - 1 Volunteer & Training Co-ordinator | (NHS band 7)  |
| - 1 Analyst / Performance Manager     | (NHS band 7)  |
| - 1 Project Support Officer           | (NHS band 5)  |
| - 1 Business Support Officer          | (NHS band 4)  |

- Bank Staff (Surge Capacity)
- GM eLearning Modules
- Peripheral Training Costs
- Case Management Platform
- 25 Dynamix Licences
- Contingency (10%)

### 3. Summary of Proposed Expenditure

The proposals above are summarised in the table below and demonstrate the full utilisation of the available budget.

Cost Area	Post/Resource	Number/FTE	Grade/Band	Salary/Expense	On Costs	Total	% of Budget
Business	BAME Businesses Engagement Officer	1 FTE	Fee	£25,000	£5,000	£30,000	2.78%
Communications	Comms lead	1 FTE	6 (band)	£33,176	£9,787	£42,963	3.98%
Communications	Materials	N/A	N/A	£29,160	£-	£29,160	2.70%
Compliance	EH Officer/EH Practitioner	4 FTE	12 (grade)	£139,152	£41,050	£180,202	16.69%
Data	Performance Analyst	1 FTE	10 (grade)	£28,785	£8,492	£37,277	3.45%
Data	Senior Analyst	1 FTE	7 (band)	£40,894	£12,064	£52,958	4.90%
GM	Pooled budget	N/A	N/A	£81,391	£-	£81,391	7.54%
Health Protection Team	Infection Control Nurse/Practitioner	5 FTE	10 (grade)	£143,925	£42,458	£186,383	17.26%
Health Protection Team	Admin	2 FTE	9 (grade)	£50,590	£14,924	£65,514	6.07%
Hubs	Hub Managers	5 FTE	15 (grade)	£213,415	£62,957	£276,372	25.59%
Hubs	Engagement Officers	2 FTE	8 (grade)	£44,924	£13,253	£58,177	5.39%
IT Equipment	Laptops, monitors, keyboards, mice, and licences	14	£1,110.20	£15,543	£-	£15,543	1.44%
System-wide	Contingency	2%	N/A	£24,061	£-	£24,061	2.23%
<b>Total</b>						<b>£1,080,000</b>	<b>100.00%</b>

### 4. Potential Additional Requirements

The proposals above are considered to be the best utilisation of the available funding. Were more funding available, and depending on the likely course of the next phase of the pandemic the additional posts required are currently considered to be the following:

- 5 Community Connectors. In the meantime we will look to fulfilling these roles in alternative ways, using a more community-led approach which builds on the Community Connectors within the Beacon Service, the Community Collaborators developed through the Kind Bury Movement, and the role of the VCFA;
- Testing Business Support Officers. In the meantime we will be alert to alternative funding may become available for Testing.
- Removal of one Environmental Health officer - recognising the inclusion of a BAME Business Engagement Officer who focuses on compliance work.
- Reduction in in the contingency and communications budget & reduce the staffing is proposed

For information the inclusion of the above commitments would have created an over-commitment of the budget of 42% (£1,534,107 against £1,080,000), as can be seen in the table below.

Cost Area	Post/Resource	Number/FTE	Grade/Band	Salary/Expense	On Costs	Total	% of Budget
Business	BAME Businesses Engagement Officer	1 FTE	Fee	£ 25,000	£ 5,000	£ 30,000	2.78%
Communications	Comms lead	1 FTE	6 (band)	£ 33,176	£ 9,787	£ 42,963	3.98%
Communications	Materials	N/A	N/A	£ 40,000	£ -	£ 40,000	3.70%
Compliance	EH Officer/EH Practitioner	5 FTE	12 (grade)	£ 173,940	£ 51,312	£ 225,252	20.86%
Data	Performance Analyst	1 FTE	10 (grade)	£ 28,785	£ 8,492	£ 37,277	3.45%
Data	Senior Analyst	1 FTE	7 (band)	£ 40,894	£ 12,064	£ 52,958	4.90%
GM	Pooled budget	N/A	N/A	£ 81,391	£ -	£ 81,391	7.54%
Health Protection Team	Infection Control Nurse/Practitioner	5 FTE	10 (grade)	£ 143,925	£ 42,458	£ 186,383	17.26%
Health Protection Team	Admin	2 FTE	9 (grade)	£ 50,590	£ 14,924	£ 65,514	6.07%
Hubs	Community Connectors	5 FTE	12 (grade)	£ 173,940	£ 51,312	£ 225,252	20.86%
Hubs	Hub Managers	5 FTE	15 (grade)	£ 213,415	£ 62,957	£ 276,372	25.59%
Hubs	Engagement Officers	2 FTE	8 (grade)	£ 44,924	£ 13,253	£ 58,177	5.39%
IT Equipment	Data packs for Hub staff	12	£ 210.00	£ 2,520	£ -	£ 2,520	0.23%
IT Equipment	Laptops, monitors, keyboards, mice, and licences	29	£ 1,110.20	£ 32,196	£ -	£ 32,196	2.98%
System-wide	Contingency	10%	N/A	£ 108,000	£ -	£ 108,000	10.00%
Testing	Business Support Officer	2 FTE	5 (band)	£ 53,940	£ 15,912	£ 69,852	6.47%
<b>Total</b>						<b>£ 1,534,107</b>	<b>142.05 %</b>

The Covid-19 Health Protection Board will keep the situation under review and report back to Gold Command and Cabinet if necessary.

## **Recommendation**

- 1) Cabinet is recommended to support the expenditure above against the received funding of £1,080,000
- 2) Cabinet is recommended to be prepared to receive a further proposal on necessary expenditure if required.





This page is intentionally left blank

Document is Restricted

This page is intentionally left blank

Document is Restricted

This page is intentionally left blank

Document is Restricted

This page is intentionally left blank